Mettle Investments Limited

(formerly Mettle Investments Proprietary Limited)
(Incorporated in South Africa on 30 January 2008)
(Registration number 2008/002061/06)
Share code: MLE, ISIN: ZAE000257622
("**the Company**" or "**Mettle Investments**")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 4 of this Pre-listing Statement apply to this cover page.

This Pre-listing Statement has been prepared and issued in compliance with the Listings Requirements for the purpose of providing information to the public and investors in respect of Mettle Investments. This Pre-listing Statement has been prepared on the basis that the Restructure and Distribution shall become effective and be implemented by or on the day of Listing. This Pre-listing Statement is not a prospectus and is not an invitation to the general public to subscribe for Mettle Investments Shares.

The JSE has granted Mettle Investments a listing by way of introduction in respect of all of its Mettle Investments Shares in the Speciality Finance Sector on the Altx under the abbreviated name "Mettle", share code "MLE" and ISIN: ZAE000257622, with effect from the commencement of business on or about Wednesday, 23 May 2018 or such later date as granted by the JSE.

Based on the Tradehold share register as at the Last Practicable Date, 25.54% of Mettle Investments Shares will be held by public shareholders.

At the Listing Date:

- the authorised share capital of Mettle Investments will comprise 500,000,000 Mettle Investments Shares with no par value. The Company does not have another class of shares;
- the issued share capital of Mettle Investments will comprise 247,174,375 Mettle Investments Shares with no par value;
- the stated capital of Mettle Investments will amount to approximately R545,772,938; and
- the Company does not have any treasury shares in issue.

The Directors, whose names are given on the inside front cover of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained herein and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law and the Listings Requirements.

The independent reporting accountants and each of the advisors and experts, whose names appear in the "Corporate Information" section of this Pre-listing Statement, have given and have not, prior to the formal approval of this Pre-listing Statement by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be released on SENS on Monday, 14 May 2018 and published in the press on Tuesday, 15 May 2018.

Salient dates and times relating to the Listing	**2018**
Abridged Pre-listing Statement published on SENS on	Monday, 14 May
Last day to trade for Tradehold Shareholders to be entitled to participate in the Distribution on	Tuesday, 22 May
Anticipated Listing Date on Alt^x	Wednesday, 23 May

All times referred to in this Pre-listing Statement are times in South Africa. Any changes to the foregoing dates and times will be released on SENS.

Designated advisor — questco CORPORATE ADVISORY

Joint financial advisor — RMB A division of FirstRand Bank Limited. Traditional values. Innovative ideas.

Joint financial advisor — mettle

Legal advisor — CDH CLIFFE DEKKER HOFMEYR

Joint independent reporting accountants — pwc

Auditor and joint independent reporting accountants — BDO

This Pre-listing Statement is only available in English and copies thereof may be obtained during normal business hours from the date of issue of this Pre-listing Statement, for a period of 10 Business Days thereafter, from Mettle Investments, the designated advisor, Questco Corporate Advisory Proprietary Limited and Rand Merchant Bank, a division of FirstRand Bank Limited, at their respective physical addresses which appear in the "Corporate Information" section on the inside front cover of this Pre-listing Statement or on the Company's website at www.mettleinvestments.com.

Date of issue: Monday, 14 May 2018

CORPORATE INFORMATION OF METTLE INVESTMENTS

Registered office of Mettle Investments
1st Floor, FedGroup Place
Willie van Schoor Avenue
Bellville, 7530
South Africa

Directors

Executive
Hendrik Frederik Prinsloo *(Chief executive officer)*
Thomas More Flannery
Justin John Rookledge *(Chief financial officer)*

Independent Non-Executive
Hermanus Roelof Willem Troskie *(Lead independent director)*
Marco Van Zyl Wentzel
Bruce Andrew Chelius

Non-Executive
Friedrich Hans Esterhuyse *(Chairman)*

Joint financial advisor
Rand Merchant Bank, a division of FirstRand Bank Limited
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Designated advisor
Questco Corporate Advisory Proprietary Limited
(Registration number 2011/106751/07)
Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive, Bryanston, 2191

Legal advisor
Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Auditors and joint independent reporting accountants
BDO Cape Incorporated
(Registration number 2010/016204/21)
6th Floor 119 – 123 Hertzog Boulevard
Foreshore, Cape Town, 8001
(PO Box 2275, Cape Town, 8000)

Place and date of incorporation
South Africa, 30 January 2008

Company Secretary
Mettle Corporate Finance Proprietary Limited
(Registration number 2011/102921/07)
36 Stellenberg Road
Parow Industria
Cape Town, 7493
(PO Box 3991, Tygervalley, 7536)

Joint financial advisor
Mettle Corporate Finance Proprietary Limited
(Registration number 2011/102921/07)
36 Stellenberg Road
Parow Industria
Cape Town, 7493
(PO Box 3991, Tygervalley, 7536)

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

Joint independent reporting accountants
PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
5 Silo Square
V&A Waterfront
Cape Town, 8002
(PO Box 2799, Cape Town, 8000)

SALIENT DATES AND TIMES RELATING TO THE LISTING

The definitions and interpretations commencing on page 4 of this Pre-listing Statement apply to this section on salient dates and times relating to the Listing.

	2018
Publication of declaration information on	Tuesday, 8 May
Abridged Pre-listing Statement and finalisation announcement published on SENS on	Monday, 14 May
Abridged Pre-listing Statement published in the press on	Tuesday, 15 May
Pre-listing Statement posted to Tradehold Shareholders on	Wednesday, 16 May
Last day to trade for Tradehold Shareholders to be entitled to participate in the Distribution on	Tuesday, 22 May
Anticipated Listing Date of Mettle Investments on Alt^X at commencement of trade at 09:00 on	Wednesday, 23 May
Tradehold Shares commence trading "*ex*" their entitlement to the Distribution on	Wednesday, 23 May
Tax apportionment in respect of the Distribution released on SENS by 11:00 on	Thursday, 24 May
Record date for the Distribution on	Friday, 25 May
Mettle Investments Shares credited to the accounts of Tradehold Shareholders at their CSDPs/Brokers on	Monday, 28 May

Notes:

1. All times referred to in this Pre-listing Statement are times in South Africa.
2. The dates and times are subject to amendment, and any changes to the foregoing dates and times will be released on SENS.
3. Tradehold Shares may not be Dematerialised or rematerialised between Wednesday, 23 May 2018 and Friday, 25 May 2018, both days inclusive.

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DEFINITIONS, GLOSSARY AND INTERPRETATIONS

In this Pre-listing Statement, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender include the other genders and references to a person include juristic persons and associations of persons and *vice versa*:

"Act" or **"Companies Act"**	the Companies Act, 2008 (Act 71 of 2008), as amended;
"Alt^{X}"	the Alternative Stock Exchange of the JSE;
"BDO"	BDO Cape Incorporated, registration number 2010/016204/21, the auditor and joint independent reporting accountants to the Company and accredited in terms of the Listings Requirements (Practice number 970879), full details of which are set out in the 'Corporate Information' section of this Pre-listing Statement;
"B-BBEE Act"	the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended;
"B-BBEE"	the economic empowerment of all Black people, including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies as defined in the B-BBEE Act;
"Board of Directors" or **"the Board"** or **"the Directors"**	the present board of directors of Mettle Investments, as detailed in paragraph 4.1 of this Pre-listing Statement and **Annexure 19** to this Pre-listing Statement;
"Broker" or **"Stockbroker"**	any person registered as a "broking member (equities)" in terms of the Rules of the JSE made in accordance with the provisions of the FMA;
"Business Day"	any day other than a Saturday, Sunday or gazetted national public holiday in South Africa;
"Certificated Shares"	shares which have not been dematerialised, title to which is represented by a share certificate or other Documents of Title;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"Company Secretary"	Mettle Corporate Finance Proprietary Limited, registration number 2011/102921/07, a limited liability private company duly incorporated in accordance with the laws of South Africa, full details of which are set out in the 'Corporate Information' section of this Pre-listing Statement;
"CSDP"	a central securities depository participant, accepted as a participant in terms of the FMA, appointed by an individual shareholder for purposes of, and in regard to, the Dematerialisation of Documents of Title for purposes of incorporation into Strate;
"Dematerialisation" or **"Dematerialising"**	the process by which Certificated Shares are or are to be converted into electronic form under Strate for trading on the JSE;
"Dematerialised Shareholders"	holders of Dematerialised Shares;
"Dematerialised Shares"	shares which have been dematerialised;
"Distribution"	the proposed distribution of all the issued Mettle Investments Shares by Tradehold in the ratio of 1 Mettle Investments Share for every 1 Tradehold Share held, in the form of a distribution *in specie* to Tradehold Shareholders;

"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Tradehold;
"Earnings Per Share" or **"EPS"**	earnings attributable to each share, calculated by dividing a company's profit attributable to its shareholders by the weighted average number of issued shares of that company;
"Emigrant"	an emigrant from South Africa whose address is outside the Common Monetary Area;
"Exchange Control Regulations"	the South African Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"FMA"	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
"Foresight"	Foresight Group LLP, a private equity and venture capital firm established in the United Kingdom in 1984;
"GBP" or **"£"**	pound sterling, the official currency of the United Kingdom of Great Britain and Northern Ireland;
"G-Pay"	Incatorque Proprietary Limited, registration number 2011/003109/07, a limited liability private company duly incorporated in accordance with the laws of South Africa, trading as "G-Pay", in which Mettle Investments has a 50% shareholding before and after the Restructure and classified as a joint venture in accordance with IFRS 11;
"GraySwan"	Gray Swan Financial Services Proprietary Limited, registration number 2010/009813/07, a limited liability private company duly incorporated in accordance with the laws of South Africa, in which Mettle Investments is a 50% shareholder before and after the Restructure and classified as a joint venture in accordance with IFRS 11;
"Group"	Mettle Investments and its Subsidiaries and investments prior to the Restructure and after the Restructure, including but not limited to Reward and Mettle Solar Africa, as set out in paragraphs 3.2 and 3.3;
"IFRS"	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board, International Financial Reporting Interpretations Committee and International Accounting Standards, and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee;
"Income Tax Act"	the South African Income Tax Act, 1962 (Act 58 of 1962), as amended;
"JSE"	the stock exchange operated by the JSE Limited, registration number 2005/022939/06, a public company incorporated in South Africa and licensed as an exchange under the FMA;
"King IV"	the fourth edition of the King Report on Corporate Governance which was published by the South African Institute of Directors on 1 November 2016;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Pre-listing Statement, being Tuesday, 24 April 2018;
"Lendcor"	Lendcor Proprietary Limited, registration number 1998/013565/07, a limited liability private company duly incorporated in accordance with the laws of South Africa, in which Mettle Investments has a non-controlling, effective shareholding of 64.9% before and after the Restructure;
"Listing"	the listing of all the issued Mettle Investments Shares by way of a primary listing on the Alt^{X};

"Listing Date"	the anticipated date of Listing, expected to be Wednesday, 23 May 2018;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"LSM"	Living Standards Measure is a means of segmenting the SA market according to individuals' living standards using criteria such as degree of urbanisation and ownership of assets;
"Major Subsidiary"	a Subsidiary that represents 25% or more of total assets or revenue of the Company, based on the latest published interim or year-end financial results, namely Reward;
"Mauritius"	the Republic of Mauritius;
"MCS"	Mettle Credit Services Proprietary Limited, registration number 2003/011957/07, a limited liability private company duly incorporated in accordance with the laws of South Africa, in which Mettle Investments holds a 100% shareholding;
"Memorandum of Incorporation"	the memorandum of incorporation of Mettle Investments;
"Mettle Investments" or **"the Company"**	Mettle Investments Limited, registration number 2008/002061/06, duly incorporated in accordance with the laws of South Africa, is the holding company of Reward pursuant to the Restructure and Listing;
"Mettle Investments Shareholders"	the holders of issued Mettle Investments Shares;
"Mettle Investments Shares"	issued ordinary shares in the share capital of the Company, with no par value;
"Mettle SA"	the South African focused specialist financial services business of Mettle Investments, being the sole operating business of Mettle Investments prior to the Restructure and excluding Reward;
"Mettle Solar"	Mettle Solar Investments Proprietary Limited, registration number 2016/215610/07, a private company duly incorporated in accordance with the laws of South Africa, in which Mettle Investments has a 55% shareholding before and after the Restructure;
"Mettle Solar Africa"	Mettle Solar Africa Limited, registration number 126000 C1/GBL, a company limited by shares, incorporated in accordance with the laws of Mauritius in which Tradehold Africa has a 55% shareholding prior to the Restructure, which shareholding Mettle Investments will acquire as part of the Restructure;
"Montsi"	MI4501 Trading Proprietary Limited, registration number 2011/004283/07, a limited liability private company duly incorporated in accordance with the laws of South Africa, a Black owned and controlled company that will subscribe for a 51% shareholding in MCS post the Listing;
"Pre-listing Statement"	This pre-listing statement, together with annexures hereto, dated Monday, 14 May 2018;
"PwC"	PricewaterhouseCoopers Inc, registration number 1998/012055/21, the auditor to Reward and joint independent reporting accountants to the Company and accredited in terms of the Listings Requirements (Practice number 901121-0003), full details of which are set out in the 'Corporate Information' section of this Pre-listing Statement;
"Record Date"	the last date on which a Tradehold Shareholder must be recorded in the Tradehold register in order to participate in the Distribution, expected to be Friday, 25 May 2018;

"Restructure" a series of transactions within the Tradehold group of companies, the effect of which will be that the Company will acquire 90% of the issued shares in Reward, 55% of the issued shares in Mettle Solar Africa and a loan claim to the value of *circa* R13.7 million against Mettle Solar Africa, further details of which are set out in paragraph 2 and **Annexure 18** of this Pre-listing Statement;

"Reward" Reward Investments (No. 2) Limited, registration number 09432546, a private limited liability company duly incorporated in accordance with the laws of England and Wales, in which Tradegro has a 100% shareholding prior to the Restructure and after the Restructure the company will be owned by Mettle Investments and Tradegro 90% and 10%, respectively. As at 31 August 2017 Reward had a 70% shareholding in Reward Finance, as at the Last Practicable Date this shareholding had increased to 75%;

"Reward Finance" Reward Finance Group Limited, registration number 07385919, a private limited liability company incorporated in accordance with the laws of England and Wales, which, via its Subsidiaries, offers specialised lending facilities to SMEs in the United Kingdom, in which Reward has a 75% shareholding before and after the Restructure;

"SARB" the South African Reserve Bank;

"SENS" the Stock Exchange News Service of the JSE;

"SME" small and medium-sized enterprises;

"South Africa" or **"SA"** the Republic of South Africa;

"SPS" Sustainable Power Solutions Proprietary Limited, registration number 2010/025038/07, a private company duly incorporated in accordance with the laws of South Africa, in which Mettle Solar is a 50% shareholder before and after the Restructure;

"Strate" Strate Proprietary Limited, registration number 1998/022242/07, a private company duly incorporated in accordance with the laws of South Africa, being a licensed central securities depository in terms of section 1 of the FMA and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;

"Subsidiary" has the meaning ascribed thereto in section 1, read with section 2, of the Companies Act and/or the Listings Requirements to the extent applicable;

"Titan Premier" Titan Premier Investments Proprietary Limited, registration number 1979/000776/07, a private company duly incorporated in accordance with the laws of South Africa, which is the effective controlling shareholder of Tradehold and which will control Mettle Investments post the Restructure;

"Tradegro" Tradegro S.à.r.l., a limited liability company (société à responsabilité limitée), with registration number B 149.807, duly incorporated in accordance with the laws of Luxembourg, a wholly owned indirect subsidiary of Tradehold;

"Tradegro Holdings" Tradegro Holdings Limited, registration number 1921/006793/07, a private company duly incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Tradehold and the holding company of Tradegro;

"Tradehold"	Tradehold Limited, registration number 1970/009054/06, registered office address 36 Stellenberg Road, Parow Industria, 7493, South Africa, a public company duly incorporated in accordance with the laws of South Africa, which is effectively managed from Malta, the ordinary shares of which are listed on the main board of the JSE, and the sole shareholder of Mettle Investments prior to the Restructure;
"Tradehold Africa"	Tradehold Africa Limited, registration number 123247 C1/GBL, a private company limited by shares licensed as a Category 1 Global Business Company, incorporated in accordance with the laws of Mauritius, a wholly-owned subsidiary of Tradegro;
"Tradehold Shareholders"	holders of Tradehold Shares;
"Tradehold Shares"	ordinary shares with no par value in the authorised and issued share capital of Tradehold;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company duly incorporated in accordance with the laws of South Africa, full details of which are set out in the 'Corporate Information' section of this Pre-listing Statement;
"United Kingdom" or **"UK"**	United Kingdom of Great Britain and Northern Ireland;
"USD" or **"$"**	United States Dollar, the official currency of the United States of America;
"VAT"	Value-Added Tax, levied in terms of the Value Added Tax Act, 1991 (No. 89 of 1991), as amended; and
"ZAR" or **"Rand"** or **"R"**	South African Rand, the official currency of South Africa.

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PRE-LISTING STATEMENT

1. INTRODUCTION

The board of directors of Tradehold has approved the separate listing of all of Tradehold's non-property assets. The separation will be achieved by way of restructuring the ownership of these assets, pre-listing, so as to position them under Mettle Investments as part of a group restructure and thereafter by making a pro rata distribution of the Mettle Investments Shares to Tradehold Shareholders registered as such in the Tradehold register at the close of business on the Record Date. This Distribution will be on the basis of one Mettle Investments Share for every one Tradehold Share (and accordingly no fractions of shares will be issued), reflected as being held by each Tradehold Shareholder on the Record Date. The Distribution will be effected in terms of section 46 of the Companies Act and otherwise on the terms and conditions set out in this Pre-listing Statement. Tradehold and Mettle Investments will become independent, publicly traded companies and will have separate public ownership, boards of directors and management.

The purpose of the Pre-listing Statement is to provide Tradehold Shareholders with information regarding the terms and conditions pertaining to the Listing, the Restructure, the Distribution and the business of Mettle Investments.

2. THE RESTRUCTURE, DISTRIBUTION AND LISTING

2.1 Rationale for the Restructure and Listing

Tradehold has decided to separately list all its financial services' businesses on the Alt^{X}. The Listing will provide Tradehold Shareholders with better visibility of these businesses, whilst the Distribution will provide Tradehold Shareholders with the opportunity to participate directly in these businesses and manage shareholdings effectively.

Pursuant to the Restructure, the details of which are set out in paragraph 2.2, the separation of Tradehold and Mettle Investments will enable these two companies to operate in a more efficient and commercially effective manner, thereby enabling each of them to achieve their respective strategic goals.

The board of Tradehold is of the opinion that the aforementioned Restructure will:

2.1.1 provide greater transparency to Tradehold's property and non-property activities and the potential value thereof;

2.1.2 provide Mettle Investments with better opportunities to facilitate the growth of its businesses, both organically and through acquisitions;

2.1.3 provide Mettle Investments with access to capital, as it will be able to target a larger pool of potential investors than it would as part of Tradehold;

2.1.4 enhance Mettle Investments' corporate profile by exposing the business to the scrutiny of the public markets. This higher profile will assist Mettle Investments in improving its credibility when dealing with debt providers and acquisition targets;

2.1.5 provide the Directors with an additional source of acquisition currency to support Mettle Investments' growth ambitions. The Directors are of the view that there are a number of consolidation opportunities in the specialised lending markets in both SA and the UK; and

2.1.6 provide an additional means to attract and retain talent. Mettle Investments relies on the services of a number of talented managers who have and will continue to make meaningful contributions to the performance of the business units of Mettle Investments. The Listing will enable the Directors to align the incentivisation of these managers with the performance of the business units that they have control over. Furthermore, there is a wealth of managerial talent in the broader specialised lending industry in SA and the UK and the Directors are confident that it will be possible to source the additional managerial talent required to facilitate the growth of the Company. The ability to offer such managers equity participation through a share incentive scheme will facilitate the recruitment and retention process.

The Tradehold board of directors has determined that, with competing management and funding demands of a geographically and technically diversified group, Tradehold and Mettle Investments will benefit from more focused and fully dedicated executive management that is directly accountable to a similarly focused and dedicated board of directors.

Both Tradehold and Mettle Investments will remain South African registered companies with the listing of shares on the JSE main board and on the Alt^{X}, respectively.

2.2 **The Restructure**

To give effect to the separation of Tradehold's financial services' businesses and property assets, Tradehold will, prior to the Listing Date, restructure its group in order to achieve:

(i) Mettle Investments holding 90% of the shares in Reward, which in turn holds 75% of the shares in Reward Finance; and

(ii) Mettle Investments holding 55% of the ordinary shares in Mettle Solar Africa and a loan claim to the value of circa R13.7 million against Mettle Solar Africa.

Following the Restructure, Mettle Investments will list on the Alt^{X} and Tradehold will distribute its shares in Mettle Investments *pro rata* to its shareholders by means of a foreign dividend *in specie* as defined in the Income Tax Act. A summary of the high-level South African tax treatment of the foreign dividend *in specie* paid by Tradehold to its shareholders is set out in **Annexure 21.**

Diagrams of the group structure of Mettle Investments and Tradehold before and after the Restructure, Listing and Distribution are set out in **Annexure 12**.

2.3 **The Distribution**

The Distribution will be regarded as a *pro rata* distribution of Mettle Investments Shares by Tradehold to its shareholders. Under section 46 of the Companies Act, a distribution must be approved by the board of directors of Tradehold and can be given effect to only if it reasonably appears that:

2.3.1 the assets of Tradehold, fairly valued, equal or exceed the liabilities of Tradehold, fairly valued; and

2.3.2 Tradehold will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the Distribution is implemented.

The Companies Act requires that the board of directors of Tradehold acknowledges, by resolution, that it is satisfied that the above requirements are fulfilled in order for the Distribution to proceed. The entire issued share capital of Mettle Investments will be distributed to existing Tradehold Shareholders by way of a distribution *in specie* in accordance with section 46 of the Companies Act and the Listings Requirements. The share capital of Mettle Investments will be created such that the Mettle Investments Shares are distributed in a ratio of 1:1 with existing Tradehold Shares. Accordingly, there will be no fractions of shares issued.

The Distribution will not be regarded as a disposal of the whole or a greater part of the assets or undertaking of Tradehold, as contemplated in section 112 of the Companies Act. The Distribution will therefore not require the prior approval of Tradehold Shareholders.

The SARB has granted the necessary regulatory approvals for the Distribution. The Distribution will be governed by the laws of South Africa. The board of directors of Tradehold has passed the resolutions necessary to implement the Distribution.

2.4 **Receipt of Mettle Investments Shares**

For the purposes of the Distribution, Tradehold Shareholders will be issued their respective Mettle Investments Shares in Dematerialised form only. Accordingly, all Tradehold Shareholders must appoint a CSDP under the terms of the FMA, directly or through a Broker, to receive Mettle Investments Shares on their behalf.

Should a Tradehold Shareholder require a physical share certificate for its Mettle Investments Shares, it will have to materialise its Mettle Investments Shares following the Listing and should contact its CSDP to do so. There are risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, which is no longer covered by the JSE Guarantee Fund. All Mettle Investments Shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to Dematerialise their Mettle Investments Shares should they wish to trade them in accordance with the rules of Strate (refer paragraph 2.5 below).

Mettle Investments Shares accruing to any unknown/untraceable certificated Tradehold Shareholders will be transferred to Computershare Nominees Proprietary Limited and held in accordance with the relevant agreement between Mettle Investments and Computershare Nominees Proprietary Limited. Should such Tradehold Shareholder wish to claim their Mettle Investments Shares, it will have to give an instruction to their CSDP/Broker/Custodian to receive the Mettle Investments Shares from Computershare Nominees Proprietary Limited, the latter together with the Transfer Secretaries will verify the holding and validity of the Mettle Investments Shares to be transferred. The Transfer Secretaries may require supporting documentation and will advise the Mettle Investments Shareholder accordingly. Beneficial ownership will be recorded on a sub-register with the Transfer Secretaries (known as the nominee sub-register) but held in aggregate with Computershare Nominees Proprietary Limited in Dematerialised format. The Mettle Investments Shares will then be transferred into such account with the CSDP or Broker as may have been specified by the Tradehold Shareholder concerned provided that such account must be within South Africa in the case of a resident but may, in the case of a non-resident, be inside or outside South Africa.

Should an unknown/untraceable certificated Tradehold Shareholder not wish to open an account with a CSDP or Broker it may, by completing such forms as the Transfer Secretaries may require, instruct the Transfer Secretaries to sell its Mettle Investments Shares to which it is entitled and remit the cash into an account with a South African bank on its behalf.

Documents of Title in respect of Tradehold Shares held are not required to be surrendered in order to receive the Mettle Investments Shares.

The distribution of this Pre-listing Statement, and the rights to receive the Mettle Investments Shares in jurisdictions other than South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Tradehold Shareholders are not entitled to receive the Mettle Investments Shares, directly or indirectly, in those jurisdictions, and such Tradehold Shareholders ought to advise Tradehold accordingly. Such non-resident Tradehold Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Tradehold Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Tradehold Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate advisor in the relevant jurisdictions without delay.

2.5 **Strate and trading shares on the JSE**

Mettle Investments Shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement via Strate immediately following the Listing. Strate is a system of "paperless" transfer of securities. If Tradehold Shareholders have any doubt as to the mechanics of Strate they should consult their Broker, CSDP or other appropriate advisor, and they are referred to the Strate website at http://www.strate.co.za.

The contents of this website are not incorporated by reference and do not form part of this Pre-listing Statement and should not be relied upon for the purposes of forming an investment decision. Some of the principle features of Strate are as follows:

- electronic records of ownership replace share certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within three business days;
- all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning Dematerialised Shares specifically request their CSDP to register them as an "own name" shareholder (which entails a fee), their CSDP's or Broker's nominee company, holding shares on their behalf, will be the shareholder of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP's or Broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP's or Broker's nominee company), as to how it wishes to exercise the rights attaching to the Mettle Investments Shares and/or to attend and vote at shareholders' meetings.

3. INFORMATION ABOUT METTLE INVESTMENTS

3.1 History of the Company

The Company was incorporated in 2008 and became a wholly-owned Subsidiary of Tradehold when it was acquired in March 2014. Since its acquisition by Tradehold, the Company has been the investment vehicle through which Tradehold held its South African financial services assets and following the Restructure will hold all of Tradehold's financial services assets. Prior to the Restructure and in anticipation of the Listing, the Company was converted to a public company on 19 April 2018.

Prior to the Restructure, Mettle Investments operated solely as a South African focused specialist financial services business. This specialist financial services business was established in 1995 and provides a range of financing, administration and advisory services for clients ranging from large corporates to SME's and individuals. Advisory services include corporate and specialised finance solutions and JSE sponsor services. Financing solutions include invoice discounting and secured mezzanine lending. It also operates in the debt administration and asset-backed debt collections markets.

Post the Restructure, in addition to its SA focused specialist financial services business mentioned above, Mettle Investments will also hold 90% of the shares in Reward, a UK focused asset-backed lending business. Further details of Reward can be found in paragraph 3.2.

In addition to the above, the Company has investments in incremental housing finance and a number of smaller early stage financial services orientated opportunities with significant growth potential in market sectors where Mettle Investments can add value. These include Lendcor, Mettle Solar Africa, Mettle Solar, SPS, G-Pay and GraySwan. Further details of the Company's investments can be found in paragraph 3.3.

The Board acknowledges the importance of B-BBEE in the South African context. Mettle Investments assesses opportunities to address B-BBEE with regards to its South African investments and has begun implementing appropriately structured transactions with parties that will add value to its individual investments. The first such transaction will be the subscription for a 51% shareholding in MCS, currently a wholly owned Subsidiary of Mettle Investments, by Montsi, a Black owned and controlled company, for R1.8 million. Post this subscription Mettle Investments and Montsi will hold a 49% and 51% share in MCS, respectively, thereby enhancing the B-BBEE credentials of MCS and providing Mettle Investments with a B-BBEE partner to the MCS business. The finalisation of this subscription is pending the signature of the subscription agreements which will occur post Listing.

There are no government protection or investment encouragement laws that effect the business of the Company or its Major Subsidiary.

3.2 Subsidiaries of Mettle Investments post the Restructure

3.2.1 Reward

Reward was established in 2014 by Tradegro when the shareholding structure of Reward Finance was changed from a partnership to a company. Reward Finance was initially established in 2010 by Tom Flannery and David Jones, two members of the current management team who, collectively, own 10% of Reward Finance. Reward provides asset secured short and medium-term loans and invoice discounting to the UK SME market. Loan sizes are between £50 000 and £2 million and loan periods vary between 2 and 24 months. Reward's strategy is to target SME's that are not adequately serviced by traditional banks. It is Reward's experience that the traditional banks are finding it increasingly difficult to service the SME market given the increasing regulatory burdens the banks have to deal with. Reward's highly skilled and experienced directors and staff allow it to compete on the back of its quick decision making and high service levels, allowing it to charge a premium for its funding without taking unnecessary credit risk (bad debts have averaged 1.2% of the loan book for the last three years). Reward has its head office in Leeds, UK with an additional branch in Manchester. Reward's target market is the 'M62 Corridor' which runs between Liverpool in the West and Hull in the East. Reward has been a Subsidiary of Tradehold since 2010 and is a profitable part of Tradehold's non-property businesses with good growth potential. At 28 February 2018, it had a loan book of £52.5 million, with growth in the book exceeding 40% per annum for the preceding three years.

3.3 Investments of Mettle Investments

3.3.1 Lendcor

Lendcor management believes that Lendcor is one of the largest providers of unsecured loans for home improvements for the lower LSM market in SA through a network of building supply merchants. Lendcor's average loan size is R4 700 and the average loan term is 18 months. Lendcor was established in 2003 and has been part of the Group since 2006. Due to the developmental nature of the loans that it provides, Lendcor is primarily funded by the Rural Housing Loan Fund SOC NPC, which owns 20% of Lendcor. Lendcor's head office is in Durban, South Africa and it is represented in 630 building supply merchants. Lendcor's loan book at 28 February 2018 was R183 million, having grown at an average of 25% per annum for the last three years. Lendcor's bad debts as a percentage of it loan book has averaged 4.8% for the last three years, which is acceptable given the lower LSM market that Lendcor services. The Lendcor ownership structure and the terms of its shareholders' agreement is such that Mettle Investments does not have control of Lendcor and it is therefore treated as an associate and not a Subsidiary of Mettle Investments in terms of IFRS. This shareholding structure will be reviewed following the Listing so as to change the ownership structure of Lendcor in such a manner that it will become a Subsidiary of Mettle Investments, and be consolidated going forward.

3.3.2 Mettle Solar and SPS

Established in 2015, Mettle Solar is a financier of solar power generation systems. These systems are mainly small scale roof-top, photovoltaic solar power installations. The Company has one small utility scale, ground mounted, five megawatt peak project in Namibia in respect of which NamPower, Namibia's national power utility, is the off-taker. The company has nine installations in South Africa and nine installations in Namibia and has a well-developed pipeline of projects in these two countries. Like Mettle Solar Africa, Mettle Solar's revenue model involves the financing and rental of solar power generating equipment.

Mettle Solar owns 50% of SPS, a well-established engineering, procurement and construction company (or 'EPC' company). SPS was established by Axel Scholle, the current managing director, in 2007. Axel is still a 33% shareholder of SPS. SPS has commissioned over 50 projects in five different countries in Southern Africa and the neighbouring islands in the Atlantic and Indian Oceans. These projects have an installed capacity of over 20 megawatts. It has a Construction Industry Development Board grading of level 7EP and is SABS ISO 9001:2008 certified.

3.3.3 **Mettle Solar Africa**

Established in Mauritius in 2016, Mettle Solar Africa is an extension of the Mettle Solar business. Mettle Solar Africa's revenue model involves the financing and rental of solar power generating equipment. The company currently has four solar projects in operation in Kenya and a strong development pipeline in Kenya, Tanzania and the Seychelles. Its clients include SwissPort and the Serena group of hotels and lodges. The company's short-term strategy is to use the base that it is establishing in Kenya as a platform from which to access the East African market.

3.3.4 **G-Pay**

Established in 2011, G-Pay provides payment technology solutions to various industries. Its solutions support the ability to configure pre-defined process flows to initiate and process payments and electronically manage and control funds for very specific utilisation. It is an authorised payment services provider enrolled with the Payments Association South Africa or 'PASA'. As such it complies as a System Operator and a Third-Party Payment Processor in accordance with the National Systems Payment Act, 1998 (Act 78 of 1998). Its solutions provide full integration to the banking services of ABSA Bank Limited, First National Bank, a division of FirstRand Bank Limited, Standard Bank Group Limited, Nedbank Limited and Ecobank Transnational Incorporated. Its business has close links to Mettle Investments' specialist lending activities in South Africa with some of Mettle Investments' clients having made use of G-Pay's solutions in the past. Mettle Investments owns 50% of G-Pay and does not exercise any outright control over its business.

3.3.5 **GraySwan**

Established in 2010, GraySwan is an institutional investment advisor and investment multimanager. GraySwan launched 3 unit trust funds in 2017. Its strategy is to develop investment products by combining GraySwan's investment management skills and Mettle Investments' specialist lending skills. Mettle Investments owns 50% of GraySwan and does not exercise any outright control over its business.

3.4 **Industry overview and competitive environment**

One of the primary investment themes behind Mettle Investments' strategy is that the SME market's funding needs are not being adequately serviced by traditional banks. As the regulatory burden on the banking sector grows, banks are finding it increasingly unprofitable to lend to SME's. This inability of the traditional banks to service the SME market is demonstrated by the growth in 'non-bank lending' in both SA and the UK. As a consequence of this reality the high street banks have reduced their exposure to this business, thereby opening up opportunities for financiers such as those in the Group.

Each of Mettle Investments' main businesses operate in a different industry which are discussed below:

3.4.1 **Reward – SME finance in the UK**

The UK market for non-bank SME finance in which Reward Finance operates has shown strong growth in recent years. For example, the Asset Based Finance Association (an industry body representing *circa* 50 of the largest SME lenders in the UK, the majority of which are non-bank lenders) reported that at the end of Q1 2017 total advances amongst its members had grown 14% to £21.9 billion. This growth is driven by the inability and unwillingness of UK banks to adequately service the SME market. In 2016, it was reported that since 2011 the value of overdraft facilities granted by banks to UK SME's had fallen by 42% to £12.1 billion. The Directors are confident that the UK market for non-bank SME funding will continue to grow and that a business such as Reward Finance, with a loan book of £52.5 million, has significant scope to grow within that market.

3.4.2 **Lendcor – developmental credit in South Africa**

Lendcor's focus on developmental credit (through the provision of home improvement loans for low income housing) places it in a growth market. While the National Credit Regulator's most recent Consumer Credit Market Report showed that the overall unsecured credit market had declined by 13% for the quarter ending March 2017, it reported that developmental credit had grown by 17% for the same period to R43.2 billion. Recent National Credit Act amendments on approved rates and fees are also favourable to the developmental credit lending market. The Directors believe that the market for low income home improvements loans is not saturated, allowing for long term industry growth. In addition, Lendcor is currently represented in 630 merchants in towns and villages around South Africa. Given that there are approximately 4 000 hardware stores throughout SA, and Lendcor has less than a 30% share of the home improvement finance market, Lendcor has capacity to gain market share.

3.4.3 **Mettle SA – SME finance in SA**

According to the Small Enterprises Development Agency there are more than 2.5 million SME's in South Africa and approximately 30% of these can be classified as 'formal' businesses. The Organisation for Economic Co-operation and Development ("OECD") Economic Survey of South Africa published in July 2017 found that bank lending to SME's in South Africa appears to be low compared with other countries and accounts for only 26% of business lending. This ranks South Africa at 23rd of the 33 countries surveyed, and behind countries such as Brazil, Thailand and Turkey. The survey found that the number of microfinance providers had also decreased. Furthermore, a survey by the International Labour Organisation in 2016 found that microfinance ranked last of 11 possible sources of finance to start a business in South Africa. The OECD Economic Survey of South Africa concluded that bank and non-bank financing options for SMEs should be broadened, as in many other countries.

3.5 **Strategy and prospects**

3.5.1 **Strategy**

Mettle Investments is primarily invested in a portfolio of specialist lending and related services businesses. Historically the businesses within Mettle Investments have grown strongly and whilst it is expected that this organic growth can continue, emphasis will be placed on ensuring that growth is well considered and unnecessary risks are not taken.

At the same time opportunities for acquisitive growth will always be considered. Within the specialised lending market, Mettle Investments' strategy will be to leverage off its core skills by being a catalyst for consolidation in its identified key markets, both in SA and the UK. The nature of specialised lending is that successful start-up companies typically outgrow the funding capability of the entrepreneurs who started the business. This need for funding will create opportunities for Mettle Investments to make acquisitions. These acquisitions may initially take the form of significant minority stakes but with a plan for ultimately acquiring control.

In addition to its focus on specialised lending, Mettle Investments will look to invest in other growth markets including, but not limited to, renewable energy and financial technology.

3.5.2 **Prospects**

The reluctance of banks in SA and the UK to offer the products and solutions offered by the Company's Subsidiaries to SME's indicates that the strong organic growth experienced by the Company's businesses in SA and the UK will continue. Consequently, the Directors are of the opinion that the Company has strong growth prospects.

In addition to the strong organic growth prospects, Reward Finance, Lendcor and Mettle SA will continue to pursue consolidation in their respective target markets, as identified in paragraph 3.4 above. These markets are still relatively untapped by large organisations and have high growth potential which bodes well for the future of Mettle Investments and its Subsidiaries.

Mettle Investments has also begun identifying potential acquisition targets in SA and the UK's specialised lending markets. To date discussions have been held with several SA based parties, in businesses ranging from property bridging finance providers to providers of mezzanine finance. In addition, an international advisory firm has also identified several UK based specialised lending opportunities that may be of interest to Mettle Investments. These opportunities will be further explored post Listing.

4. **DIRECTORS**

The following section provides details of Mettle Investments' Board of Directors as at the Listing Date.

4.1 **Board of Directors**

The Company's Board of Directors consists of seven members. The members of the Company's Board of Directors as at the Listing Date are as follows:

Hendrik Frederik Prinsloo (55)	
Nationality	South African
Business address	1st floor, FedGroup Place, Willie van Schoor Avenue, Bellville, SA
Appointment date	30 January 2008
Qualifications	BCom, LLB, LLM, HDip (Tax)
Occupation	Businessman
Position in Company	Chief Executive Officer
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Thomas More Flannery (57)	
Nationality	British
Business address	Central House, 47 St Paul's Street, Leeds, LS1 2TE, UK
Appointment date	19 April 2018
Qualifications	N/A
Occupation	Businessman
Position in Company	Executive Director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Justin John Rookledge (41)	
Nationality	South African
Business address	1st floor, FedGroup Place, Willie van Schoor Avenue, Bellville, SA
Appointment date	29 September 2016
Qualifications	BBusSci Finance (Hons), CA(SA)
Occupation	Businessman
Position in Company	Full-time Chief Financial Officer
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Hermanus Roelof Willem Troskie (47)	
Nationality	Dutch and South African
Business address	58 rue Charles Martel, L-2134 Luxembourg
Appointment date	19 April 2018
Qualifications	B Juris, LLB, LLM
Occupation	Businessman
Position in Company	Lead Independent Non-Executive Director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Friedrich Hans Esterhuyse (48)	
Nationality	South African
Business address	3rd floor, Pepkor Building, 36 Stellenberg Road, Parow Industria, SA
Appointment date	30 January 2008
Qualifications	BAcc (Hons), MCom (Tax), CA(SA)
Occupation	Businessman
Position in Company	Non-Executive Chairman
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation

Marco Van Zyl Wentzel (38)	
Nationality	South African
Business address	3rd floor, Pepkor Building, 36 Stellenberg Road, Parow Industria, SA
Appointment date	19 April 2018
Qualifications	N/A
Occupation	Businessman
Position in Company	Independent Non-Executive Director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Bruce Andrew Chelius (49)	
Nationality	South African
Business address	1 Richefond Circle, Ridgeside Office Park, Umhlanga, SA
Appointment date	19 April 2018
Qualifications	CA(SA), CFA
Occupation	Businessman
Position in Company	Independent Non-Executive Director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation

Further particulars of the Directors are set out in **Annexure 19** of this Pre-listing Statement.

4.2 **Company Secretary**

Mettle Corporate Finance Proprietary Limited has been appointed to act as company secretary to the Company. The Board is satisfied that there is an arms-length relationship between the Company Secretary and the Board. The Board has reviewed the competence, qualifications and experience of the company secretary prior to Listing, and is satisfied therewith. The Board will re-assess this annually and report on whether or not it is satisfied therewith.

4.3 **Directors of Major Subsidiaries**

Short *curricula vitae* and further details of the Directors and the directors of the Major Subsidiary are set out in **Annexure 19**.

4.4 **Appointment, qualification, remuneration and borrowing powers of Directors**

Set out in **Annexure 15** to this Pre-listing Statement are extracts of the relevant provisions of the Memorandum of Incorporation regarding:

- the qualification, appointment, terms of office and remuneration of Directors;
- the borrowing powers exercisable by the Directors. The borrowing powers may be varied by an amendment to the Memorandum of Incorporation; and
- retirement of Directors by rotation.

The borrowing powers of the Directors and Mettle Investments' Subsidiaries, are not limited in terms of their respective constitutional documents, and accordingly have not been exceeded during the past three years. In terms of the Memorandum of Incorporation of the Company and its Subsidiaries, the Directors may:

- borrow for the purposes of the Company such sums as they think fit; and
- secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of securities, mortgage or charge upon all or any of the property or assets of the Company.

Mettle Investments and its SA Subsidiaries are subject to Exchange Control Regulations.

No person has any right, contractual or otherwise to appoint a particular director or number of Directors.

The annual remuneration paid to Mettle Investments' executive Directors and non-executive Directors as at the Listing Date for the year ended 28 February 2018 and the first financial year following the Listing, being 28 February 2019, are set out below:

28 February 2018

	Director fees (R'000)	Consulting fees (R'000)	Salary (R'000)	Other benefits[3] (R'000)	Performance bonus (R'000)	Total remuneration (R'000)
Executive Directors						
HF Prinsloo	–	–	1 850	–	346	**2 196**
TM Flannery[1]	–	–	195	163	–	**358**
JJ Rookledge	–	–	1 383	117	250	**1 750**
WD Marais	–	–	1 464	86	353	**1 903**
W Maree	–	–	1 585	35	200	**1 820**
JA Aitken	20	–	–	–	–	**20**
Total	**20**	–	**6 477**	**401**	**1 149**	**8 047**
Non-executive Directors						
HRW Troskie	–	–	–	–	–	**–**
MVZ Wentzel	–	–	–	–	–	**–**
BA Chelius	–	1 154	–	–	–	**1 154**
FH Esterhuyse[2]	–	–	34	6	26	**66**
IHJ Visagie	–	–	–	–	–	**–**
Total	–	1 154	34	6	26	**1 220**
TOTAL	**20**	**1 154**	**6 511**	**407**	**1 175**	**9 267**

Notes:

1. TM Flannery paid in GBP. Exchange rate of 16.28:1 used.
2. FH Esterhuyse was paid a salary, bonus and benefits of R4 million prior to the Distribution, 98.4% of which was recovered from other Tradehold companies not part of Mettle Investments, and therefore the amount disclosed in the table above relates to the portion recovered from Mettle Investments only.
3. Other benefits include car allowance, provident fund, medical aid, life insurance and disability insurance. Other than as disclosed in the table above under "other benefits", there have been no other benefits paid to directors.

28 February 2019

	Director fees (R'000)	Consulting fees (R'000)	Salary (R'000)	Other benefits[1] (R'000)	Performance bonus (R'000)	Total remuneration (R'000)
Executive Directors						
HF Prinsloo	–	–	1 961	–	367	**2 328**
TM Flannery	–	–	1 628	163	–	**1 791**
JJ Rookledge	–	–	1 380	120	265	**1 765**
WD Marais	–	–	–	–	–	**–**
W Maree	–	–	–	–	–	**–**
JA Aitken	–	–	–	–	–	**–**
Total	–	–	**4 969**	**283**	**632**	**5 884**

	Director fees (R'000)	Consulting fees (R'000)	Salary (R'000)	Other benefits[1] (R'000)	Performance bonus (R'000)	Total remuneration (R'000)
Non-executive Directors						
HRW Troskie	300	–	–	–	–	**300**
MVZ Wentzel	100	–	–	–	–	**100**
BA Chelius	300	900	–	–	–	**1 200**
FH Esterhuyse	100	–	–	–	–	**100**
IHJ Visagie	–	–	–	–	–	**–**
Total	**800**	**900**	**–**	**–**	**–**	**1 700**
TOTAL	**800**	**900**	**4 969**	**283**	**632**	**7 584**

Notes:

1. Other benefits include car allowance, provident fund, medical aid, life insurance and disability insurance. Other than as disclosed in the table above under "other benefits", there have been no other benefits paid to directors.

As at the Last Practicable Date, WD Marais, a former director of Mettle Investments, has been issued Tradehold Share options. These Tradehold Share options are in the process of being wound up, with the settlement amount still to be agreed upon. WD Marais has not been offered Mettle Investments Share options. No awards or options have been granted to the Directors to acquire Mettle Investments Shares.

No fees have been paid or accrued to third parties *in lieu* of Directors' fees and there are no commission, gain or profit sharing arrangements. Other than what is disclosed above in other benefits, no sums were paid to Directors by way of expense allowances.

The Directors' remuneration as a result of the Listing will not be varied.

Save as set out above, none of the Directors received or will receive any other remuneration or benefits from the Company, its Subsidiaries, its associates or its joint ventures, including any management, consulting, technical or other fees paid directly or indirectly.

4.5 Directors' interests in Mettle Investments Shares

At the date of this Pre-listing Statement all Mettle Investments Shares are held by Tradehold, therefore, no Mettle Investment Shares are held by its Directors.

The table below sets out, to the knowledge of Mettle Investments' Directors, the total amount of Tradehold Shares directly or indirectly owned by the Directors of Mettle Investments as of the date of this Pre-listing Statement.

As a result of the Distribution each Tradehold Shareholder will receive one Mettle Investments Share for every one Tradehold Share held and thus, on completion of the Listing and Distribution, the Mettle Investments shareholder register will mirror that of Tradehold's. The table below therefore also sets out, to the knowledge of Directors, the Mettle Investments Shares directly or indirectly expected to be held by the Directors of Mettle Investments on completion of the Listing and Distribution.

Director	Direct beneficial	Indirect beneficial	Total	Percentage (%)
HF Prinsloo	–	1 591 972	1 591 972	0.64
TM Flannery	–	11 300	11 300	0.01
JJ Rookledge	53 622	–	53 622	0.02
HRW Troskie	–	–	–	–
MVZ Wentzel	–	263 081	263 081	0.11
BA Chelius	–	230 316	230 316	0.09
FH Esterhuyse	–	2 833 843	2 833 843	1.15
WD Marais[1]	3 556	66 007	69 563	0.03
W Maree[2]	–	3 577	3 577	–
IHJ Visagie[3]	–	5 581	5 581	–
JA Aitken[4]	–	–	–	–
Total	**57 178**	**5 005 677**	**5 062 855**	**2.05**

Notes:

1. WD Marais resigned from the Board with effect from 19 April 2018.
2. W Maree resigned from the Board with effect from 19 April 2018.
3. IHJ Visagie resigned from the Board with effect from 19 April 2018.
4. JA Aitken resigned from the Board with effect from 19 April 2018.

No Director or promotor received any material beneficial interest in the promotion of the Company and in any property acquired or proposed to be acquired by the Company during the three years preceding the Last Practicable Date.

None of the Directors, or any company in which such Director is beneficially interested or of which he is a director, or any partnership or association of which he is a member, has received or agreed to receive any sums within the last three years to induce him to become or otherwise to qualify him as a Director, or otherwise for services rendered by the Director or any of the aforementioned companies in connection with the promotion or formation of the Company.

In terms of paragraph 21.3(g) of the Listings Requirements, 50% of the Mettle Investments Shares held by any Directors will be held in trust in a pledged account by the Directors' CSDPs until the publication of the audited financial results for the year ending 28 February 2019, after which half will be released and the remaining balance one year thereafter. The relevant securities may only be released after notifying the JSE of the intention to so release.

There are no non-beneficial direct or indirect interests held by Directors.

There have been no other changes in the Mettle Investments and Tradehold shareholdings of the Directors from the last financial year end of the Company, being 28 February 2018, until the Last Practicable Date. As disclosed in this Pre-listing Statement, certain Directors as set out in this paragraph 4.5 will receive Mettle Investments Shares as a result of their shareholdings in Tradehold pursuant to the Distribution.

4.6 Directors' interests in transactions

Other than the receipt of Mettle Investments Shares pursuant to the Distribution, none of the Directors nor any person who has resigned as a Director during the last 18 months, has or had any direct or indirect material beneficial interests in transactions that were effected by the Company during the current financial year, or, in respect of any previous financial year which remains outstanding or unperformed.

4.7 Listing bonus and payments

No bonuses or similar payments of any nature will be payable to Directors or other employees and service providers as a result of the Listing.

4.8 **Corporate governance**

The Company is governed by its Board of Directors. The Board of Directors is responsible for ensuring that Mettle Investments complies with all of its statutory obligations as specified in the Memorandum of Incorporation, the Listings Requirements and all other regulatory requirements. The Board of Directors at all times acts in the best interests of the Company in ensuring an effective compliance framework, the integrity of its financial reporting and risk management, together with timely and transparent disclosure to Mettle Investments Shareholders.

No part of the business of the Company, nor that of any of its Subsidiaries, is managed, or is proposed to be managed, by a third party under any contract or arrangement whatsoever.

The Company is committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs. The Directors endorse King IV and recognise the need to conduct the affairs of the Company with integrity and in accordance with generally accepted corporate practices. The Directors recognise that they are ultimately responsible for the financial performance of the Company. A full analysis of the corporate governance in the Company and the steps taken by the Company to comply with King IV is set out in **Annexure 16**.

4.9 **Directors' declarations**

None of the Company's Directors, or directors of the Major Subsidiary as listed in **Annexure 19**:

- has been declared bankrupt or insolvent, or has entered into an individual voluntary compromise arrangement to surrender his or her estate;
- is or was a director with an executive function of any company at the time of (or within 12 months preceding), any business rescue, or any company that has adopted a resolution proposing business rescue or made application to be put under business rescue or any notices in terms of section 129(7) of the Companies Act, or any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any compromise or arrangement with its creditors generally or with any class of its creditors;
- is or has been a partner in a partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or voluntary arrangements of such partnership;
- is or has been a partner in a partnership at the time of, or within 12 months preceding, a receivership of any assets of such partnership;
- has had any of his or her assets subject to receivership;
- is or has been publicly criticised by any statutory or regulatory authorities, including recognised professional bodies or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- is or has been convicted of any offence involving dishonesty;
- has been removed from an office of trust on the grounds of misconduct involving dishonesty; and/or
- has been declared delinquent or placed under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 (Act 69 of 1984), as amended, or has been disqualified by a Court to act as a director in terms of section 69 of the Companies Act.

All the Directors have submitted completed director's declarations in compliance with Schedule 13 of the Listings Requirements.

5. **SHARE CAPITAL**

5.1 **Authorised and issued share capital**

Mettle Investments' authorised and issued share capital as at the Last Practicable Date is as follows:

	Stated capital R
Authorised share capital	
500 000 000 ordinary shares with no par value	–
Issued share capital	
96 291 720 ordinary shares with no par value	100 621 766

Mettle Investments' authorised and issued share capital after the completion of the Restructure, the Listing and the Distribution, will be as follows:

	Stated capital R
Authorised share capital	
500 000 000 ordinary shares with no par value	–
Issued share capital	
247 174 375 ordinary shares with no par value	545 772 938

Note:

1. Stated capital assumes a $/ZAR exchange rate of R11.82, and a £/ZAR exchange rate of R16.28 for purposes of the Restructure. As Reward and Mettle Solar Africa are acquired in foreign exchange, the capitalisation of the Company is linked to such exchange rates.

All Mettle Investments Shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends. None of the Mettle Investments Shares will be convertible or redeemable. Furthermore, there are no founders' and management or deferred shares.

There are no conversion or exchange rights to Mettle Investments Shares, nor do any Mettle Investments Shareholders have any redemption rights or preferential rights to profits or capital. Any variation of rights attaching to the Mettle Investments Shares will require the consent of Mettle Investments Shareholders in general meeting in accordance with the Memorandum of Incorporation.

As at the Last Practicable Date, neither Mettle Investments nor any of its Subsidiaries has any classes of securities listed on any stock exchange.

Neither Mettle Investments nor any of its Subsidiaries hold any shares as treasury shares, as at the Last Practicable Date.

5.2 **Listing of Mettle Investments Shares on the JSE**

The JSE has granted Mettle Investments a listing by way of introduction in respect of all of its Mettle Investments Shares on the Alt^X of the JSE under the abbreviated name "Mettle", share code "MLE" and ISIN: ZAE000257622, with effect from the commencement of business on or about Wednesday, 23 May 2018 or such later date as granted by the JSE.

5.3 **Controlling and major shareholders**

As at the date of this Pre-listing Statement, the entire issued share capital of Mettle Investments is held by Tradehold. With effect from the Distribution, the Tradehold Shareholders as at the Record Date shall be the same as the Mettle Investments Shareholders. Tradehold's major shareholders as at the Last Practicable Date, which will be Mettle Investments' major shareholders following the Distribution, are described below.

As at the Last Practicable Date, Titan Premier indirectly controlled Tradehold. Assuming implementation of the Restructure and Distribution it is anticipated that Mettle Investments will continue to be controlled, indirectly, by Titan Premier. Tradehold has not undergone a change in controlling shareholder during the previous five years.

Other than as a result of the Restructure and the acquisition by Tradehold of the Company in 2014, there has been no history of any change in the controlling shareholders and trading objects of the Company and its Major Subsidiary during the past five years. To the best of the Company's knowledge as at the Last Practicable Date, 25.54% of Tradehold's issued share capital is held by public shareholders.

Set out below are the names of the Tradehold Shareholders that are directly or indirectly, beneficially interested in 5% or more of the issued Tradehold Shares at the Last Practicable Date, and on the completion of the Restructure and the Distribution, are anticipated to hold the same interests in the Company:

Mettle Investments Shareholder	Number of Mettle Investments Shares after the Distribution	% of issued Mettle Investments Shares after the Distribution
Granadino Investments Proprietary Limited	82 369 947	33.32%
Titan Global Investments Proprietary Limited	28 695 605	11.61%
Redbill Holdings Proprietary Limited	28 668 217	11.60%
Teez Away Trading Proprietary Limited	28 586 285	11.57%
H Collins and Son Proprietary Limited	15 224 977	6.16%
Total	**183 545 031**	**74.26%**

Notes

1. Granadino Investments Proprietary Limited (33.32%), Titan Share Dealers Proprietary Limited (3.96%) and Titan Global Investments Proprietary Limited (11.61%) are controlled by Titan Premier, which indirectly holds 48.91% of the Tradehold Shares in issue, but exercises voting control of 63.81% through voting preference shares issued by Tradehold and held by Titan Global Investments Proprietary Limited.
2. Mettle Investments does not have any voting preference shares in issue and as a result Mettle Investments Shareholders' voting rights will mirror their economic rights.
3. Titan Premier has entered into an agreement with Wikalox Investments Proprietary Limited (0.01%), Cream Magenta 130 Proprietary Limited (0.86%) and Metcap 14 Proprietary Limited (0.86%) pursuant to which the latter three companies will exercise their voting rights attaching to their Mettle Investments Shares in accordance with the instructions of Titan Premier. Titan Premier will consequently control Mettle Investments post the Restructure and the Distribution.
4. Teez Away Trading Proprietary Limited, Redbill Holdings Proprietary Limited and H Collins and Son Proprietary Limited are controlled by Murray, Kenneth and Russel Collins, respectively, who are members of the same family.

5.4 Alterations to share capital

Prior to the Restructure, in anticipation of the Distribution and so that the Distribution can be done on a ratio of 1 Mettle Investments Share for every 1 Tradehold Share:

- The Tradehold loans to Mettle Investments will be capitalised through the issue of 40 192 618 ordinary Mettle Investments Shares at an issue price of R1.04; and
- Tradehold will subscribe for an additional 110 690 037 ordinary Mettle Investments Shares at an issue price of R3.64.

So as to facilitate the aforementioned subscriptions, prior to the Restructure:

- the authorised and issued share capital of Mettle Investments was converted from par value to no par value on Thursday, 19 April 2018;
- the authorised share capital of Mettle Investments was increased by the creation of 300 000 000 no par value ordinary shares; and
- the authorised 1 000 cumulative, redeemable preference shares were cancelled.

5.5 **Consolidations during February 2018, 2017 and 2016**

There have not been any consolidations or subdivisions of Mettle Investments Shares during the three years preceding the Last Practicable Date.

5.6 **Shares issued and repurchased during the three years preceding the Last Practicable Date**

In the three years preceding the Last Practicable Date, there have been no shares issued by Mettle Investments and Reward. Pursuant to the Listing, Mettle Investments' share capital has been restructured as set out in paragraph 5.4 above.

After the Last Practicable Date, but prior to the Listing, Tradehold, as the sole shareholder of Mettle Investments, will subscribe for a further 40 192 618 ordinary shares in Mettle Investments, at a price of R1.04 per Mettle Investments Share, as consideration for settling loan claims to the value of R42 000 000. Tradehold will subscribe for a further 110 690 037 ordinary shares in Mettle Investments, at a price of R3.64 in order to capitalise the Company so as to enable it to carry out the Restructure.

After the Last Practicable Date, but prior to the Listing, Mettle Investments will subscribe for 900 shares in Reward, at a price of £15 466.53 per Reward share, such that Mettle Investments will be a 90% shareholder of Reward with Tradegro retaining the balance.

There have been no Mettle Investments Shares repurchased by the Company during the three years preceding the Last Practicable Date.

There have been no Reward shares repurchased by Reward during the three years preceding the Last Practicable Date.

Following such subscriptions, the subscribed capital account of Mettle Investments, including reserves but excluding minority interest and revaluation of assets, and excluding intangible assets that are not supported by independent valuations by an independent professional expert acceptable to the JSE will be R545 772 938, which is in excess of the minimum share capital requirements prescribed by the JSE for a company listed on the Alt^X of R2 000 000.

5.7 **Authority to issue shares**

In terms of the Memorandum of Incorporation, subject to certain exceptions, the Board does not have the power to issue further Mettle Investments Shares unless (i) the prior approval of Mettle Investments Shareholders by way of a general or specific authority has been obtained, (ii) the Listings Requirements have been complied with and (iii) the Companies Act has been complied with.

On 19 April 2018, the Board was granted a general authority to issue Mettle Investments Shares (referred to in the relevant resolution as "**securities**") for cash, subject to the provisions of the Memorandum of Incorporation, the Companies Act and the Listings Requirements. The general authority states that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- there will be no restrictions in regard to the persons to whom the securities may be issued, provided that such securities are to be issued to public shareholders (as defined by the Listings Requirements) and not to related parties (as defined by the Listings Requirements);
- the securities which are the subject of the general issue for cash may not exceed 50% of the number of securities, excluding treasury shares, as at the Listing Date. Any securities issued under this authorisation during the period thereof will be deducted from the aforementioned securities. In the event of a sub-division or a consolidation during the period contemplated above the authority will be adjusted to represent the same allocation ratio;
- the maximum discount at which the securities may be issued is 10% of the weighted average traded price of those securities over the 30 Business Days prior to the date that the price of the issue is determined or agreed by the Company and the party/ies subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30 Business Day period;

- the authority shall not endure beyond the earlier of the next annual general meeting of the Company or beyond 15 months from the date of this resolution, whichever is shorter; and
- after the Company has issued Mettle Investments securities in terms of the authority representing, on a cumulative basis within the period of this authority, 5% or more of the number of Mettle Investments securities in issue prior to that issue, the Company shall publish an announcement containing full details of the issue.

5.8 **Authority to repurchase shares**

On 19 April 2018 the Board was granted a general authority to repurchase Mettle Investments Shares upon such terms and conditions and in such amounts as the Directors may from time to time determine, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements. The general authority states that:

- any acquisition of Mettle Investments Shares shall be purchased through the order book of the trading system of the JSE, and done without any prior understanding or arrangement between the Company and the counterparty;
- the general repurchase by the Company of the Mettle Investments Shares are authorised by its Memorandum of Incorporation;
- this general authority shall be valid until the Company's next annual general meeting provided that it shall not extend beyond 15 months from the date of passing of the resolution;
- the general repurchase of Mettle Investments Shares (in aggregate) in any one financial year do not exceed 20% of the Company's issued ordinary share capital as at the beginning of the financial year;
- a resolution has been passed by the Board confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity test (as defined in the Listings Requirements) and that since the test was done there have been no material changes to the financial position of the Company;
- the number of Mettle Investments Shares purchased and held by a Subsidiary or Subsidiaries of the Company shall not exceed 10% in aggregate of the number of issued Mettle Investments Shares in the Company at the relevant times;
- the repurchases must not be made at a price greater than 10% above the weighted average of the market value of the Mettle Investments Shares for the 5 Business Days immediately preceding the date on which the transaction is effected and the JSE should be consulted for a ruling if the Company's securities have not traded in such 5 Business Day period;
- at any point in time the Company may only appoint one agent to affect any repurchase on the Company's behalf;
- subject to the exceptions contained in the Listings Requirements, the Company will not repurchase Mettle Investments Shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of Mettle Investments Shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period; and
- an announcement complying with paragraph 11.27 of the Listings Requirements will be published by the Company (i) when the Company and/or its Subsidiaries have cumulatively repurchased 3% of the Mettle Investments Shares in issue as at the date of the resolution ("the initial number") and (ii) for each 3% in the aggregate of the initial number of the Mettle Investments Shares acquired thereafter by the Company and/or its Subsidiaries.

6. RIGHTS ATTACHING TO SHARES

The rights or restrictions attached to all or any Mettle Investments Shares and the consents necessary for the variation of the rights attaching to the Mettle Investments Shares are set out in the Memorandum of Incorporation, extracts of which are annexed to this Pre-listing Statement as **Annexure 15**. In accordance with the terms of the Memorandum of Incorporation, the rights or restrictions attached to all or any Mettle Investments Shares of any class may be amended, modified, varied or cancelled by way of a special resolution in accordance with the Listings Requirements and Companies Act, provided that no such amendment, modification, variation or cancellation shall be implemented without an extraordinary resolution adopted by the holders of Mettle Investments Shares of that class at a separate meeting. The Memorandum of Incorporation as at the Listing Date will only provide for one class of shares.

At a general meeting of Mettle Investments Shareholders, a Mettle Investments Shareholder who is present in person, by authorised representative or by proxy, shall have one vote on show of hands and on a poll every Mettle Investments Shareholder present in person, by authorised representative or by proxy, shall have one vote for every Mettle Investments Share held. No special voting powers are reserved to any founder, Director or other person.

All Mettle Investments Shares will be of the same class and will rank *pari passu* in every respect. Set out in **Annexure 15** to this Pre-listing Statement are extracts from the Memorandum of Incorporation dealing with the rights of holders of Mettle Investments Shares to dividends, profits and/or capital, including rights on liquidation and distribution of capital assets.

There are no preferential conversion and/or exchange rights of any securities of Mettle Investments.

In terms of the Memorandum of Incorporation, dividends due to holders of Mettle Investments Shares which remain unclaimed may be invested or otherwise held in trust for the benefit of the Company until claimed, subject to the laws of prescription.

7. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES

As at the Last Practicable Date, the Company had no contract or arrangement or proposed contract or arrangement, whereby any option or preferential right of any kind was proposed to be given to any person(s) to subscribe for any securities of the Company or any securities of the Company's Subsidiaries other than for purposes of the Restructuring and listed in **Annexure 18**.

8. VOTING RIGHTS

The Memorandum of Incorporation provides that, subject to any restrictions as to voting attached to any Mettle Investments Shares by or in accordance with the Memorandum of Incorporation and the Listings Requirements, every person present in person or by proxy, and entitled to vote at any general meeting shall, on a show of hands, have only one vote but, upon a poll, each such person shall have one vote for every Mettle Investments Share held or represented by him.

Annexure 15 to this Pre-listing Statement contains the relevant extracts from the Memorandum of Incorporation.

9. FINANCIAL INFORMATION

9.1 Historical financial information

The report of the consolidated historical financial information in respect of the last three financial years ended 28 February 2015, 2016 and 2017 of Mettle Investments (representing the businesses comprising Mettle SA – before the Restructure) and Reward (being the Major Subsidiary following the Restructure) are annexed to this Pre-listing Statement as **Annexure 1** and **Annexure 5**, respectively. The Reporting Accountants' reports on this financial information are annexed to this Pre-listing Statement as **Annexure 2** and **Annexure 6** and should be read in conjunction with the consolidated historical financial information presented in **Annexure 1** and **Annexure 5**, respectively.

9.2 Interim financial information

The report of the reviewed consolidated interim financial information in respect of the six months ended 31 August 2017 of Mettle Investments (representing the businesses comprising Mettle SA – before the Restructure) and Reward (being the Major Subsidiary following the Restructure) are annexed to this Pre-listing Statement as **Annexure 3** and **Annexure 7**, respectively. The Reporting Accountants' reports on this financial information are annexed to this Pre-listing Statement as **Annexure 4** and **Annexure 8** and should be read in conjunction with the reviewed consolidated interim financial information presented in **Annexure 3** and **Annexure 7**, respectively.

9.3 *Pro forma* financial information

The consolidated *pro forma* statement of comprehensive income and statement of financial position of Mettle Investments, assuming that the Restructure and the Listing occurs, are set out in **Annexure 9** to this Pre-listing Statement and should be read in conjunction with the Reporting Accountants' report thereon contained in **Annexure 10**. This *pro forma* financial information is the responsibility of the Directors and they have been prepared for illustrative purposes only, in order to provide information on how the Restructure and the Listing might have impacted on the financial position, changes in equity and results of operations of Mettle Investments.

9.4 Dividend policy

Subject to (i) the growth prospects for the Company and the continuing expectation of shareholders for profit and dividend performance; (ii) the need to safeguard the Mettle Investments Shareholders' longer-term interests by adopting prudential targets that support the growth objectives of the Company's businesses; and (iii) the desirability for some flexibility in the pay-out ratio to take account of variability in profit from one year to the next and the capital needs of the businesses within the Group, Mettle Investments aims to pay dividends each year to Mettle Investments Shareholders within the range of 20% to 30% of net profit after tax.

Pursuant to the Memorandum of Incorporation, any dividends unclaimed for a period of not less than three years from the date on which the dividend became payable may be forfeited by resolution of the Directors for the benefit of the Company.

There are no arrangements under which future dividends have been waived or have been agreed to be waived.

10. GROUP ACTIVITIES

10.1 Principal immovable property owned and leased

As at the Last Practicable Date the Company does not own any immovable property.

Save for that which is detailed in **Annexure 17** as at the Last Practicable Date the Company does not occupy any immovable property or leasehold property.

10.2 Material acquisitions

Save for the acquisition of Reward pursuant to the Restructure, Mettle Investments has not made any material acquisitions of assets in the three years preceding the Last Practicable Date.

No promoter or Director of Mettle Investments has any material interest in, or received any benefit in connection with, any material acquisitions by Mettle Investments.

10.3 Property disposals

Neither the Company nor any Subsidiary (including Subsidiaries post the Restructure) has disposed of, or has proposed to dispose of any securities in, business undertaking, business enterprise or any immovable property or other property in the nature of fixed assets, which is material to the Company.

10.4 Disposal of property

There were no material disposals of immovable property or property in the nature of fixed assets by Mettle Investments in the three years preceding the Last Practicable Date.

10.5 Material changes

In terms of the Restructure, as detailed in this Pre-listing Statement, the Company will obtain a controlling interest in 90% of the shares in Reward and a non-controlling interest in 55% of the shares in Mettle Solar Africa.

Save as set out above, there has been no material change in the business or in the nature of the business of the Company or its Major Subsidiary during the past five years.

There have been no changes in the trading objects of the Company or its Major Subsidiary in the past five years.

Other than as a result of the Restructure, between 28 February 2017 (date of the audited financial statements) and the Last Practicable Date, there were no material changes in the Company or its Major Subsidiary's financial or trading position.

10.6 **Material commitments**

As at the Last Practicable Date, the Company and its Subsidiaries have the material loan commitments as set out in **Annexure 14**.

10.7 **Material loans receivable**

Save as in the ordinary course of business and as fully disclosed in the historical financial statements, neither Mettle Investments nor any of its Subsidiaries (including Subsidiaries after the Restructure) had any material loans receivable from third parties.

Shareholders are referred to notes 7, 9 and 10 of the Mettle Investments historical information (**Annexure 1**) and to note 10 of the Reward historical information (**Annexure 5**) for an overview of the loan receivables.

10.8 **Material inter-company balances and loans to Directors**

Mettle Investments Shareholders are referred to the note "Loan receivables" (page 60-65 in this Pre-listing Statement) and the note "Related parties" (page 80-81 in this Pre-listing Statement) of the Mettle Investments' historical results for the year ended 28 February 2017 for information on the Company's inter-company loan balances as well as loans made or security furnished by the Company or by any of its Subsidiaries to or for the benefit of any Director or associate of any Director of the Company.

10.9 **Contingent liabilities**

Mettle Investments Shareholders are referred to the note "Contingent liabilities" (page 81 in this Pre-listing Statement) of the Mettle Investments' historical results for the year ended 28 February 2017 for information on the Company's contingent liabilities.

In addition to the aforementioned contingent liabilities Mettle Solar has an effective 30% interest in a project company in Namibia. This company is erecting two 5MWp solar PV plants. The off-taker is Nampower, the Namibian Government's public utility. The project company has entered into a transaction with Jabil Inc ("Jabil"), a New York Stock Exchange listed energy company, in terms whereof Jabil is constructing the two solar plants. Jabil bears the full cost of construction and stands to be paid for the project on commissioning by the project company. The project is expected to be commissioned in November 2018. Tradegro Holdings provided Jabil with a payment guarantee. Mettle Solar has in turn indemnified Tradegro Holdings against such liability. The maximum exposure to Tradegro Holdings in terms of this indemnity is R137.5 million. The project company has already engaged with Investec Bank Limited to raise a facility equal to the contract amount payable to Jabil, and this facility is expected to be in place before the commissioning of the project.

Other than the aforementioned there are no further contingent liabilities for Mettle Investments or its Subsidiaries (including Subsidiaries post the Restructure).

10.10 **Lease payments**

Both Mettle Investments and Reward have no material lease payments. Lease commitments which are considered immaterial are contained in **Annexure 17**.

10.11 **Loan capital and material loans outstanding**

At the Last Practicable Date, the Company has a loan outstanding from Tradehold, details of which are disclosed in note 17 "Borrowings due to shareholders" of the Mettle Investments historical financial information found in **Annexure 1**. However, as part of the Restructure, such loan will be capitalised. As at the Last Practicable Date, Mettle Investments has no other material loan capital outstanding nor any debentures in issue, save for as disclosed in **Annexure 14**.

10.12 **Working capital statement**

The Directors are of the opinion that the working capital available to Mettle Investments and its Subsidiaries is sufficient for Mettle Investments and its Subsidiaries' present requirements, that is, for at least 12 months following the date of this Pre-listing Statement.

10.13 **Vendors**

Details of the material assets purchased from vendors in the three years preceding the Last Practicable Date are set out in **Annexure 20** of this Pre-listing Statement.

11. MATERIAL CONTRACTS

11.1 Existing and/or proposed contracts

Employment contracts have been concluded with all executive Directors. These are standard employment contracts and will not be varied on Listing. The next annual review date for employment contracts will be during 2019. Copies of these contracts are available for inspection as set out in paragraph 14 below.

The Company has not been a party to any other material management agreements, restraint of trade agreements or any other agreement in terms of which any royalty or management fee is payable.

As at the Last Practicable Date, the Company and its Subsidiaries have not entered into any material agreements relating to the payment of technical, administrative or secretarial fees nor are they party to any material restraint or trade payments or any agreements in terms of royalties.

11.2 Material contracts

Other than for the agreements entered into for purposes of the Restructure as summarised in **Annexure 18**, Mettle Investments and its Major Subsidiary have not entered into:

- any material contracts other than in the ordinary course of business within two years prior to the Last Practicable Date;
- any restrictive funding arrangement within two years prior to the Last Practicable Date;
- any contracts that contain an obligation or settlement that is material to Mettle Investments or its Major Subsidiary as at the Last Practical Date; or
- during the three years preceding the Last Practicable Date, other than for the Restructure, neither the Company nor its Major Subsidiary has acquired any securities in, or the business undertaking of, any other company, or business enterprise or any immovable property or other property in the nature of fixed assets, where such acquisition is material to the Company.

Mettle Investments has not entered into any agreements whereby royalties, or items of a similar nature, are payable.

12. ADDITIONAL INFORMATION

12.1 Promoter and directors' interests

No promoter or Director has any material beneficial interest in Mettle Investments' promotion.

Mettle Investments has not paid any amount (whether in cash or in securities), nor given any benefit to any promoters or any partnership, syndicate or other association of which a promoter was a member within the three years preceding the Last Practicable Date.

12.2 Litigation statement

As at the Last Practicable Date, there are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Company is aware that may have or have had in the last 12 months, a material effect on the Group's financial position.

12.3 Commissions paid or payable in respect of underwriting and share issues

In the preceding three years up to the Last Practicable Date, no consideration such as commissions, discounts or other payments have been paid by the Company nor have any brokerages been granted in respect of the issue or sale of any securities.

12.4 South African Exchange Control Regulations

The information set out below is a general summary of the Exchange Control Regulations and is intended as a guide only and is therefore not comprehensive. If you are in any doubt you should consult an appropriate professional advisor immediately.

In terms of the Exchange Control Regulations of South Africa:

- a former resident of the Common Monetary Area who receives a Mettle Investments Share for every Tradehold Share held at Listing Date in terms of the Pre-listing Statement, will have the Mettle Investments Shares credited to their share accounts at the CSDP or Broker controlling their remaining portfolios;
- Mettle Investments Shares subsequently re-materialised and issued in certificated form, will be endorsed 'Non-Resident' and will be sent to the authorised dealer controlling their remaining portfolios;
- a resident outside of the Common Monetary Area who receives a Mettle Investments Share for every Tradehold Share held at Listing Date in terms of the Pre-listing Statement, will have the Mettle Investments Shares credited to the CSDP or Broker controlling their portfolios; and
- residents outside the Common Monetary Area should note that, where Mettle Investments Shares are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed 'Non-Resident' in terms of the Exchange Control Regulations.

12.5 **Preliminary and issue expenses**

The following expenses and provisions are expected, or have been provided for in connection with the preparation of this Pre-listing Statement. All the fees payable to the parties below are exclusive of VAT (where payable). Mettle Investments has not incurred any preliminary expenses (within the meaning of the Listings Requirements) over the last three financial years.

Service	**Service provider**	**Mettle Investments expenses R**	**Tradehold expenses R**
Joint corporate advisory	RMB	1 400 000	5 600 000
Joint corporate advisory	Mettle Corporate Finance	450 000	1 800 000
Designated advisor	Questco Corporate Advisory	166 000	664 000
Joint independent reporting accountant and Subsidiary auditor	PwC	400 000	1 600 000
Auditor and joint independent reporting accountant	BDO	25 000	100 000
Competition authorities advisory	Baker McKenzie	40 000	160 000
SA tax advisory	ENS	450 000	1 800 000
UK tax advisory	Hobson Tax Consulting	50 000	200 000
SA legal advisory	Cliffe Dekker Hofmeyr	310 000	1 240 000
UK legal advisory	Walker Morris	120 000	480 000
JSE	JSE	40 000	160 000
Printing, publication and distribution	Ince	60 000	240 000
Transfer Secretaries	Computershare	20 000	80 000
Settlement services	Strate	50 000	200 000
SARS	Securities transfer tax	300 000	1 200 000
Contingency costs	–	425 000	1 700 000
Total		**4 306 000**	**17 224 000**

12.6 **Consents**

Each of the experts, whose names appear in the 'Corporate Information' section of this Pre-listing Statement, have given and have not, prior to the Last Practicable Date, withdrawn their consents to the inclusion of their names, their stated capacities and, where applicable, their reports being included in this Pre-listing Statement.

13. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are given in the 'Corporate Information' section of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information contained herein and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law and the Listings Requirements.

14. **DOCUMENTS AVAILABLE FOR INSPECTION**

Certified copies of the following documents will be available for inspection at the registered offices of the Company, Rand Merchant Bank, a division of FirstRand Bank Limited and the designated advisor, Questco Corporate Advisory Proprietary Limited from the date of this Pre-listing Statement until the 10th Business Day following the Listing:

- the signed Pre-listing Statement;
- the Memorandum of Incorporation;
- audited consolidated financial information of Mettle Investments for the years ended 28 February 2015, 2016 and 2017;
- audited consolidated financial information of Reward for the years ended 28 February 2015, 2016 and 2017;
- reviewed consolidated interim financial statements of Mettle Investments for the six months ended 31 August 2017;
- reviewed consolidated interim financial statements of Reward for the six months ended 31 August 2017;
- reviewed interim financial statements of Mettle Solar Africa for the six months ended 31 August 2017;
- the reports of BDO, being the auditor and joint independent reporting accountants which are included as **Annexure 2** and **Annexure 4** to this Pre-listing Statement;
- the reports of PwC, being the joint independent reporting accountants which are included as **Annexure 6**, **Annexure 8** and **Annexure 10** to this Pre-listing Statement;
- the written consents of each of the advisors named in the 'Corporate Information' section of this Pre-listing Statement to act in those capacities and references thereto in the form and context in which they are included in this Pre-listing Statement;
- a copy of the contracts referred to in paragraph 11.2 of the "Material Contracts" section and **Annexure 18**;
- the employment agreements with executive Directors; and
- the written power of attorney executed by each Director not signing the Pre-listing Statement.

SIGNED AT CAPE TOWN ON 14 MAY 2018 FOR AND ON BEHALF OF THE DIRECTORS OF METTLE INVESTMENTS LIMITED

Hendrik Frederik Prinsloo
Chief executive officer

REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF METTLE INVESTMENTS FOR THE THREE YEARS ENDED 28 FEBRUARY 2015, 2016 AND 2017

Introduction

The consolidated historical financial information of Mettle Investments set out below has been extracted from the audited annual financial statements of Mettle Investments for the three years ended 28 February 2015, 29 February 2016 and 28 February 2017 ("Historical Financial Information"). The Historical Financial Information is the responsibility of the Directors. The Historical Financial Information was prepared in accordance with IFRS and interpretations adopted by the International Accounting Standards Board ("IASB") and were audited by BDO, who issued an unqualified audit opinion thereon. The independent reporting accountants' report on the Historical Financial Information is presented in **Annexure 2**.

Commentary

Year ended 28 February 2015

Mettle generated a profit of R9.1 million due to a R4.6 million loss on disposal of 40% in Lendcor and minimal ad hoc corporate finance fee income. Impex Treasury Solutions Proprietary Limited ("Impex"), a 33.3% owned associate, continued to trade profitably and contributed R1.2 million.

The Company used R20 million of Tradehold's R35.9 million capitalisation to settle interest bearing borrowings.

The Company bought out the 33.3% shareholder in Mettle Administrative Services Proprietary Limited ("MAS") in March 2014 for R1.5 million and also acquired 100% of Pointbreak M&A (renamed Mettle Corporate Finance Proprietary Limited) ("MCF"), a Cape Town based corporate finance business, in September 2014. The purchase price was dependent on MCF generating an aggregate profit after tax of R4 million for the two years ending 28 February 2017. This business complemented the existing corporate finance services provided in Johannesburg by Mettle Specialised Finance Proprietary Limited.

Year ended 29 February 2016

Notwithstanding a R2.7 million goodwill impairment charge, Mettle's profit grew to R16.1 million, mainly due to a once off R5.8 million corporate finance advisory fee. The low effective tax rate was due to a R1.6 million deferred tax asset on previously unrecognised tax losses. Lendcor and Impex continued to grow and contributed R5.2 million and R1.7 million, respectively.

Mettle exercised a call option to acquire 49.9% in Lendcor for R23 million in August 2015, resulting in Mettle having a 64.9% economic interest in Lendcor.

The Company satisfied the future funding needs of MAS with a R50 million five-year facility (at prime plus 1%) from the Small Enterprise Finance Agency SOC Limited.

Mettle Solar Investments Proprietary Limited ("Solar") completed its first year of operations with six commissioned rooftop solar projects and also finalised the acquisition of 50% of SPS, a company which designs, installs and maintains solar power generation systems. The SPS purchase price comprised an initial payment of R3.1 million plus a further payment dependent on earnings before interest, tax, depreciation and amortisation for the year ending 28 February 2018.

Year ended 28 February 2017

The decline in profitability to R15.3 million can be attributed to Solar's R6.9 million equity accounted loss. Solar completed a further seven rooftop solar projects and one utility scale project (in Namibia) by the end of the year. Solar requires continued capital investment to sustain its strong growth.

Lendcor continued to grow advances by approximately 25% and contributed R6.8 million to Group profit. The corporate finance businesses had improved deal flow and contributed R4.9 million, compared to R3.6 million in the prior year, while MAS achieved its best annual return of R4.4 million.

Loans to Tradehold group entities of R84 million were ceded to Tradehold in settlement of shareholder borrowings.

The Company purchased a 50% interest in Incatorque Proprietary Limited for R3.3 million. An additional payment (capped at R5 million) is due based on its aggregate profit before tax for the two years ending 28 February 2019.

METTLE INVESTMENTS LIMITED
STATEMENTS OF FINANCIAL POSITION

	Notes	2017 R	2016 R	2015 R
ASSETS				
Non-current assets				
Property, plant and equipment	3	**765 202**	141 548	190 390
Goodwill	4	**7 475 084**	9 889 832	11 988 456
Investment in joint venture	5	**7 366 045**	–	–
Investments in associates	6	**43 467 369**	44 337 402	27 021 551
Loans due from associates	7	**55 281 188**	32 789 204	5 281 688
Deferred taxation	8	**2 162 987**	3 715 109	2 845 329
Loan receivables	9	**35 728 461**	34 337 002	30 296 302
Trade and other receivables	10	**–**	–	18 226 552
Total non-current assets		**152 246 336**	125 210 097	95 850 268
Current assets				
Asset held for sale	11	**6 300 000**	–	–
Loans due from associates	7	**–**	39 173	4 541 973
Loan receivables	9	**11 247 673**	102 617 786	37 045 323
Trade and other receivables	10	**26 935 116**	26 432 393	15 159 275
Taxation		**4 538**	27 900	8 640
Cash and cash equivalents	12	**12 044 803**	7 448 339	4 722 129
Total current assets		**56 532 130**	136 565 591	61 477 340
Total assets		**208 778 466**	261 775 688	157 327 608
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital and premium	13	**100 621 766**	100 621 766	100 621 766
Retained income/(accumulated losses)		**6 363 257**	(8 964 495)	(25 091 523)
Total equity		**106 985 023**	91 657 271	75 530 243
Non-current liabilities				
Deferred taxation	8	**–**	13 772	19 213
Borrowings	16	**16 131 236**	11 118 390	8 373 060
Borrowings due to shareholders	17	**68 562 990**	149 105 749	20 000 000
Other financial liabilities	19	**4 053 044**	2 357 740	1 498 907
Total non-current liabilities		**88 747 270**	162 595 651	29 891 180
Current liabilities				
Borrowings	16	**7 886 601**	3 446 077	30 835 528
Borrowings due to shareholders	17	**–**	–	16 098 712
Other financial liabilities	19	**1 693 037**	16 875	206 824
Provisions	20	**340 000**	910 530	350 000
Trade and other payables	21	**3 101 114**	3 146 015	4 410 575
Taxation		**25 421**	3 269	4 546
Total current liabilities		**13 046 173**	7 522 766	51 906 185
Total equity and liabilities		**208 778 466**	261 775 688	157 327 608
Net asset value per share (cents)		**111.11**	95.19	78.44
Tangible net asset value per share (cents)		**103.34**	84.92	65.99

METTLE INVESTMENTS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME

	Notes	2017 R	2016 R	2015 R
Revenue	22	**42 863 323**	39 527 790	60 566 666
Other income	23	**6 519 560**	2 781 190	112 396
Interest expense	24	**(2 670 464)**	(4 378 987)	(7 378 028)
Operating income		**46 712 419**	37 929 993	53 301 034
Allowance for impairment of loan and trade receivables		**(820 553)**	(1 529 545)	(3 516 938)
Impairment of goodwill		**(2 414 748)**	(2 666 819)	–
Operating expenses	25	**(26 162 302)**	(24 256 533)	(41 219 473)
Profit from operations		**17 314 816**	9 477 096	8 564 623
Profit from associated companies	6	**3 167 209**	7 167 961	2 929 404
Profit before taxation		**20 482 025**	16 645 057	11 494 027
Taxation	26	**(5 154 273)**	(518 029)	(2 389 214)
Total comprehensive income for the year		**15 327 752**	16 127 028	9 104 813
Attributable to:				
Equity holders of the parent		**15 327 752**	16 127 028	7 748 817
Non-controlling interest		**–**	–	1 355 996
		15 327 752	16 127 028	9 104 813
Dividends per share (cents)		**–**	–	–
Basic earnings per share (cents)	32	**15.92**	16.75	8.05
Diluted earnings per share (cents)	32	**15.92**	16.75	8.05
Headline earnings per share (cents)	32	**15.63**	18.90	11.85
Diluted headline earnings per share (cents)	32	**15.63**	18.90	11.85

METTLE INVESTMENTS LIMITED
STATEMENTS OF CHANGES IN EQUITY

	Share capital R	Share premium R	(Accumulated losses)/ retained income R	Total R
Equity at 28 February 2014	963	64 694 041	(29 729 777)	34 965 227
Capitalisation of shareholder loan claim		15 926 762		15 926 762
Issue of ordinary shares		20 000 000		20 000 000
Disposal of subsidiary (refer to note 27C)			(3 110 563)	(3 110 563)
Total comprehensive income for the year			7 748 817	7 748 817
Equity at 28 February 2015	963	100 620 803	(25 091 523)	75 530 243
Total comprehensive income for the year			16 127 028	16 127 028
Equity at 29 February 2016	963	100 620 803	(8 964 495)	91 657 271
Total comprehensive income for the year			**15 327 752**	**15 327 752**
Equity at 28 February 2017	**963**	**100 620 803**	**6 363 257**	**106 985 023**
Note	13	13		

METTLE INVESTMENTS LIMITED
STATEMENTS OF CASH FLOWS

	Notes	2017 R	2016 R	2015 R
Cash flows from operating activities				
Net cash generated from operations	27A	**6 392 400**	9 039 822	12 687 917
Interest received		**4 179 949**	7 253 827	13 560 993
Interest paid		**(2 670 464)**	(4 378 987)	(7 378 028)
Taxation paid	27B	**(3 570 410)**	(1 413 787)	(1 496 501)
Net cash inflow from operating activities		**4 331 475**	10 500 875	17 374 381
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(849 075)**	(53 092)	(1 304 711)
Acquisition of investment in associate		**–**	(22 978 901)	(550)
Acquisition of investment in joint venture		**(3 313 001)**	–	–
Loans advanced to associates		**(23 430 077)**	(23 540 244)	(13 534 293)
Loan receivables advanced		**(49 660 704)**	(72 762 512)	(77 087 401)
Loan receivables recovered		**18 335 924**	25 950 991	–
Proceeds on disposal of property, plant and equipment		**32 299**	–	165 788
Proceeds on disposal of associate		**819 334**	–	–
Cash outflow on disposal of subsidiaries	27C	**–**	–	(3 345 594)
Cash inflow on acquisition of subsidiaries	27D	**–**	241 507	1 877 352
Dividends and distributions received		**6 294 808**	14 134 092	1 700 000
Net cash outflow from investing activities		**(51 770 492)**	(79 008 159)	(91 529 409)
Cash flow from financing activities				
Repayment of exiting shareholder loans		**–**	–	(703 516)
Receipt/(repayment) of borrowings		**8 019 263**	(10 301 949)	23 379 176
Receipt of shareholder loans		**42 582 112**	85 208 336	36 098 712
Issue of ordinary shares		**–**	–	20 000 000
Redemption of preference shares		**–**	–	(3 901 102)
Net cash inflow from financing activities		**50 601 375**	74 906 387	74 873 270
Net increase in cash and cash equivalents		**3 162 358**	6 399 103	718 242
Cash and cash equivalents at beginning of the year		**7 448 339**	1 049 236	330 994
Cash and cash equivalents at end of the year	12	**10 610 697**	7 448 339	1 049 236

METTLE INVESTMENTS LIMITED
ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated annual financial information are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

Statement of compliance

The consolidated and separate annual financial statements of the Mettle Investments group are expressed in South African Rand and have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa, 2008.

Preparation of the consolidated annual financial statements

The consolidated annual financial statements have been prepared under the historical cost convention, except for contingent consideration that has been measured at fair value.

The preparation of consolidated annual financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in note 1.

Standards, amendments and interpretations effective in 2017 and relevant to the group's operations

IFRS 10 Consolidated Financial Statements and *IAS 28 Investments in Associates and Joint Ventures* – clarifies the application of the consolidation exception for investment entities and their subsidiaries.

IFRS 11 Joint Arrangements – adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.

IAS 1 Presentation of Financial Statements – clarifies materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

IAS 27 Separate Financial Statements – option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changing disposal methods (through sale or through distribution to owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2017 or later periods, but the group has not early adopted them:

- *IAS 7 Statement of Cash Flows:* Effective date 1 January 2017
- *IAS 12 Income Taxes:* Effective date 1 January 2017
- *IAS 28 Investments in Associates:* Effective date 1 January 2016 (postponed)
- *IAS 40 Investment Property:* Effective date 1 January 2018
- *IFRS 2 Share-based Payments:* Effective date 1 January 2018
- *IFRS 4 Insurance Contracts:* Effective date 1 January 2018
- *IFRS 9 Financial Instruments*: Effective date 1 January 2018
- *IFRS 10 Consolidated Financial Statements:* Effective date 1 January 2016 (postponed)
- *IFRS 15 Revenue from Contracts with Customers:* Effective date 1 January 2018
- *IFRS 16 Leases:* Effective date 1 January 2019

The following standards and amendments to existing standards may be relevant to the group's operations but the impact is still currently being assessed:

- *IAS 7 Statement of Cash Flows:* Effective years beginning on or after 1 January 2017

  The amendments enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

- *IAS 28 Investments in Associates:* Effective years beginning on or after 1 January 2016 (postponed)

  The amendment addresses an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the disposal or contribution of a subsidiary. The amendment also clarifies that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the disposal or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

- *IFRS 9 Financial Instruments*: Effective years beginning on or after 1 January 2018

  The standard amends the measurement requirements for all contingent consideration assets and liabilities and comprises guidance on classification and measurement, impairment, hedge accounting and derecognition. The standard introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.

- *IFRS 15 Revenue from Contracts with Customers:* Effective years beginning on or after 1 January 2018

  The new standard requires that entities recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

- *IFRS 16 Leases:* Effective years beginning on or after 1 January 2019

  The new standard introduces a single lessee accounting model and requires a lessee to recognise an asset and liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for in equity.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Disposal of subsidiaries

If the group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary,
- Derecognises the carrying amount of any non-controlling interests,
- Derecognises the cumulative translation differences recorded in equity,
- Recognises the fair value of the consideration received,
- Recognises the fair value of any investment retained,
- Recognises any surplus or deficit in profit or loss, and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained income, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

An investment in an associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Joint arrangements

Joint arrangements are those entities over whose activities the group has joint control, established by contractual agreement.

Interests in joint arrangements are accounted for as either a joint venture or a joint operation as permitted by IFRS 11. A joint arrangement is accounted for as a joint venture when the group, along with the other parties that have joint control of the arrangement, have rights to the net assets of the arrangement. Joint ventures are equity accounted in accordance with IAS 28 (revised). The equity method requires the group's share of the joint venture's post-tax profit or loss for the year to be presented separately in profit or loss and the group's share of the joint venture's net assets to be presented separately in the statement of financial position. Joint ventures with net liabilities are carried at zero value in the statement of financial position where there is no commitment to fund the deficit and any distributions are included in profit or loss for the year.

A joint arrangement is accounted for as a joint operation when the group, along with the parties that have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations are accounted for by including the group's share of the assets, liabilities, income and expenses on a line-by-line basis.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the group's interest in the joint venture concerned. Unrealised losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

The annual financial statements of the associate or joint venture are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group. After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in profit or loss.

Upon loss of joint control over the joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is disclosed separately on the face of the statement of financial position. Goodwill is tested annually for impairment in the respective subsidiary's functional currency and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of property, plant and equipment includes its purchase price and any directly attributable costs. Cost includes the cost of replacing part of an existing property, plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Leasehold improvements — term of the lease
- Office furniture and equipment — 5 years
- Computer equipment and software — 2 – 3 years
- Motor vehicles — 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

Classification

The group classifies its financial instruments as loans and receivables and financial liabilities measured at amortised cost. The classification depends on the purpose for which the financial instrument was acquired. Management determines the classification of its financial instruments at initial recognition. Classification is re-assessed on an annual basis, except for derivatives, which shall not be classified out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The group's loans and receivables comprise loan receivables, trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as interest expense in profit or loss.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as interest expense.

This category applies to borrowings, bank overdrafts, deferred revenue, deferred consideration and trade and other payables on the face of the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Financial liabilities measured at amortised cost are initially measured at fair value.

Impairment of financial assets

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other payables

Trade payables and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

Foreign currency translation

Foreign currency transactions are translated using the exchange rates prevailing at the date of the transactions (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Deferred revenue

Deferred revenue is initially measured at fair value, and is subsequently measured at amortised cost, using the effective interest rate method.

Deferred consideration

Deferred consideration is initially measured at fair value, and is subsequently measured at amortised cost, using the effective interest rate method.

Provisions

Provisions for legal claims are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating leases.

Where the group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract is lower than the unavoidable costs of meeting its obligations under the contract (onerous contracts).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as borrowings in liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties.

Employee benefits

Pension obligations

The group operates a defined contribution plan and the assets are held in a separate trustee administered provident fund. The provident fund is funded by payments from relevant group companies. The group's contributions to this fund are charged to profit or loss in the period to which they relate. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The group has no liabilities for post-retirement benefits. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The plan is governed by the Pension Funds Act, 1956 (Act No 24 of 1956).

Short-term employee benefits and compensation absences

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the group.

Profit-sharing and bonus plans

The group recognises a liability and an expense for bonuses and profit-sharing where contractually obliged or where there is a past practice that has created a constructive obligation.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below.

Interest income

Interest income is in respect of the secured and unsecured lending operations and is recognised using the effective interest rate method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Fee income

Fee income includes fees earned from providing services. Fee income is recognised when the related services are performed or when entitled thereto.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or disposal are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Taxation rates

The normal South African company tax rate used for the year ended 28 February 2017 is 28% (2016 and 2015: 28%). Deferred tax assets and liabilities for South African entities at 28 February 2017 have been calculated using 28% (2016 and 2015: 28%), being the rate that the group expects to apply to the periods when the assets are realised or the liabilities are settled. Capital gains tax is included at 80.0% (2016 and 2015: 66.6%) of the company tax rate.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Dividends withholding tax

Dividend withholding tax is levied on the shareholders (or beneficial owners) receiving the dividend; where secondary tax on companies was levied on the company declaring the dividend.

Shareholders are now subject to dividends withholding tax on dividends received, unless they are exempt in terms of the amended tax law. Dividends withholding tax increased from 15% to 20% for any dividend received on or after 22 February 2017. The dividends withholding tax is categorised as a withholding tax, as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not the beneficial owner of the dividend. Where a non-exempt group company is a beneficial owner of the dividend, the dividends withholding tax is recorded as an expense in profit or loss when the dividend income is earned.

Contingencies

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the statement of financial position but disclosed in the notes to the annual financial statements.

NOTES TO THE GROUP FINANCIAL INFORMATION

1. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy above. The recoverable amounts have been determined based on fair value less disposal costs. These calculations require the use of estimates.

Details of the impairment loss calculation are set out in note 4.

Estimation of contingent consideration

The value of the contingent consideration is based on the group's best estimate of the conditions existing at year-end.

Refer to notes 5 and 19 for estimates used to determine the value of the deferred consideration.

Deferred tax assets

Future profitability was assessed for each group company and deferred tax assets were only recognised where it was considered probable that future taxable profits would utilise calculated assessed losses.

A deferred tax asset of R2 751 821 relating to calculated assessed tax losses has been recognised at 29 February 2016 in Mettle Administrative Services Proprietary Limited due to the continued profitability of the business over the past few years as well future expected profitability.

2. GROUP INFORMATION

Information about subsidiaries

The annual financial statements include:

Name	Principal activities	Country of incorporation	2017 %	2016 %	2015 %
Mettle Specialised Finance Proprietary Limited	Corporate finance services	South Africa	**100%**	100%	100%
Mettle Factors Proprietary Limited	Debt recovery	South Africa		100%	100%
Mettle Trade Debtor Finance Proprietary Limited	Group treasury	South Africa		100%	100%
Mettle Administrative Services Proprietary Limited	Factoring and debtor finance	South Africa	**100%**	100%	100%
Mettle Vehicle Finance Proprietary Limited	Vehicle finance	South Africa	**100%**	100%	100%
Mettle Corporate Finance Proprietary Limited	Corporate finance services	South Africa	**100%**	100%	100%
Mettle Medical Finance Proprietary Limited	Factoring for doctors	South Africa		100%	100%

2017

Mettle Trade Debtor Finance Proprietary Limited, Mettle Factors Proprietary Limited and Mettle Medical Finance Proprietary Limited were all deregistered during the year.

2016

The company acquired the remaining 50% shareholding in Mettle Medical Finance Proprietary Limited in June 2015 – refer to note 27D.

2015

The company acquired the remaining 33.3% shareholding in Mettle Administrative Services Proprietary Limited in March 2014 – refer to note 27D.

The company acquired the remaining 50% shareholding in Mettle Vehicle Finance Proprietary Limited in August 2014 – refer to note 27D.

Mettle Corporate Finance Proprietary Limited was acquired in September 2014 – refer to note 27D.

Mettle Manco Proprietary Limited was disposed in March 2014 – refer to note 27C.

Material partly-owned subsidiaries

Financial information of the subsidiary that had material non-controlling interest in 2015 is detailed below:

Lendcor Proprietary Limited

The company disposed of an effective 40% of its 80% shareholding in Lendcor Proprietary Limited in November 2014 – refer to note 27C.

	2015 **R**
Profit allocated to material non-controlling interest (20%)	1 355 996

The summarised financial information of Lendcor Proprietary Limited is provided below.
This information is based on amounts before any inter-company eliminations.
The 2015 figures are for the 9 month period ended 30 November 2014 – Lendcor Proprietary Limited was no longer consolidated from this date.

Summarised statement of comprehensive income	
Fee income	25 639 767
Interest income	13 002 162
Interest expense	(4 651 548)
Other income	1 952 715
Impairment of loan receivables	(2 920 086)
Operating expenses	(23 601 300)
Profit before taxation	9 421 710
Taxation	(2 641 730)
Profit after taxation	6 779 980

Lendcor Proprietary Limited paid no ordinary dividends during the year ended 28 February 2015.

3. **PROPERTY, PLANT AND EQUIPMENT**

2017 **Cost**	Balance at 1 March 2016 R	Additions R	Disposals R	Balance at 28 February 2017 R
Leasehold improvements/fixtures and fittings	26 901	299 031	–	325 932
Computer equipment and software	95 903	203 211	–	299 114
Office equipment and furniture	253 517	266 833	–	520 350
Vehicles	18 518	80 000	(14 594)	83 924
	394 839	849 075	(14 594)	1 229 320

Accumulated depreciation	Balance at 1 March 2016 R	Depreciation R	Disposals R	Balance at 28 February 2017 R
Leasehold improvements/fixtures and fittings	22 604	65 320	–	87 924
Computer equipment and software	56 197	78 891	–	135 088
Office equipment and furniture	155 972	67 876	–	223 848
Vehicles	18 518	13 334	(14 594)	17 258
	253 291	225 421	(14 594)	464 118

Net book value	Balance at 28 February 2017 R	Balance at 1 March 2016 R
Leasehold improvements/fixtures and fittings	238 008	4 297
Computer equipment and software	164 026	39 706
Office equipment and furniture	296 502	97 545
Vehicles	66 666	–
	765 202	141 548

2016 Cost	Balance at 1 March 2015 R	Additions R	Disposals R	Balance at 29 February 2016 R
Leasehold improvements/fixtures and fittings	26 901	–	–	26 901
Computer equipment and software	97 578	16 325	(18 000)	95 903
Office equipment and furniture	216 750	36 767	–	253 517
Vehicles	18 518	–	–	18 518
	359 747	53 092	(18 000)	394 839

Accumulated depreciation	Balance at 1 March 2015 R	Depreciation R	Disposals R	Balance at 29 February 2016 R
Leasehold improvements/fixtures and fittings	14 020	8 584	–	22 604
Computer equipment and software	46 015	28 182	(18 000)	56 197
Office equipment and furniture	90 814	65 158	–	155 972
Vehicles	18 508	10	–	18 518
	169 357	101 934	(18 000)	253 291

2016 Net book value	Balance at 29 February 2016 R	Balance at 1 March 2015 R
Leasehold improvements/fixtures and fittings	4 297	12 881
Computer equipment and software	39 706	51 563
Office equipment and furniture	97 545	125 936
Vehicles	–	10
	141 548	190 390

2015 Cost	Balance at 1 March 2014 R	Additions R	Acquisition of subsidiaries R	Disposal of subsidiaries R	Disposals R	Balance at 28 February 2015 R
Leasehold improvements/fixtures and fittings	26 901	–	–	–	–	26 901
Computer equipment and software	6 272 326	474 688	4 247	(6 653 683)	–	97 578
Office equipment and furniture	1 350 972	109 195	90 386	(1 333 803)	–	216 750
Vehicles	749 860	720 828	18 519	(925 829)	(544 860)	18 518
	8 400 059	1 304 711	113 152	(8 913 315)	(544 860)	359 747

2015 Accumulated depreciation	Balance at 1 March 2014 R	Depreciation R	Acquisition of subsidiaries R	Disposal of subsidiaries R	Disposals R	Balance at 28 February 2015 R
Leasehold improvements/fixtures and fittings	901	13 119	–	–	–	14 020
Computer equipment and software	4 774 512	740 661	–	(5 469 158)	–	46 015
Office equipment and furniture	1 026 278	187 653	–	(1 123 117)	–	90 814
Vehicles	300 558	130 989	–	(7 205)	(405 834)	18 508
	6 102 249	1 072 422	–	(6 599 480)	(405 834)	169 357

Net book value	Balance at 28 February 2015 R	Balance at 1 March 2014 R
Leasehold improvements/fixtures and fittings	12 881	26 000
Computer equipment and software	51 563	1 497 814
Office equipment and furniture	125 936	324 694
Vehicles	10	449 302
	190 390	2 297 810

4. GOODWILL

	2017 R	2016 R	2015 R
Cost			
At beginning of the year	**18 622 791**	18 054 596	96 697 538
Disposal of subsidiaries (refer to note 27C)	**–**	–	(84 238 161)
Acquisition of subsidiaries (refer to note 27D)	**–**	568 195	5 595 219
At end of the year	**18 622 791**	18 622 791	18 054 596
Accumulated impairment			
At beginning of the year	**8 732 959**	6 066 140	67 118 859
Impairment losses recognised during the year	**2 414 748**	2 666 819	–
Disposal of subsidiaries (refer to note 27C)	**–**	–	(61 052 719)
At end of the year	**11 147 707**	8 732 959	6 066 140
Net book value	**7 475 084**	9 889 832	11 988 456

2017

The recoverable amounts of the cash generating units were determined using fair value less disposal costs. The fair values were determined using sustainable earnings before interest, tax, depreciation and amortisation multiplied by earnings multiples from two to four.

An impairment was recognised in the following cash generating unit:

		R
Specialised Finance	Resignation of a key executive director	**2 414 748**

2016

The recoverable amounts of the cash generating units were determined using fair value less disposal costs. The fair values were determined using sustainable earnings before interest, tax, depreciation and amortisation multiplied by a four earnings multiple.

		R
Specialised Finance	Future profitability expected to be lower than current levels	2 098 624
Medical Finance	Business expected to be break-even for the foreseeable future	568 195
		2 666 819

2015

The recoverable amounts of the cash generating units were determined using fair value less disposal costs. The fair values were determined using sustainable earnings before interest, tax, depreciation and amortisation multiplied by a four earnings multiple. These valuations confirmed that no goodwill impairment was necessary.

5. INVESTMENT IN JOINT VENTURE

	2017 R	2016 R	2015 R
Unlisted (at cost)			
Incatorque Proprietary Limited			
– subscription for 50.4% of ordinary shares	**3 313 000**	–	–
– present value of future estimated purchase price	**4 053 044**	–	–
– subordinated loan claim	**1**	–	–
	7 366 045	–	–

The company acquired the ordinary shares and loan claim in November 2016.

The company and the other 49.6% shareholder both have the right to appoint two directors to the board. The operating plans of the joint venture need to be approved by 75% of shareholders.

The company has also agreed to advance an interest free loan (to purchase a property) of R5 000 000 in the future to the other shareholder. This loan will be secured by his shares in Incatorque Proprietary Limited as well as a first ranking covering mortgage bond over the property.

An agterskot is payable linked to the targeted aggregate profit of R11 841 922 for the two years ending 28 February 2019:

- maximum agterskot is R5 000 000 which will be set off against the loan.
- if agterskot between R3 300 000 and R5 000 000, then set off against loan with balance payable by other shareholder.
- if agterskot equals R3 300 000, then R5 000 000 loan repayable by other shareholder.
- if agterskot less than R3 300 000, then R5 000 000 loan as well as the shortfall between the agterskot and R3 300 000 is repayable by the other shareholder.

The present value of the maximum agterskot payable has been recognised and is included in other financial liabilities in the statement of financial position.

	2017 R	2016 R	2015 R
The summarised financial information is detailed below:			
Summarised statement of financial position			
Current			
Cash and cash equivalents	**2 413 254**	–	–
Other current assets (excluding cash)	**259 624**	–	–
Total current assets	**2 672 878**	–	–
Financial liabilities (excluding trade payables)	**(11 791)**	–	–
Other current liabilities (including trade payables)	**(1 173)**	–	–
Total current liabilities	**(12 964)**	–	–
Non-current			
Other non-current assets	**972 900**	–	–
Total non-current assets	**972 900**	–	–
Financial liabilities	**(725 134)**	–	–
Other liabilities	**(10 000)**	–	–
Total non-current liabilities	**(735 134)**	–	–
Net assets	**2 897 680**	–	–
Summarised statement of comprehensive income (for the three month period)			
Revenue	**539 903**	–	–
Depreciation and amortisation	**(47 489)**	–	–
Operating expenses	**(492 414)**	–	–
Profit before tax	**–**	–	–
Tax	**–**	–	–
Profit for the period	**–**	–	–

The information above reflects the amounts presented in the financial statements of the joint venture.

There are no contingent liabilities relating to the group's interest in joint venture.

6. INVESTMENTS IN ASSOCIATES

	2017 R	2016 R	2015 R
At beginning of the year	**42 843 282**	26 235 030	6 494 877
Acquisition of shares in associates	**–**	22 978 901	550
Fair value of retained interest in associate (refer to note 25C)	**–**	–	20 685 851
Share of profit	**3 167 209**	7 167 961	2 929 404
Disposal of investments in associates	**(424 141)**	595 482	(2 175 652)
Reclassification of investment in associate as held for sale	**(4 032 239)**	–	–
Dividends and distributions received	**(6 294 808)**	(14 134 092)	(1 700 000)
At end of the year	**35 259 303**	42 843 282	26 235 030
Split as follows on the consolidated statement of financial position:			
Investments in associates			
– non-current	**43 467 369**	44 337 402	27 021 551
Loans due from associates (refer to note 7)	**(8 208 066)**	(1 494 120)	(786 521)
– Mettle Solar Investments Proprietary Limited	**(8 208 066)**	(1 494 120)	(193 184)
– Mettle Medical Finance Proprietary Limited	**–**	–	(593 337)
	35 259 303	42 832 282	26 235 030

The following took place during the year ended 28 February 2017:

- disposed of the Mezz Capital Solutions Proprietary Limited shares to Emc2 Trust (trust associated with W Maree, a director) for R833 027 in June 2016. The disposal price accrued interest at prime and was finally settled in February 2017.
- Impex Treasury Solutions Proprietary Limited shares have been classified as held for sale in February 2017 – refer to note 11.

The following took place during the year ended 29 February 2016:

- exercised its call option in August 2015 to acquire 49.9% of Lendcor Proprietary Limited ordinary shares from Lendcor Holdings Proprietary Limited for R22 978 901.
- purchased the remaining 50% shareholding in Mettle Medical Finance Proprietary Limited in June 2015 for no consideration (refer to note 27D), thereby resulting in Mettle Medical Finance Proprietary Limited becoming a wholly owned subsidiary of the company.

The following took place during the year ended 28 February 2015:

- purchased the remaining 33.3% shareholding and loan claims in Mettle Administrative Services Proprietary Limited in March 2014 for R1 484 000 (refer to note 27D), thereby resulting in Mettle Administrative Services Proprietary Limited becoming a wholly owned subsidiary of the company.
- purchased the remaining 50% shareholding in Mettle Vehicle Finance Proprietary Limited in August 2014 for no consideration (refer to note 27D), thereby resulting in Mettle Vehicle Finance Proprietary Limited becoming a wholly owned subsidiary of the company.

Investments in associates at 28 February 2017 include goodwill of R19 209 992 (2016: R22 517 851; 2015: R14 274 703).

The group's share of the revenue, results, total assets and total liabilities of its associates, are as follows:

2017	Interest held %	Total assets R	Total liabilities R	Revenue R	Profit/(loss) R
Unlisted					
Impex Treasury Solutions Proprietary Limited	**33.3**			**5 123 561**	**1 912 475**
Gondotrix Proprietary Limited group	**50.0**	**1 410 083**	**424 276**	**7 534 164**	**1 182 060**
Mettle Solar Investments Proprietary Limited group	**55.0**	**109 555 499**	**117 763 565**	**8 875 204**	**(6 714 496)**
Lendcor Proprietary Limited	**49.9**	**79 575 031**	**58 481 750**	**36 937 058**	**5 216 879**
Lendcor Holdings Proprietary Limited	**49.9**	**9 612 469**	**–**	**–**	**1 570 291**
		200 153 082	**176 669 591**	**58 469 987**	**3 167 209**

The company does not control Mettle Solar Investments Proprietary Limited as all director and shareholder resolutions can only be approved with a 70% majority.

The company does not control Lendcor Proprietary Limited as it does not control Lendcor Holdings Proprietary Limited, which owns 30.1% of Lendcor Proprietary Limited. The remaining 20% of Lendcor Proprietary Limited is held by an external party.

2016	Interest held %	Total assets R	Total liabilities R	Revenue R	Profit/(loss) R
Unlisted					
Impex Treasury Solutions Proprietary Limited	33.3	1 089 963	265 827	4 591 604	1 724 818
Mezz Capital Solutions Proprietary Limited	18.2	92 088	39 835	–	–
Gondotrix Proprietary Limited group	50.0	1 581 105	274 858	7 741 417	1 519 051
Mettle Solar Investments Proprietary Limited group	55.0	30 372 399	31 867 674	1 387 609	(1 300 936)
Mettle Medical Finance Proprietary Limited	0.0			205 038	(2 145)
Lendcor Proprietary Limited	49.9	61 472 559	43 600 655	18 817 242	2 979 454
Lendcor Holdings Proprietary Limited	49.9	9 618 906	3 698	11 784 568	2 247 719
		104 227 020	76 052 547	44 527 478	7 167 961

The disclosure for Mettle Medical Finance Proprietary Limited is for the three months ended 31 May 2015 (when it became a subsidiary).

The disclosure for Mezz Capital Solutions Proprietary Limited is based on management accounts for the 11 months ended 29 February 2016.

2015	Interest held %	Total assets R	Total liabilities R	Revenue R	Profit/(loss) R
Unlisted					
Impex Treasury Solutions Proprietary Limited	33.3	618 769	90 119	3 683 558	1 225 914
Mezz Capital Solutions Proprietary Limited	18.2	97 274	104 384	–	–
Gondotrix Proprietary Limited group	50.0	1 375 287	328 092	6 884 167	1 040 138
Mettle Vehicle Finance Proprietary Limited	0.0			412 774	177 373
Mettle Solar Proprietary Limited	55.0	4 801 350	4 994 535	–	(193 184)
Mettle Medical Finance Proprietary Limited	50.0	552 287	1 145 824	711 194	(118 938)
Lendcor Holdings Proprietary Limited	49.9	50 969 395	37 847 307	6 734 016	798 101
		58 414 362	44 510 261	18 425 709	2 929 404

The disclosure for Mettle Vehicle Finance Proprietary Limited is for the six months ended 31 August 2014 (when it became a subsidiary).

The disclosure for Lendcor Holdings Proprietary Limited is for the three months from December 2014 to February 2015.

The disclosure for Mezz Capital Solutions Proprietary Limited is based on management accounts for the 11 months ended 28 February 2015.

Material associates are determined by their contribution to profitability. Additional information on material associates is detailed below:

Impex Treasury Solutions Proprietary Limited

Impex Treasury Solutions Proprietary Limited is a foreign exchange risk management company, specialising in providing importers, exporters, fund managers and private individuals with expert advice and products to minimise currency risk. Impex Treasury Solutions Proprietary Limited is a private company operating in South Africa.

The group received dividends of R2 200 000 during the year (2016: R1 430 000; 2015: R1 400 000). The group's 33.3% interest was accounted for using the equity method in the consolidated annual financial statements until its classification as held for sale in February 2017. The financial information of the group's investment in Impex Treasury Solutions Proprietary Limited is detailed below:

	2017 R	**2016 R**	**2015 R**
Current assets		3 233 070	1 212 028
Non-current assets		40 091	646 136
Current liabilities		(798 279)	(270 629)
Carrying amount of the investment		4 319 764	4 024 946
Revenue	**15 370 682**	13 788 601	11 061 736
Operating expenses	**(7 360 001)**	(6 601 860)	(5 955 559)
Interest expense	**(1 164)**	–	(990)
Profit before tax	**8 009 517**	7 186 741	5 105 187
Tax	**(2 272 092)**	(2 012 287)	(1 427 444)
Profit for the year	**5 737 425**	5 174 454	3 677 743
Proportion of the group's ownership	**33.3%**	33.3%	33.3%
Group's share of profit for the year	**1 912 475**	1 724 818	1 225 914

Gondotrix Proprietary Limited

Gondotrix Proprietary Limited owns 100% of Mettle Credit Services Proprietary Limited which provides debt collection and administration services to third parties. Mettle Credit Services Proprietary Limited is a private company operating in South Africa.

The group received dividends of R1 500 000 during the year (2016: R1 250 000; 2015: R300 000). The group's 50% interest in Gondotrix Proprietary Limited is accounted for using the equity method in the consolidated annual financial statements. The financial information of the group's investment in Gondotrix Proprietary Limited is detailed below:

	2017 R	**2016 R**	**2015 R**
Current assets	**2 473 298**	2 806 590	2 532 033
Non-current assets	**346 867**	355 619	218 541
Current liabilities	**(848 552)**	(549 716)	(656 183)
Carrying amount of the investment	**1 039 073**	1 357 013	1 087 962
Revenue	**15 068 328**	15 482 833	13 768 334
Operating expenses	**(11 784 829)**	(11 263 246)	(10 876 787)
Profit before tax	**3 283 499**	4 219 587	2 891 547
Tax	**(919 379)**	(1 181 485)	(811 271)
Profit for the year	**2 364 120**	3 038 102	2 080 276
Proportion of the group's ownership	**50.0%**	50.0%	50.0%
Group's share of profit for the year	**1 182 060**	1 519 051	1 040 138

Lendcor Holdings Proprietary Limited

Lendcor Holdings Proprietary Limited owns 30.1% (2016: 30.1%; 2015: 80%) of Lendcor Proprietary Limited which provides incremental housing finance. Lendcor Proprietary Limited is a private company operating in South Africa.

The group received distributions of R598 800 during the year (2016: R11 454 092; 2015: RNil). The group's 49.9% interest in Lendcor Holdings Proprietary Limited is accounted for using the equity method in the consolidated annual financial statements. The shareholders agreement stipulates that the other shareholder can appoint the majority of the directors and thus the group cannot direct the operations of Lendcor Holdings Proprietary Limited. The financial information of the group's investment in Lendcor Holdings Proprietary Limited is detailed below:

	2017 **R**	**2016** **R**	**2015** **R**
Current assets	**2 366**	15 266	66 859 408
Non-current assets	**19 261 099**	19 261 099	35 283 669
Current liabilities	**–**	(7 410)	(31 458 949)
Non-current liabilities	**–**	–	(44 387 359
Carrying amount of the investment	**13 249 069**	12 277 578	21 483 952
Revenue	**–**	23 628 388	13 495 022
Income from associate	**3 146 875**	1 793 522	–
Operating expenses	**–**	(16 599 137)	(9 356 862)
Interest expense	**–**	(2 327 710)	(1 361 424)
Profit before tax	**3 146 875**	6 495 063	2 776 736
Tax	**–**	(1 315 891)	(777 485)
Profit after tax	**3 146 875**	5 179 172	1 999 251
Non-controlling interest	**–**	(674 728)	(399 850)
Profit for the year	**3 146 875**	4 504 444	1 599 401
Effective proportion of the group's ownership	**49.9%**	49.9%	49.9%
Group's share of profit for the year	**1 570 291**	2 247 719	798 101

Lendcor Proprietary Limited

Lendcor Proprietary Limited provides incremental housing finance. Lendcor Proprietary Limited is a private company operating in South Africa.

The group received dividends of R1 996 008 during the year (2016 and 2015: RNil). The group's 49.9% (2016: 49.9%) interest in Lendcor Proprietary Limited is accounted for using the equity method in the consolidated annual financial statements. The shareholder agreement stipulates that the group cannot appoint the majority of the directors and thus cannot direct the operations of Lendcor Proprietary Limited. The financial information of the group's investment in Lendcor Proprietary Limited is detailed below:

	2017 **R**	**2016** **R**	**2015** **R**
Current assets	**71 433 913**	75 389 448	–
Non-current assets	**88 035 087**	47 802 052	–
Current liabilities	**(18 872 672)**	(33 786 773)	–
Non-current liabilities	**(98 325 223)**	(53 588 289)	–
Carrying amount of the investment	**29 179 226**	25 958 355	–
Revenue	**74 022 161**	37 709 904	–
Operating expenses	**(52 311 191)**	(25 924 012)	–
Interest expense	**(7 561 674)**	(3 749 746)	–
Profit before tax	**14 149 296**	8 036 146	–
Tax	**(3 694 629)**	(2 065 298)	–
Profit for the year	**10 454 667**	5 970 848	–
Effective proportion of the group's ownership	**49.9%**	49.9%	–
Group's share of profit for the year (2016: seven months)	**5 216 879**	2 979 454	–

Mettle Solar Investments Proprietary Limited

Mettle Solar Investments Proprietary Limited installs, finances and operates solar photovoltaic systems. Mettle Solar Investments Proprietary Limited is a private company operating in South Africa and Namibia.

The group received no dividends during the year (2016 and 2015: RNil). The group's 55% (2016 and 2015: 55%) interest is accounted for using the equity method in the consolidated annual financial statements. The group does not control Mettle Solar Investments Proprietary Limited as all director and shareholder resolutions can only be approved with a 70% majority.

The financial information of the group's investment in Mettle Solar Investments Proprietary Limited is detailed below:

	2017 R	2016 R	2015 R
Current assets	**150 192 734**	10 925 854	8 677 681
Non-current assets	**48 999 082**	44 296 690	–
Current liabilities	**(129 906 326)**	(2 914 322)	(34 093)
Non-current liabilities (including related party loans)	**(84 209 248)**	(55 026 904)	(8 994 832)
Carrying amount of the investment	**(8 208 066)**	(1 494 120)	(193 184)
Revenue	**16 136 735**	2 629 530	18 219
Operating expenses	**(7 698 649)**	(2 978 030)	(308 467)
Interest expense	**(16 287 758)**	(2 902 370)	(60 996)
Equity accounted loss	**(4 194 761)**	–	–
Loss before tax	**(12 044 433)**	(3 250 870)	(351 244)
Tax	**(163 742)**	885 532	–
Loss for the year	**(12 208 175)**	(2 365 538)	(351 244)
Effective proportion of the group's ownership	**55.0%**	55.0%	55.0%
Group's share of profit for the year	**(6 714 496)**	(1 300 936)	(193 184)

The associates have no contingent liabilities or capital commitments.

7. LOANS DUE FROM ASSOCIATES

	2017 R	2016 R	2015 R
Mezz Capital Solutions Proprietary Limited	**–**	39 173	101 022
The unsecured loan was interest free and repaid during the year.			
Lendcor Proprietary Limited	**6 037 439**	–	–
The unsecured loan accrues interest at prime and is not repayable within the next year. Interest is repayable quarterly.			
Lendcor Holdings Proprietary Limited	**–**	–	3 505 315
The unsecured loan accrued interest at prime plus 2%. The loan was recovered in March 2015.			
Mettle Solar Investments Proprietary Limited group companies			
Mettle Solar Proprietary Limited	**5 068 427**	14 238 489	5 281 688
– loan	**13 276 493**	15 732 609	5 474 872
– share of equity accounted loss (refer to note 6)	**(8 208 066)**	(1 494 120)	(193 184)

The unsecured loan accrues interest at prime plus 3% (2016: prime plus 3%; 2015: prime) and is not repayable within the next year.

	2017 R	2016 R	2015 R
Mettle Solar SPV 1 Proprietary Limited	**2 704 886**	5 652 996	–
The unsecured loan accrues interest at prime plus 3% (2016: prime plus 3%) and is not repayable within the next year.			
Mettle Solar SPV Riverside Proprietary Limited	**708 852**	1 522 180	–
The unsecured loan accrues interest at prime plus 3% (2016: prime plus 3%) and is not repayable within the next year.			
Mettle Solar SPV FVT Proprietary Limited	**10 318 623**	–	–
The unsecured loan accrues interest at prime plus 3% and is not repayable within the next year.			
Mettle Solar Investments Proprietary Limited	**790 568**	–	–
The unsecured loan accrues interest at prime plus 3% and is not repayable within the next year.			
Mettle Solar Finance Proprietary Limited	**250**	–	–
The unsecured loan is interest free and is not repayable within the next year.			
Mettle Solar SPV Axis Proprietary Limited	**7 488 594**	–	–
The unsecured loan is interest free and is not repayable within the next year.			
Mettle Solar Namibia Proprietary Limited			
– senior	**6 753 878**	6 084 164	–
– mezzanine	**15 409 681**	5 291 375	–
The unsecured senior loan accrues interest at prime (2016: prime) and is not repayable within the next year.			
The unsecured mezzanine loan accrues interest at prime plus 3% (2016: prime plus 3%) and is not repayable within the next year.			
Mettle Medical Finance Proprietary Limited	**–**	–	33 186
– loan	**–**	–	626 523
– share of equity accounted loss (refer to note 6)	**–**	–	(593 337)
The unsecured subordinated loan accrued interest at prime until 31 August 2014. Thereafter, the loan was interest free. Mettle Medical Finance Proprietary Limited became a subsidiary in 2015 (refer to note 27D).			
Mettle Medical Finance Proprietary Limited	**–**	–	902 450
The loan was secured by Mettle Medical Finance Proprietary Limited's trade receivables, accrued interest at prime plus 1% and was repayable by 30 June 2016. Mettle Medical Finance Proprietary Limited became a subsidiary during 2015 (refer to note 27D).			
	55 281 188	32 828 377	9 823 661
Less: non-current portion	**(55 281 188)**	(32 789 204)	(5 281 688)
	–	39 173	4 541 973

	2017 R	2016 R	2015 R
Loans due from associates are applied as follows:			
– Private equity	**–**	39 173	101 022
– Incremental housing finance	**6 037 439**	–	3 505 315
– Solar energy	**49 243 749**	32 789 204	5 281 688
– Medical debtor finance	**–**	–	935 636
	55 281 188	32 828 377	9 823 661

The fair value of the current loans approximates its carrying value due to their short-term nature.

The fair value of the non-current loans approximates its carrying value as a market related interest rate is charged.

8. DEFERRED TAXATION

	2017 R	2016 R	2015 R
Reconciliation			
At beginning of the year	**3 701 337**	2 826 116	1 644 771
Disposal of subsidiaries (refer to note 27C)	**–**	–	(1 363 611)
Acquisition of subsidiaries (refer to note 27D)	**–**	–	1 597 713
Temporary differences (charged)/ credited to profit or loss	**(1 538 350)**	875 221	947 243
At end of the year	**2 162 987**	3 701 337	2 826 116
Analysis			
Provisions	**708 299**	963 964	639 784
Calculated tax losses	**1 470 080**	2 782 274	2 205 545
Prepayments	**(15 392)**	(44 901)	(19 213)
	2 162 987	3 701 337	2 826 116
Split			
Deferred tax asset	**2 162 987**	3 715 109	2 845 329
Deferred tax liability	**–**	(13 772)	(19 213)
	2 162 987	3 701 337	2 826 116
Calculated tax losses			
At end of the year	**5 250 285**	9 936 693	17 632 519
Applied in the creation of deferred tax assets	**(5 250 285)**	(9 936 693)	(7 876 946)
Calculated tax losses on which no deferred tax asset has been created as profitability uncertain	**–**	–	9 755 573

9. **LOAN RECEIVABLES**

	2017 R	2016 R	2015 R
Bridging finance			
The loan (which had a US Dollar reference) was advanced in December 2014 and accrued interest at 10.5% nacm. The loan was repayable in quarterly instalments over two years.	**–**	–	23 691 879
The loan was secured by the following: – first priority aircraft mortgage bonds registered over two aircraft for $1 000 000 each; – cession of the insurance and reinsurance cover for both aircraft; – cession of all rights, title and interest in and to the shares and claims in and against the borrower; – cession of all rights, title and interest in 550 000 (2015: 1 100 152) Tradehold Limited shares, and – guarantees from five parties linked to the borrower.			
The loan was ceded to the Mettle Debt Fund *En Commandite* Partnership on 29 February 2016.			
The secured loan accrued interest at 1% per month and was recovered in March 2015.	**–**	–	8 128 521
The loan accrued interest at 2% per month and was repayable by 3 December 2015. The company had obtained suretyships from five parties related to the borrower which have bound themselves pro-rata, jointly and severally, as co-principal debtors for the repayment of the outstanding loan balance. The company has written off the outstanding balance during the year.	**11 000**	1 063 389	2 295 000
The loan accrued interest at 24% and was repaid during the year.	**–**	3 456 365	–
The unsecured loan accrues interest at prime plus 4% (2016: prime plus 4%) and has no fixed terms of repayment.	**769 328**	213 559	–
The loan accrues interest at prime plus 3.5% (2016: prime plus 3.5%) (settled monthly). R500 000 is repayable by 29 December 2017, with the balance repayable by 29 June 2018. The loan is secured by a cession of book debts and two suretyships.	**1 899 273**	1 899 953	–
Mettle Administrative Services Proprietary Limited is the general partner of the Mettle Debt Fund *En Commandite* Partnership. The following loans all have shared security with the limited partner. The company and the limited partner both have capital invested in these loans:			

	2017 R	2016 R	2015 R
The loans accrue interest at 10.5% and are repayable in seventeen instalments, with the last repayment due in February 2019. The loans are secured by the following:	**4 870 440**	10 221 467	–
– first priority aircraft mortgage bonds; – cession of the insurance and reinsurance over the aircraft; – cession of the shares and loans claims in and against the borrower; – cession of all Tradehold Limited shares; and – guarantees from various parties linked to the borrower.			
The loan accrues interest at prime plus 4.5% which is payable monthly. The loan capital is repayable in October 2017. The loan is secured by a cession of a bank account and a debtors' book with a maximum loan to value of 55%. There are also suretyships from a party related to the borrower which have bound themselves pro-rata, jointly and severally, as co-principal debtors for the repayment of the outstanding loan balance.	**4 467 811**	–	–
The loan accrues interest at prime plus 7% which is payable monthly. The loan capital is repayable in October 2017. The loan is secured by debtors' books and certain pledged proceeds. The repayment of the loan has also been guaranteed by various companies related to the borrower.	**2 055 012**	–	–
Property development finance			
The unsecured loan accrues interest at prime (2016 and 2015: prime less 2.5%) and will only be recovered when a property development is complete. This is not expected to take place within the next year. The entire property development finance impairment provision of R3 623 717 (2016 and 2015: R3 623 717) relates to this loan.	**7 579 510**	7 165 271	6 928 086
The unsecured loan was interest free and repaid during the year.	**–**	980 000	980 000
The loan was unsecured, accrued interest at prime and was recovered during the year.	**–**	–	16 150 807
Loans to related parties (Tradehold Limited group entities):			
– Nguni Property Fund Ltd	**–**	3 671 342	–
– Dunes Mall Proprietary Limited	**–**	41 782 444	–
– MegaCentre JV	**–**	2 960 409	–
– Steps JV	**–**	32 909 368	–
– Sand City 57 Proprietary Limited	**–**	2 700 295	–

	2017 R	2016 R	2015 R
The unsecured loans were ceded to Tradehold Limited in settlement of borrowings due to Tradehold Limited.			
The loan accrued interest at 24% and was repayable by 18 October 2015. The loan repayment date was extended to April 2016. The loan was secured by the following:	**–**	–	7 554 247
– second ranking covering mortgage bond registered over the property for R10 000 000;			
– cession and pledge of an Investec portfolio of assets (acknowledged by Investec); and			
– guarantees from two parties linked to the borrower.			
The loan was ceded to the Mettle Debt Fund *En Commandite* Partnership on 29 February 2016.			
Loan to related entity: Mettle Debt Fund *En Commandite* Partnership (ceded on 29 February 2016)	**–**	1 679 659	–
The secured loan accrued interest at 22% nacm and was repaid during the year.			
Vehicle finance			
The loans comprise instalment credit agreements in respect of motor vehicles. The average remaining term of these loans is 27 (2016: 27; 2015: 28) months and the average interest rate is 11% (2016 and 2015: 11%) above prime which was 10.50% (2016: 10.25%; 2015: 9.25%) at year end.	**1 707 989**	3 119 646	5 736 585
Key persons loans (related parties)			
Tradehold Limited ceded these key persons loans to the company on 29 February 2016. These loans secure the amount of R25 062 990 (2016: R27 798 702) owed to Tradehold Limited (refer to note 17).			
AS Trust (trust associated with F Esterhuyse, a director)	**–**	22 446 226	–
Aapstert Investments Proprietary Limited (company associated with F Esterhuyse, a director)	**24 186 587**	–	–
The loan accrues interest at prime less 3% (2016: prime less 3%) and is repayable by 15 April 2019. The loan is secured by 2 646 074 (2016: 2 396 953) Tradehold Limited shares.			
HM4 Trust (trust associated with W May, a former director)	**–**	2 396 111	–
The loan accrued interest at prime less 2% (2016: prime less 2%) and was repaid during the year.			
Karen Nordier (director of holding company)	**571 111**	661 176	–
The loan accrues interest at prime less 2% (2016: prime less 2%) and is repayable by 15 April 2019. The loan is secured by 159,278 (2016: 106,082) Tradehold Limited shares.			
Francois van Themaat (director of group company)	**2 497 773**	2 295 188	–

	2017 R	2016 R	2015 R
The loan accrues interest at prime less 2% (2016: prime less 2%) and is repayable by 15 April 2019. The loan is secured by 166 667 (2016: 166 667) Tradehold Limited shares.			
Teniam Holdings Proprietary Limited (company of director of subsidiary)	**788 737**	–	–
The loan accrues interest at prime less 2% and is repayable by 27 July 2021. The loan is secured by 26 600 Tradehold Limited shares and Teniam Holdings Proprietary Limited's right to receive a further 15 433 Tradehold Limited shares (linked to the acquisition of Mettle Corporate Finance Proprietary Limited – refer to note 19).			
	51 404 571	141 621 858	71 465 125
Allowance impairment			
Bridging finance	**(718 700)**	(898 382)	–
Property development finance	**(3 623 717)**	(3 623 717)	(3 623 717)
Vehicle finance	**(86 020)**	(144 971)	(499 783)
	46 976 134	136 954 788	67 341 625
Less: non-current portion	**(35 728 461)**	(34 337 002)	(30 296 302)
Bridging finance	**(2 908 213)**	(1 399 953)	(23 691 879)
Property development finance	**(3 955 793)**	(3 541 554)	(3 304 369)
Vehicle finance	**(820 247)**	(1 596 794)	(3 300 054)
Key persons loans	**(28 044 208)**	(27 798 701)	–
	11 247 673	102 617 786	37 045 323
Fixed interest rates	**4 881 440**	17 400 870	49 577 733
Floating interest rates	**46 523 131**	124 220 988	21 887 392
	51 404 571	141 621 858	71 465 125
Interest rates equal to and less than 20%	**49 696 582**	135 422 455	61 615 878
Interest rates greater than 20%	**1 707 989**	6 199 403	9 849 247
	51 404 571	141 621 858	71 465 125

The allowance for impairment is calculated on a specific basis per counterparty after taking security into account.

Ageing of loan receivables

2017	Capital before impairment allowance R	Allowance for impairment R
Not past due	**51 263 423**	**4 363 363**
Past due less than three months	**130 148**	**65 074**
Past due more than three months	**11 000**	**–**
	51 404 571	**4 428 437**

2016	Capital before impairment allowance R	Allowance for impairment R
Not past due	140 144 309	3 623 717
Past due less than three months	1 317 466	927 083
Past due more than three months	160 083	116 270
	141 621 858	4 667 070
2015		
Not past due	69 893 806	3 623 717
Past due less than three months	1 043 711	152 867
Past due more than three months	527 608	346 916
	71 465 125	4 123 500

At 28 February 2017, loan receivables of R51 263 423 were fully performing (2016: R140 144 309; 2015: 69 893 806).

The movement in the allowance for impairment is as follows:

	2017 R	2016 R	2015 R
At beginning of the year	**4 667 070**	4 123 500	8 029 444
Impairment recognised in profit or loss	**820 553**	1 291 540	3 514 067
Loans written off	**(1 059 186)**	(747 970)	(3 312 412)
Acquisition of subsidiaries (refer to note 27D)	**–**	–	565 996
Disposal of subsidiaries (refer to note 27C)	**–**	–	(4 673 595)
At end of the year	**4 428 437**	4 667 070	4 123 500

The fair value of loan receivables is approximately equal to their carrying value.

10. TRADE AND OTHER RECEIVABLES

	2017 R	2016 R	2015 R
Trade receivables	**20 605 147**	18 413 710	12 835 599
Allowance for impairment	**(121 565)**	(240 876)	(2 871)
	20 483 582	18 172 834	12 832 728
Other receivables	**270 915**	436 352	176 128
Deferred consideration receivable – disposal of subsidiary	**5 115 544**	6 435 950	17 555 936
Margin deposit account	**–**	–	1 803 050
Fee accruals	**963 278**	821 941	494 906
Receivable due from disposal of loan claim	**–**	403 590	379 735
Prepayments	**67 721**	160 359	68 618
Value Added Tax	**34 076**	1 367	17 571
Loan to former employee	**–**	–	57 155
	26 935 116	26 432 393	33 385 827
Less: non-current portion	**–**	–	(18 226 552)
	26 935 116	26 432 393	15 159 275

The deferred consideration due from the disposal of the Lendcor Holdings Proprietary Limited shares was payable by December 2016. The repayment date was extended until 30 June 2017 during the year. The outstanding amount accrues interest at prime less 2% (2016 and 2015: prime less 2%) and is secured by the purchaser's shares in Lendcor Holdings Proprietary Limited. This amount was received in April 2017.

Trade receivables of R16 577 670 (2016: R12 371 633) are ceded as security for borrowings (refer to note 16).

Ageing of trade receivables

2017	**Capital before impairment allowance R**	**Allowance for impairment R**
Not past due	**18 848 055**	**–**
Past due 1 – 29 days	**1 757 092**	**121 565**
	20 605 147	**121 565**
2016		
Not past due	16 354 791	–
Past due 1 – 29 days	718 872	–
Past due 30 – 59 days	1 299 337	200 166
Past due 60 – 89 days	40 710	40 710
	18 413 710	240 876
2015		
Not past due	12 747 880	–
Past due 1 – 29 days	87 719	2 871
	12 835 599	2 871

	2017 R	**2016 R**	**2015 R**
The movement in the allowance for impairment is as follows:			
At beginning of the year	**240 876**	2 871	–
Receivables written off	**(119 311)**	–	–
Impairment recognised in profit or loss	**–**	238 005	2 871
At end of the year	**121 565**	240 876	2 871
Loan to former employee			
At beginning of the year	**–**	57 155	103 527
Interest accrued	**–**	(57 155)	3 628
Repayment	**–**	–	(50 000)
At end of the year	**–**	–	57 155

The amount was unsecured and accrued interest at prime less 2.5% (2015: prime less 2.5%). The loan was recovered in March 2015.

The fair value of trade and other receivables is approximately equal to their carrying amount due to the short-term nature thereof.

11. ASSET HELD FOR SALE

	2017 R	2016 R	2015 R
Unlisted			
Impex Treasury Solutions Proprietary Limited – 33.3% ordinary shares	**6 300 000**	–	–

The Impex Treasury Solutions Proprietary Limited shares are carried at fair value less costs to sell.

The terms of the sale were finally agreed after year-end. The sale proceeds were received in April 2017.

The held for sale fair value adjustment of R2 267 761 is recognised in fee and other income – refer to note 23.

12. CASH AND CASH EQUIVALENTS

	2017 R	2016 R	2015 R
Cash at bank and in hand	**12 044 803**	7 448 339	4 722 129
Cash and cash equivalents include the following for the purpose of the statement of cash flows:			
Cash and cash equivalents	**12 044 803**	7 448 339	4 722 129
Bank overdraft (refer to note 16)	**(1 434 106)**	–	(3 672 893)
	10 610 697	7 448 339	1 049 236

R193 400 (2016: R188 997; 2015: R107 730) is pledged to Nedbank Limited as securities for a bank guarantee issued in terms of the Johannesburg office's lease agreement and a credit card with a credit limit of R125 000 (2016: R125 000; 2015: RNil).

Cash and cash equivalents of R8 391 192 (2016: R2 169 700; 2015: R2 489 789) are ceded as security for borrowings (refer to note 16).

13. SHARE CAPITAL AND PREMIUM

	2017 R	2016 R	2015 R
Ordinary shares			
Authorised			
200 000 000 (2016 and 2015: 200 000 000) shares with a par value of R0.00001 each	**2 000**	2 000	2 000
Issued			
96 291 720 (2016 and 2015: 96 291 720) shares with a par value of R0.00001 each	**100 621 766**	100 621 766	100 621 766
Reconciliation			
At beginning of the year	**100 621 766**	100 621 766	64 695 004
Capitalisation of shareholder loan claim	**–**	–	15 926 762
Issue of ordinary shares	**–**	–	20 000 000
	100 621 766	100 621 766	100 621 766
Split as follows:			
Ordinary share capital	**963**	963	963
Ordinary share premium	**100 620 803**	100 620 803	100 620 803
	100 621 766	100 621 766	100 621 766
Preference shares			
Authorised			
1 000 (2016 and 2015: 1 000) class A cumulative redeemable preference shares of R1 each	**1 000**	1 000	1 000

No preference shares have been issued.

14. CHANGE IN SHAREHOLDING OF SUBSIDIARY RESERVE

	2017 R	2016 R	2015 R
At beginning of the year	**–**	–	(3 110 563)
Disposal of subsidiary (refer to note 27C)	**–**	–	(3 110 563)
At end of the year	**–**	–	–

15. NON-CONTROLLING INTEREST

	2017 R	2016 R	2015 R
At beginning of the year	**–**	–	3 504 522
Non-controlling interest per the statement of comprehensive income	**–**	–	1 355 996
Disposal of subsidiary (refer to note 27C)	**–**	–	(4 860 518)
At end of the year	**–**	–	–

16. BORROWINGS

	2017 R	2016 R	2015 R
Non-current			
Borrowings – secured	**16 131 236**	11 118 390	8 373 060
Current			
Borrowings – secured	**6 452 495**	3 446 077	25 843 991
Borrowings – unsecured	**–**	–	1 318 644
Bank overdraft – unsecured	**1 434 106**	–	3 672 893
	7 886 601	3 446 077	30 835 528
Total borrowings	**24 017 837**	14 564 467	39 208 588

The company has a R5 000 000 (2016 and 2015: R5 000 000) overdraft facility with Nedbank Ltd which accrues interest at prime.

Property development finance

	2017 R	2016 R	2015 R
The borrowings accrued interest at 22% nacm and were repayable by 18 October 2015. The loan repayment date was extended to April 2016. The borrowings were secured by the loan receivable of R7 554 247 (refer to note 9). The borrowings were delegated to the Mettle Debt Fund *En Commandite* Partnership on 29 February 2016.	**–**	–	5 033 151
Debtor finance			
The borrowings were secured by trade receivables and cash balances, accrued interest at prime and was repaid in March 2016.	**–**	1 633	12 944 055
The loan accrues interest at prime plus 1% (2016: prime plus 1%). Interest is payable monthly with capital repayable in semi-annual instalments over the remaining term of the five year facility. The loan is secured by Mettle Administrative Services Proprietary Limited's cash balances and loan and trade receivables of R24 968 862 (2016: R14 541 333).	**22 583 731**	14 562 834	–

	2017 R	2016 R	2015 R
Bridging finance			
The borrowings accrued interest at a rate of 2% less than the effective Rand return earned on the loan receivable of R23 691 879 (refer to note 9) was repayable in eight quarterly instalments from March 2015, with a final repayment in December 2016. The borrowings were secured by this same loan receivable. The borrowings were delegated to the Mettle Debt Fund *En Commandite* Partnership on 29 February 2016.	**–**	–	16 239 845
The loan due to an exiting shareholder of Mettle Corporate Finance Proprietary Limited accrued interest at prime plus 2% and was repaid during 2015.	**–**	–	1 318 644
	22 583 731	14 564 467	35 535 695
Total borrowings (excluding bank overdraft) are applied as follows:			
– Property development finance	**–**	–	5 033 151
– Debtor finance	**22 583 731**	14 564 467	12 944 055
– Bridging finance	**–**	–	17 558 489
	22 583 731	14 564 467	35 535 695

The fair value of the borrowings approximates its carrying value.

17. BORROWINGS DUE TO SHAREHOLDER

	2017 R	2016 R	2015 R
Tradehold Limited			
The loans are interest free. The loans are secured by the amounts advanced by the company to Mettle Administrative Services Proprietary Limited and the various Mettle Solar group companies – refer to note 7. The loans are not repayable within the next year.	**43 500 000**	121 307 047	36 098 712
The loan is interest free and is repayable by 31 May 2019. The loan is secured by the loan receivables detailed in note 9.	**25 062 990**	27 798 702	–
	68 562 990	149 105 749	36 098 712
Maturity analysis is as follows:			
Within 1 year	**–**	–	16 098 712
2 to 5 years	**68 562 990**	149 105 749	20 000 000
	68 562 990	149 105 749	36 098 712

18. PREFERENCE SHARE CAPITAL

	2017 R	2016 R	2015 R
Issued by a subsidiary (Lendcor Proprietary Limited)			
Cumulative redeemable preference shares			
Reconciliation			
At beginning of the year	**–**	–	1 299 143
Accrued dividends	**–**	–	14 740
Dividends paid	**–**	–	(14 740)
Redemption	**–**	–	(1 299 143)
At end of the year	**–**	–	–

The preference shares were redeemable at a date agreed between Lendcor Proprietary Limited and the shareholders. The preference shares accrued dividends at 86% of the prevailing prime rate and were payable quarterly. Lendcor Proprietary Limited agreed with the shareholders to redeem the preference shares in August 2014.

	2017 R	2016 R	2015 R
Issued by the company			
Class A cumulative redeemable preference shares			
Reconciliation			
At beginning of the year	**–**	–	2 601 959
Accrued dividends	**–**	–	94 274
Dividends paid	**–**	–	(94 274)
Redemption	**–**	–	(2 601 959)
At end of the year	**–**	–	–

The preference shares accrued a dividend of 86% of the prevailing prime rate which was payable quarterly. The preference shares were redeemed in August 2014.

19. OTHER FINANCIAL LIABILITIES

	2017 R	2016 R	2015 R
Deferred consideration payable – acquisition of subsidiary	**1 693 037**	2 374 615	1 705 731
Deferred consideration payable – acquisition of joint venture	**4 053 044**	–	–
	5 746 081	2 734 615	1 705 731
Reconciliation			
At beginning of the year	**2 374 615**	1 705 731	–
Acquisition of joint venture	**4 053 044**	–	–
Acquisition of subsidiary	**–**	–	1 989 710
(Credited)/charged to profit or loss	**(681 578)**	858 833	(202 555)
Paid	**–**	(189 949)	(81 424)
At end of the year	**5 746 081**	2 374 615	1 705 731
Maturity analysis is as follows:			
Within 1 year	**1 693 037**	16 875	206 824
2 to 5 years	**4 053 044**	2 357 740	1 498 907
	5 746 081	2 374 615	1 705 731

The purchase price for Mettle Corporate Finance Proprietary Limited (subsidiary) was subject to profit warranties for the two year period ended 28 February 2017. These profit warranties have been satisfied and the company needs to transfer 81 449 Tradehold Limited shares to the sellers. This liability has been measured at the fair value of the underlying Tradehold Limited shares at year-end.

The acquisition of Incatorque Proprietary Limited (joint venture) is detailed in note 5.

The fair value of the current portion approximates its carrying value due to its short-term nature.

20. PROVISIONS

	2017 R	2016 R	2015 R
Bonus			
At beginning of the year	**910 530**	350 000	–
Paid	**(910 530)**	(288 470)	(407 500)
Charged to profit or loss	**340 000**	849 000	757 500
	340 000	910 530	350 000

The bonus provision represents management's best estimate of the constructive obligation in respect of bonuses relating to the current year.

21. TRADE AND OTHER PAYABLES

	2017 R	2016 R	2015 R
Trade payables	**38 291**	90 790	112 120
Other payables	**373 113**	158 761	73 869
Cash security account	**856 384**	437 586	1 019 029
Margin call account	**–**	–	774 837
Deferred income	**710 434**	713 812	340 068
Value Added Tax	**360 508**	820 509	420 573
Bonuses	**322 445**	572 789	1 331 141
Audit fees	**131 814**	110 814	187 694
Leave pay	**308 125**	240 954	151 244
	3 101 114	3 146 015	4 410 575

The leave pay accrual represents management's best estimate of the obligation in respect of leave pay that arose from prior services rendered.

The average credit period for purchases of goods and services is 30 days. No interest is charged on trade payables. The company has policies in place to ensure that trade payables are paid within the credit period time.

22. REVENUE

	2017 R	2016 R	2015 R
Fee income	**20 891 887**	19 886 386	37 648 015
Discounting income	**10 103 553**	7 015 334	7 392 354
Interest income:			
Loan receivables – external	**3 859 813**	6 782 108	15 162 521
Loan receivables – Tradehold Limited group entities	**–**	4 127 317	–
Loan receivables – key persons loans	**2 271 389**	–	–
Loans due from associates	**5 736 681**	1 716 645	363 776
	42 863 323	39 527 790	60 566 666
Interest income – financial assets measured at amortised cost	**11 867 883**	12 626 070	15 526 297

23. OTHER INCOME

	2017 R	2016 R	2015 R
Expense recoveries	**2 364 980**	1 469 480	2 738 737
Interest income – deferred consideration on disposal of subsidiary	**480 794**	880 014	248 636
Interest income – cash and cash equivalents	**329 254**	214 724	168 966
Foreign exchange differences	**–**	480 123	441 991
Gain/(loss) on remeasurement of contingent consideration	**681 578**	(858 833)	202 555
Loss on disposal of subsidiaries (refer to note 27C)	**–**	–	(4 634 622)
Bargain purchase gain (refer to note 27D)	**–**	–	153 832
Held for sale fair value adjustment	**2 267 761**	–	–
Profit on disposal of investment in associate	**395 193**	595 682	792 301
	6 519 560	2 781 190	112 396

24. INTEREST EXPENSE

	2017 R	2016 R	2015 R
Preference shares issued by company to directors of Lendcor Proprietary Limited	**–**	–	94 274
Preference shares issued by Lendcor Proprietary Limited	**–**	–	14 740
Borrowings	**2 632 026**	4 292 419	7 047 351
Bank overdraft	**38 438**	86 568	221 663
	2 670 464	4 378 987	7 378 028
Interest expense – financial liabilities measured at amortised cost	**2 670 464**	4 378 987	7 378 028

25. OPERATING EXPENSES

	2017 R	2016 R	2015 R
Auditors' remuneration	**312 120**	340 313	454 340
– current year	**312 120**	340 313	449 020
– prior year underprovision	**–**	–	5 320
Legal, professional and consultancy fees	**2 101 794**	838 384	972 005
Depreciation of property, plant and equipment	**225 421**	101 934	1 072 422
Property operating lease rentals	**1 144 246**	1 037 272	1 484 817
Salaries, bonus, wages and commissions	**19 178 684**	17 976 889	26 242 985
Bad debts recovered	**–**	–	(625 759)
Profit on disposal of property, plant and equipment	**(32 299)**	–	(26 762)
Travel expenses	**362 022**	613 731	921 549
Bank charges	**365 682**	241 812	2 262 476
Information technology costs	**426 022**	321 105	1 262 207
Telephone and data lines	**298 257**	216 239	1 108 760
VAT not recoverable	**–**	47 465	663 649
Advertising and marketing costs	**–**	113 207	995 280
Printing, posting and stationery	**65 416**	133 967	735 040
Credit bureau costs	**–**	–	834 907
Other expenses	**1 714 937**	2 274 215	2 861 557
	26 162 302	24 256 533	41 219 473

26. TAXATION

	2017 R	2016 R	2015 R
South African normal taxation			
– Current taxation: current year	**3 615 923**	1 393 250	3 336 457
Deferred taxation: current year	**1 538 350**	(935 314)	(947 243)
Deferred taxation: prior year	**–**	60 093	–
	5 154 273	518 029	2 389 214

Details of the group's calculated tax losses are disclosed in note 8.

Reconciliation of taxation rate	**%**	**%**	**%**
Taxation as a percentage of profit before taxation	**25%**	3%	21%
Profit from associated companies	**4%**	12%	7%
Non deductible expenses	**(6%)**	(4%)	(12%)
Taxation losses not previously recognised	**0%**	16%	3%
Taxation losses utilised	**0%**	1%	7%
Deferred tax asset not recognised	**0%**	0%	(1%)
Exempt income	**5%**	0%	3%
Statutory tax rate	**28%**	28%	28%

27. NOTES TO THE STATEMENT OF CASH FLOWS

	2017 R	2016 R	2015 R
A. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS			
Profit before taxation for the year	**20 482 025**	16 645 057	11 494 027
Adjustments for:			
Increase in allowance for impairment			
– trade receivables	**–**	238 005	2 871
– loan receivables	**820 553**	1 291 540	3 514 067
Depreciation of property, plant and equipment	**225 421**	101 934	1 072 422
Interest income	**(12 677 931)**	(13 720 808)	(15 943 899)
Interest expense	**2 670 464**	4 378 987	7 378 028
Foreign exchange gain	**–**	(480 123)	(441 991)
(Gain)/loss on remeasurement of contingent consideration	**(681 578)**	858 833	(202 555)
Bargain purchase gain	**–**	–	(153 832)
Loss on disposal of loan claim	**–**	–	85 299
Profit on disposal of investment in associate	**(395 193)**	(595 682)	(792 398)
Loss on disposal of subsidiaries	**–**	–	4 634 622
Profit on disposal of property, plant and equipment	**(32 299)**	–	(26 762)
Impairment of goodwill	**2 414 748**	2 666 819	–
Held for sale fair value adjustment	**(2 267 761)**	–	–
Profit from associated companies	**(3 167 209)**	(7 167 961)	(2 929 404)
Operating profit before working capital changes	**7 391 240**	4 216 601	7 690 495
(Increase)/decrease in trade and other receivables	**(383 409)**	5 918 441	2 452 566
(Decrease)/increase in provisions	**(570 530)**	560 530	–
(Decrease)/increase in trade and other payables	**(44 901)**	(1 655 750)	2 544 856
	6 392 400	9 039 822	12 687 917

	2017 R	2016 R	2015 R
B. TAXATION PAID			
Asset/(liability) at beginning of the year	**24 631**	4 094	(230 279)
Current taxation charge in profit or loss	**(3 615 923)**	(1 393 250)	(3 336 457)
Disposal of subsidiary (refer to note 27C)	**–**	–	2 152 060
Acquisition of subsidiaries (refer to note 27D)	**–**	–	(77 731)
Liability/(asset) at end of the year	**20 882**	(24 631)	(4 094)
	(3 570 410)	(1 413 787)	(1 496 501)

C. SUBSIDIARIES DISPOSED

2015

Mettle Manco Proprietary Limited

The company disposed of its 100% shares in Mettle Manco Proprietary Limited in March 2014 for no consideration to the previous shareholders of the company.

The subsidiary had the following assets and liabilities on disposal date:

	2015 R
Goodwill	61 052 719
Accumulated impairment	(61 052 719)
Trade and other receivables	64 517
Cash and cash equivalents	199 707
Trade and other payable	(258 794)
	5 430
Selling price	–
Loss on disposal	(5 430)
Cash flow on acquisition of the subsidiary:	
Cash and cash equivalents acquired with the subsidiary	(199 707)
Consideration settled in cash	–
	(199 707)

Lendcor Proprietary Limited

The company disposed of an effective shareholding of 40% in Lendcor Proprietary Limited in November 2014 for R17 307 300. The deferred consideration accrues interest at prime less 2% and is receivable in December 2016. The purchaser has ceded these shares back to the company as security for its payment obligation.

The subsidiary had the following assets and liabilities on disposal date:

	2015 R
Property, plant and equipment	2 313 835
Loan receivables	92 729 215
– provision for impairment	(4 673 595)
Deferred tax asset	1 363 611
Goodwill	23 185 442
Tax asset	477
Trade and other receivables	3 534 606
Cash and cash equivalents	3 145 887
Non-controlling interest	(4 860 518)
Borrowings	(69 992 577)
Trade and other payables	(1 971 880)
Tax liability	(2 152 060)
	42 622 443
Fair value of retained equity interest	(20 685 851)
	21 936 592
Selling price	17 307 300
Loss on disposal	(4 629 292)

	2017 R	2016 R	2015 R
Cash flow on disposal of the subsidiary:			
Cash disposed with the subsidiary			(3 145 887)
Proceeds on disposal			–
			(3 145 887)

Due to the above disposal, an amount of R3 110 563, relating to all previous transactions with the non-controlling interest in Lendcor Proprietary Limited, has been transferred from the change in shareholding of subsidiary reserve to accumulated losses.

D. SUBSIDIARIES ACQUIRED

2016

Mettle Medical Finance Proprietary Limited

The company purchased the remaining 50% shareholding for no consideration in June 2015.

The subsidiary had the following assets and liabilities on acquisition date:

	2017 R	2016 R	2015 R
Recognised amounts of identifiable net assets			
Trade and other receivables		944 235	
Cash and cash equivalents		241 507	
Borrowings		(1 552 695)	
Trade and other payables		(201 242)	
		(568 195)	
Fair value of consideration transferred			
Consideration settled in cash		–	
Fair value of equity interest (associate) held before business combination		–	
Goodwill on acquisition		568 195	
Cash flow on acquisition of the subsidiary:			
Cash and cash equivalents acquired with the subsidiary		241 507	
Consideration settled in cash		–	
		241 507	

2015

Mettle Administrative Services Proprietary Limited

The company purchased the remaining 33.3% shares and loan claims in Mettle Administrative Services Proprietary Limited for R1 484 000 in March 2014.

	2017 R	2016 R	2015 R
The subsidiary had the following assets and liabilities on acquisition date:			
Recognised amounts of identifiable net assets			
Equipment			113 152
Loan due from associate			360 409
Loan receivables			200 196
– provision for impairment			(193 690)
Trade and other receivables			12 805 828
Deferred tax asset			1 260 000
Cash and cash equivalents			3 222 990
Borrowings			(14 741 925)
Trade and other payables			(1 479 866)
			1 547 094
Fair value of consideration transferred			
Consideration settled in cash			(1 484 000)
Fair value of equity interest (associate) held before business combination			(2 968 000)
Goodwill on acquisition			2 904 906
Cash flow on acquisition of the subsidiary:			
Cash and cash equivalents acquired with the subsidiary			3 222 990
Consideration settled in cash			(1 484 000)
			1 738 990
Mettle Vehicle Finance Proprietary Limited			
The company purchased the remaining 50% shareholding for no consideration in August 2014 and settled all the shareholder's outstanding borrowings advanced to Mettle Vehicle Finance Proprietary Limited.			
The subsidiary had the following assets and liabilities on acquisition date:			
Recognised amounts of identifiable net assets			
Loan receivables			7 139 960
– provision for impairment			(372 306)
Deferred tax asset			82 457
Trade and other receivables			4 947
Cash and cash equivalents			31 045
Amount due to holding company			(6 638 353)
Trade and other payables			(16 187)
Tax liability			(77 731)
			153 832
Fair value of consideration transferred			
Consideration settled in cash			–
Fair value of equity interest (associate) held before business combination			–
Bargain purchase on acquisition			(153 832)
Cash flow on acquisition of the subsidiary:			
Cash and cash equivalents acquired with the subsidiary			31 045
Consideration settled in cash			–
			31 045

	2017 R	2016 R	2015 R
Mettle Corporate Finance Proprietary Limited			
The company purchased the 100% shareholding in Mettle Corporate Finance Proprietary Limited on 30 September 2014.			
The purchase consideration is payable as follows:			
Cash contingent consideration			
This consideration is dependent on the recovery of the outstanding receivables on acquisition date as well as future income to be earned on existing mandates. This liability was estimated at R288 248 at acquisition date – R81 425 of which has been paid by 28 February 2015.			
Equity contingent consideration			
The company must transfer 81 022 Tradehold Limited shares to the seller should Mettle Corporate Finance Proprietary Limited earn aggregate profits after tax of R4 000 000 for the two years ending 28 February 2017. Any shortfall in achieving this profit warranty results in a pro-rata reduction in the number of shares to be transferred.			
Based on the actual profit after tax for the year ended 28 February 2015 and the future income statement budgets, it is considered probable that this R4 000 000 profit warranty will be satisfied. As a result, a liability using the maximum number of shares multiplied by the Tradehold Limited share price at acquisition date has been recognised at acquisition date.			
The subsidiary had the following assets and liabilities on acquisition date:			
Recognised amounts of identifiable assets			
Trade and other receivables			1 271 195
Deferred tax asset			255 256
Cash and cash equivalents			188 742
Borrowings			(2 029 179)
Trade and other payables			(386 617)
			(700 603)
Fair value of consideration transferred			
Contingent consideration – cash			(288 248)
Contingent consideration – equity instruments (81 022 Tradehold Limited ordinary shares at R21.00 each)			(1 701 462)
Goodwill			2 690 313
Cash flow on acquisition of the subsidiary:			
Cash and cash equivalents acquired with the subsidiary			188 742
Consideration settled in cash to date			(81 425)
			107 317

28. **FINANCIAL RISK MANAGEMENT**

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Financial assets by category

	2017 Loans and receivables R	**2016 Loans and receivables R**	**2015 Loans and receivables R**
Loans due from associates	**55 281 188**	32 828 927	9 823 661
Loan receivables	**46 976 134**	136 954 788	67 341 625
Trade and other receivables*	**26 833 319**	26 270 667	33 299 638
Cash and cash equivalents	**12 044 803**	7 448 339	4 722 129

**Excludes value added taxation and prepayments as these are not financial assets.*

No financial assets are measured at fair value.

Financial liabilities by category

	2017 At amortised cost R	**2016 At amortised cost R**	**2015 At amortised cost R**
Borrowings	**24 017 837**	14 564 467	39 208 588
Borrowings due to shareholders	**68 562 990**	149 105 749	36 098 712
Other financial liabilities	**4 053 044**	–	–
Trade and other payables**	**2 030 176**	1 611 694	3 215 165

***Excludes value added taxation and deferred income as these are not financial liabilities.*

The other financial liability (refer to note 19), which relates to the acquisition of Mettle Corporate Finance Proprietary Limited, is measured at fair value using the year-end closing price of Tradehold Limited shares.

The group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks and seeks to minimise the potential adverse effects on the group's financial performance.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and price risk.

Cash flow and fair value interest rate risk

The group's interest rate risk arises from borrowings. Borrowings (including preference share capital) issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash and cash equivalents, loan receivables and loans due from associates held at variable rates.

The sensitivity analysis below has been determined based on the floating rate interest bearing borrowings, preference share capital, cash and cash equivalents and loan receivables of the group outstanding at the reporting date. A 100 (2016 and 2015: 100) basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 (2016 and 2015: 100) basis points higher/lower and all other variables were held constant, the group's profit before tax for the year ended 28 February 2017 would increase/ decrease by R987 265 (2016: R1 540 531; 2015: R337 873).

Currency risk

The group is not exposed to foreign currency risk at 28 February 2017 and 29 February 2016 as the loan receivable detailed below was ceded to the Mettle Debt Fund *En Commandite* Partnership on 29 February 2016.

The group was exposed to foreign currency risk on its loan receivable of R23 691 879 (which was referenced to the US Dollar) at 28 February 2015. This loan receivable was translated at a closing rate of R11.584.

The group had taken out eight forward exchange contracts to hedge its exposure to future movements in the Rand:US Dollar exchange rate. The open exchange contracts at 28 February 2015 are detailed below:

Contract maturity date	Dollars sold US	Forward rate R	Year-end mark to market rate R	Gain R
March 2015	340 000	11.7870	11.6888	33 388
June 2015	288 000	11.9638	11.8590	30 182
September 2015	285 000	12.1605	12.0469	32 376
December 2015	276 000	12.3440	12.2252	32 789
March 2016	272 000	12.5355	12.4145	32 912
June 2016	264 000	12.7305	12.5988	34 769
September 2016	259 000	12.9365	12.7996	35 457
December 2016	251 000	13.1285	12.9840	36 270
				268 143

A 5% change in the Rand:US Dollar exchange rate is considered reasonable. The sensitivity analysis is based on the group's foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in US Dollar exchange rates.

If the Rand had strengthened/weakened against the US Dollar by 5%, then the group's profit for the year ended 28 February 2015 would have decreased/increased by R189 107.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (trade and loan receivables) and from its financing activities, including deposits with banks and financial institutions.

Each individual business unit assesses the credit quality of its customers by considering its financial position, past experience and other factors. Individual credit limits are set for high volume transaction businesses by the specific board. These credit limits are reviewed regularly and revised if necessary.

Potential concentrations of credit risk include cash and cash equivalents, loan receivables and trade and other receivables (excluding prepayments and value added taxation). The group only banks with financial institutions of high credit quality. The cash deposits are held at financial institutions which have Fitch short-term credit ratings of F1+ (zaf) (2016 and 2015: F1+ (zaf)).

At the reporting date, the group did not consider there to be any significant concentration of credit risk, which has not been insured or adequately provided for. The maximum exposure to credit risk (after provisions for impairment) is R139 982 283 (2016: R203 502 171; 2015: R115 187 053).

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises from existing commitments associated with its borrowings and the requirement to raise funds in order to meet these commitments.

Cash flow forecasting is performed in the operating companies of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable).

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2017	Carrying value R	Within 1 year R	1 to 2 years R	More than 2 years R	Total payments R
Borrowings	**24 017 837**	**9 017 390**	**7 583 284**	**11 374 926**	**27 975 600**
Borrowings due to shareholder	**68 562 990**	**–**	**43 500 000**	**25 062 990**	**68 562 990**
Other financial liabilities	**5 746 081**	**1 693 037**	**5 000 000**	**–**	**6 693 037**
Trade and other payables	**2 030 176**	**2 030 176**	**–**	**–**	**2 030 176**
	100 357 084	**12 740 603**	**56 083 284**	**36 437 916**	**105 261 803**

2016	Carrying value R	Within 1 year R	1 to 2 years R	More than 2 years R	Total payments R
Borrowings	14 564 466	4 161 977	4 160 345	9 809 868	18 132 190
Borrowings due to shareholder	149 105 749	–	121 307 047	35 476 424	156 783 471
Other financial liabilities	2 374 615	16 875	2 357 740	–	2 374 615
Trade and other payables	1 611 694	1 611 694	–	–	1 611 694
	167 656 524	5 790 548	127 825 130	45 286 292	178 901 970

2015	Carrying value R	Within 1 year R	1 to 2 years R	More than 2 years R	Total payments R
Borrowings	39 208 588	30 835 528	8 831 200	–	39 666 728
Borrowings due to shareholder	36 098 712	16 098 712	20 000 000	–	36 098 712
Other financial liabilities	1 705 731	206 824	–	1 498 907	1 705 731
Trade and other payables	3 215 165	3 215 165	–	–	3 215 165
	80 228 196	50 356 229	28 831 200	1 498 907	80 686 336

Mettle Investments Proprietary Limited has a R5 000 000 (2016 and 2015: R5 000 000) overdraft facility with Nedbank Ltd.

Mettle Investments Proprietary Limited drew down the remaining available amount (R25 500 000) of its R50 000 000 facility from the Small Enterprise Finance Agency SOC Ltd in March 2017 – this funding can only be advanced to Mettle Administrative Services Proprietary Limited.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going-concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' and 'borrowings due to shareholder' as shown in the group statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2017 R	2016 R	2015 R
The gearing ratios are as follows:			
Total borrowings	**92 580 827**	163 670 216	75 307 300
Less: cash and cash equivalents (refer to note 12)	**(12 044 803)**	(7 448 339)	(4 722 129)
Net debt	**80 536 024**	156 221 877	70 585 171
Total equity	**106 985 023**	92 071 271	75 530 243
Total capital	**187 521 047**	248 293 148	146 115 414
Gearing ratio	**43%**	63%	48%

The decrease in the gearing ratio is due to the loans advanced to various Tradehold Limited group entities being ceded to Tradehold Limited in settlement of borrowings due to Tradehold Limited.

29. RELATED PARTY TRANSACTIONS

Related parties of the Mettle Investments group include its directors, key management, its shareholders, fellow subsidiaries and associated companies. The following significant transactions took place with related parties:

	2017 R	2016 R	2015 R
Fee income from associates			
Mettle Credit Services Proprietary Limited	**499 482**	710 594	617 656
Mettle Medical Finance Proprietary Limited	**–**	23 884	88 246
Fee income from other related parties			
Tradehold Limited (holding company)	**5 095 000**	–	–
Tradehold Africa (Tradehold group company)	**857 085**	1 360 875	500 000
Nguni Property Fund Ltd (Tradehold group company)	**225 600**	1 911 216	–
Dividends/distributions received from associates			
Impex Treasury Solutions Proprietary Limited	**2 200 000**	1 430 000	1 400 000
Gondotrix Proprietary Limited	**1 500 000**	1 250 000	300 000
Lendcor Holdings Proprietary Limited	**598 800**	11 454 092	–
Lendcor Proprietary Limited	**1 996 008**	–	–
Interest income from associates			
Mettle Vehicle Finance Proprietary Limited	**–**	–	242 653
Mettle Medical Finance Proprietary Limited	**–**	20 857	80 521
Lendcor Holdings Proprietary Limited	**–**	16 460	4 315
Mettle Solar Proprietary Limited	**1 690 553**	1 065 707	36 287
Mettle Solar Namibia Proprietary Limited	**1 979 153**	418 732	–
Mettle Solar SPV 1 Proprietary Limited	**526 924**	187 809	–
Mettle Solar SPV Riverside Proprietary Limited	**147 320**	7 180	–
Mettle Solar SPV FVT Proprietary Limited	**1 302 224**	–	–
Mettle Solar Investments Proprietary Limited	**53 068**	–	–
Lendcor Proprietary Limited	**37 439**	–	–
Interest income from other related parties			
AS Trust	**424 503**	–	–
Aapstert Investments Proprietary Limited	**1 315 857**	–	–
HM4 Trust	**194 601**	–	–
Karen Nordier	**54 936**	–	–
Francois van Themaat	**202 584**	–	–
Teniam Holdings Proprietary Limited	**38 737**	–	–
Emc2 Trust	**40 170**	–	–

Refer to note 7 and 9 for terms of the loans.

	2017 R	2016 R	2015 R
Fees and expenses paid to associate			
Mettle Credit Services Proprietary Limited	**530 483**	645 143	572 258
Preference dividends expense			
Directors of Lendcor Proprietary Limited (subsidiary)	**–**	–	109 014
Expense recoveries			
Tradehold Limited (holding company)	**1 978 521**	1 029 490	972 817
Key management personnel remuneration			
Salaries and other short-term employee benefits	**11 866 674**	9 712 202	8 906 226

The remuneration includes 7 (2016: 6; 2015: 8) employees for on average 10 (2016: 12; 2015: 10) months.

30. OPERATING LEASE COMMITMENTS

Future commitments at year end in terms of:

	2017 R	2016 R	2015 R
Property rentals			
– Due within one year	**671 819**	494 104	647 942
– Due between one and five years	**402 837**	120 000	131 332
	1 074 656	614 104	779 274

31. CONTINGENT LIABILITIES

The company has guaranteed the repayment of its pro rata share (55%) of the R10 000 000 loan facility granted by the Mettle Debt Fund *En Commandite* Partnership to Mettle Solar Investments Proprietary Limited ("MSI"). The loan is repayable by 28 February 2018.

MSI needs to make a further payment relating to the acquisition of its 50% shareholding in Sustainable Power Solutions Proprietary Limited ("SPS") (based on its February 2018 profits). The company has bound itself as guarantor to and in favour of the sellers for the due and proper discharge of all obligations of MSI to the sellers.

Investec Bank Ltd advanced R40 000 000 of the approved R100 000 000 rooftop funding facility to Mettle Solar Finance Proprietary Limited in March 2017. The company has agreed to subordinate all its claims against Mettle Solar group companies in favour of Investec Bank Ltd. The company also guarantees the output guarantee provided by SPS in terms of the various services and maintenance agreements concluded between SPS and the various solar project companies.

MSI has guaranteed the repayment of its pro rata share (51%) of the R100 000 000 loan facility granted by the Mettle Debt Fund *En Commandite* Partnership to Metdecci Energy Investments Proprietary Limited and pledged its shares as security (sole recourse).

The company had executed a deed of suretyship in favour of the funder as security for the repayment on demand of all amounts which Mettle Administrative Services Proprietary Limited may owe the funder in terms of the R30 000 000 loan facility agreement – balance outstanding at 29 February 2016 was R1 633 (2015: R12 944 055). This balance was settled in March 2016.

32. EARNINGS PER SHARE

	2017 Cents per share	2016 Cents per share	2015 Cents per share
Basic earnings per share	**15.92**	16.75	8.05
Diluted earnings per share	**15.92**	16.75	8.05
Headline earnings per share	**15.63**	18.90	11.85
Diluted headline earnings per share	**15.63**	18.90	11.85

Basic earnings per share	**R**	R	R
The earnings and number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Profit attributable to owners of the company	**15 327 752**	16 127 028	7 748 817
	Number	Number	Number
Issued ordinary shares	**96 291 720**	96 291 720	96 291 720

Headline earnings per share	**R**	R	R
The earnings and number of ordinary shares used in the calculation of headline earnings per share are as follows:			
Profit attributable to owners of the company	**15 327 752**	16 127 028	7 748 817
Impairment of goodwill	**2 414 748**	2 666 819	–
Held for sale fair value adjustment	**(2 267 761)**	–	–
Profit on disposal of investment in associate	**(395 193)**	(595 682)	(792 301)
Loss on disposal of subsidiaries	**–**	–	4 634 622
Bargain purchase gain	**–**	–	(153 832)
Profit on disposal of property, plant and equipment	**(32 299)**	–	(26 762)
Tax impact of adjustments	**9 044**	–	7 493
Headline earnings for headline earnings per share	**15 056 291**	18 198 165	11 418 037
	Number	Number	Number
Issued ordinary shares	**96 291 720**	96 291 720	96 291 720

33. EVENTS AFTER THE REPORTING DATE

The company subscribed for 1,000 ordinary shares in Gray Swan Financial Services Proprietary Limited ("GSFS") for R4 000 000 in June 2017 – resulting in the company becoming a 50% shareholder. GSFS is a leading independent investment advisory and wealth management company. The company needs to make a further subscription in 2021 based on GSFS's profit after tax for the financial years ending 29 February 2020 and 28 February 2021.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF METTLE INVESTMENTS FOR THE THREE YEARS ENDED 28 FEBRUARY 2015, 2016 AND 2017

The definitions and interpretation commencing on page 4 of this Pre-listing Statement shall not apply to this **Annexure 2**.

The Directors
Mettle investments limited
1st Floor
FedGroup Place
Willie van Schoor Avenue
Bellville
7530
9 May 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF METTLE INVESTMENTS LIMITED (THE "COMPANY" OR "METTLE INVESTMENTS") INCLUDED IN THE PRE-LISTING STATEMENT

Opinion

Mettle Investments is issuing a pre-listing statement to its shareholders regarding its proposed primary listing on the Alt^{X} exchange of the Johannesburg Stock Exchange ("JSE") (the "Proposed Listing") to be dated on or about 14 May 2018 ("the Pre-listing Statement").

In our opinion, the consolidated historical financial information of Mettle Investments as set out in **Annexure 1** of the Pre-listing Statement (the "Consolidated Historical Financial Information") presents fairly, in all material respects, the consolidated financial position of Mettle Investments and its subsidiaries (together "the Group") as at 28 February 2017, 29 February 2016 and 28 February 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements.

What we have audited

At your request and solely for the purpose of the Pre-listing Statement, we have audited Mettle Investments Consolidated Historical Financial Information, which comprises:

- the consolidated statements of financial position as at 28 February 2017, 29 February 2016 and 28 February 2015;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the Consolidated Historical Financial Information, which include a summary of significant accounting policies.

Basis for opinion

- We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Reporting accountant's responsibilities for the audit of the Consolidated Historical Financial Information section of our report.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

- We are independent of the Group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Purpose of this report

- This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Historical Financial Information for the year ended 28 February 2017. These matters were addressed in the context of our audit of the Consolidated Historical Financial Information for the year ended 28 February 2017 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recoverability of inter-group loans receivable Inter-group loans comprise a significant portion of the group's total assets. Accordingly, the recoverability of the loans is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material loans by obtaining third-party confirmations of amounts owing and or agreeing amounts intercompany. The assessment of the recoverability of the loans comprised • the consideration and concurrence of the agreed payment terms, • an assessment of the entity's financial situation, • securities or insurance held, • unusual patterns to identify potentially impaired balances, and • an assessment of other available pertinent information.

Responsibilities of the directors for the Consolidated Historical Financial Information

The directors of Mettle Investments are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that Mettle Investments complies with the JSE Limited Listings Requirements.

The directors of Mettle Investments are also responsible for the preparation and fair presentation of the Consolidated Historical Financial Information in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements, and for such internal control as the directors of Mettle Investments determine is necessary to enable the preparation of Consolidated Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Historical Financial Information, the directors of Mettle Investments are responsible for assessing the Group's ability to continue as a going-concern, disclosing, as applicable, matters related to going-concern and using the going-concern basis of accounting unless the directors of Mettle Investments either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting accountant's responsibilities for the audit of the Consolidated Historical Financial Information

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Mettle Investments.
- Conclude on the appropriateness of the directors of Mettle Investments use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the consolidated historical financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountant's report. However, future events or conditions may cause the Group to cease to continue as a going-concern.
- Evaluate the overall presentation, structure and content of the Consolidated Historical Financial Information, including the disclosures, and whether the Consolidated Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Historical Financial Information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors of Mettle Investments with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

BDO CAPE INCORPORATED
Practice number 970879-0000
Chartered Accountants (SA)
Registered Auditors

Bernard van der Walt
Partner
Chartered Accountant (SA)
Registered Auditor
6th Floor
123 Hertzog Boulevard Foreshore
Cape Town
8001

9 May 2018

REVIEWED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF METTLE INVESTMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2017

The condensed interim consolidated financial information of Mettle Investments and its subsidiaries ("the Group") for the six months ended 31 August 2017 set out below has been extracted from the reviewed condensed interim consolidated financial statements of the Group for the six months ended 31 August 2017 ("Interim Financial Information").

The Interim Financial Information is the responsibility of the Directors. The Interim Financial Information was prepared in accordance with IFRS and interpretations adopted by the International Accounting Standards Board ("IASB") and in accordance with IAS 34 Interim Financial Reporting and was reviewed by BDO Cape Incorporated, who issued a review opinion thereon. The independent reporting accountants' report on the Interim Financial Information is presented in **Annexure 4** and should be read in conjunction with the information presented in this **Annexure 3**.

Commentary

Lendcor Proprietary Limited again made the most significant contribution of R3.6m while Mettle Administrative Services Proprietary Limited continued its improved profitability with a return of R2.5m. Mettle Solar incurred an equity accounted loss of R4m.

The investment in Impex Treasury Solutions Proprietary Limited was sold for R6.6m. The Company invested R4m in GraySwan for a 50% interest. The Company secured a R33m overdraft facility from FirstRand Bank Limited to satisfy its obligation of investing R30m in Gray Swan Sanlam Collective Investments Fund of Fund unit trusts by September 2017.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**31 August 2017 R Reviewed**	28 February 2017 R Audited
ASSETS			
Non-current assets			
Property, plant and equipment		**731 021**	765 202
Goodwill		**7 475 084**	7 475 084
Investments in joint ventures	3	**11 104 835**	7 366 045
Investments in associates		**47 901 541**	43 467 369
Loans due from associates		**61 162 808**	55 281 188
Deferred taxation		**1 542 381**	2 162 987
Held to maturity financial asset	4	**24 797 757**	–
At fair value through profit or loss financial assets		**6 054 623**	–
Loan receivables		**11 000 331**	35 728 461
Total non-current assets		**171 770 381**	152 246 336
Current assets			
Asset held for sale	5	**–**	6 300 000
Taxation		**25 135**	4 538
Loan receivables		**32 797 204**	11 247 673
Trade and other receivables		**35 023 433**	26 935 116
Cash and cash equivalents		**31 049 078**	12 044 803
Total current assets		**98 894 850**	56 532 130
Total assets		**270 665 231**	208 778 466
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and premium		**100 621 766**	100 621 766
Retained income		**12 231 632**	6 363 257
Total equity		**112 853 398**	106 985 023
Non-current liabilities			
Borrowings	6	**43 723 210**	16 131 236
Borrowings due to shareholders		**67 950 000**	68 562 990
Other financial liabilities		**4 265 829**	4 053 044
Total non-current liabilities		**115 939 039**	88 747 270
Current liabilities			
Borrowings	6	**35 556 684**	7 886 601
Borrowings due to shareholders		**1 650 000**	–
Other financial liabilities		**–**	1 693 037
Taxation		**17 905**	25 421
Provisions		**240 000**	340 000
Trade and other payables		**4 408 205**	3 101 114
Total current liabilities		**41 872 794**	13 046 173
Total equity and liabilities		**270 665 231**	208 778 466
Net asset value per share (cents)		**117.20**	111.11
Tangible net asset value per share (cents)		**109.44**	103.34

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	31 August 2017 R Reviewed
Revenue		**20 472 031**
Other income		**2 563 161**
Interest expense		**(3 196 109)**
Operating expenses		**(11 961 556)**
Profit from operations		**7 877 527**
Profit from equity accounted investments		**81 456**
Profit before taxation		**7 958 983**
Taxation		**(2 090 608)**
Total comprehensive income		**5 868 375**
Attributable to:		
Equity holders of the parent		**5 868 375**
Non-controlling interest		**–**
		5 868 375
Dividends per share (cents)		–
Basic earnings per share (cents)	7	**6.09**
Diluted earnings per share (cents)	7	**6.09**
Headline earnings per share (cents)	7	**5.76**
Diluted headline earnings per share (cents)	7	**5.76**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R	Share premium R	Retained income R	Total R
Equity at 28 February 2017	963	100 620 803	6 363 257	106 985 023
Total comprehensive income for the period			**5 868 375**	**5 868 375**
Equity at 31 August 2017	**963**	**100 620 803**	**12 231 632**	**112 853 398**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 August 2017 R Reviewed
Cash flows from operating activities	
Operating profit	**7 877 527**
Non-cash items	
Depreciation	**87 066**
Profit on asset held for sale	**(326 333)**
Financial assets fair value adjustment	**(53 652)**
Gain on remeasurement of contingent consideration	**(157 723)**
Preference dividend income	**(131 907)**
Interest income	**(8 179 568)**
Interest expense	**3 196 109**
Changes in working capital	**(8 679 561)**
Cash utilised in operations	**(6 368 042)**
Interest received	**7 282 076**
Interest paid	**(216 013)**
Taxation paid	**(1 235 095)**
Net cash outflow from operating activities	**(537 074)**
Cash flows from investing activities	
Acquisition of property, plant and equipment	**(52 885)**
Acquisition of investment in joint venture	**(4 000 000)**
Acquisition of financial assets	**(30 474 257)**
Loans advanced to associates	**(9 940 389)**
Loan receivables advanced	**(36 780 936)**
Loan receivables recovered	**40 631 725**
Proceeds on disposal of asset held for sale	**6 626 333**
Net cash outflow from investing activities	**(33 990 409)**
Cash flow from financing activities	
Repayment of borrowings	**(1 571 146)**
Receipt of borrowings	**55 500 000**
Repayment of shareholder loans	**(612 990)**
Receipt of shareholder loans	**1 650 000**
Net cash inflow from financing activities	**54 965 864**
Net increase in cash and cash equivalents	**20 438 381**
Cash and cash equivalents at beginning of the period	**10 610 697**
Cash and cash equivalents at end of the period	**31 049 078**

NOTES TO THE CONSOLIDATED REVIEWED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed interim consolidated financial information of Mettle Investments for the six months ended 31 August 2016 has not been shown as it is not required in terms of the JSE Listing Requirements.

The principal accounting policies applied in the preparation of the condensed interim financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information for the six months ended 31 August 2017 has been prepared on the basis of the accounting policies set out in the consolidated financial statements for the year ended 28 February 2017, except for income taxes which are accrued using the tax rate that is expected to be applicable for the full year, and in accordance with IAS 34 *Interim Financial Reporting.*

Various new accounting standards and amendments came into force and others were issued during the period, none of which are expected to have any significant impact on the Company.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same, in all material respects, as those applied to the consolidated financial statements for the year ended 28 February 2017.

	31 August 2017 R Reviewed	28 February 2017 R Audited
3. INVESTMENTS IN JOINT VENTURES		
Unlisted (at cost)		
Incatorque Proprietary Limited		
– 50.4% of ordinary shares	**7 366 045**	7 366 045
– share of equity accounted losses	**(403 027)**	–
	6 963 018	7 366 045
GraySwan Financial Services Proprietary Limited		
– 50% of ordinary shares	**4 000 000**	–
– share of equity accounted profits	**141 817**	–
	4 141 817	–
	11 104 835	7 366 045

The company subscribed for 1,000 ordinary shares in GraySwan Financial Services Proprietary Limited ("GSFS") for R4 000 000 in June 2017 – resulting in the Company becoming a 50% shareholder. GSFS is a leading independent investment advisory and wealth management company. The Company needs to make a further subscription in 2021 based on GSFS's profit after tax for the financial years ending 29 February 2020 and 28 February 2021.

4. HELD TO MATURITY FINANCIAL ASSET		
Unlisted		
Aapstert Investments Proprietary Limited		
(company associated to F Esterhuyse, a director)		
– 9,966 preference shares	**24 665 850**	–
– accrued preference dividends	**131 907**	–
	24 797 757	–

The preference shares accrue a dividend at 61.47% of the prime rate and are secured by 2 646 074 Tradehold Limited shares.

The preference shares were sold after the reporting date – refer to note 9.

		31 August 2017 R Reviewed	28 February 2017 R Audited
5.	**ASSET HELD FOR SALE**		
	Unlisted		
	Impex Treasury Solutions Proprietary Limited		
	0% (2017: 33.3%) ordinary shares	**–**	6 300 000

The Group received R6 333 333 from the disposal of these shares. A final dividend of R293 000 was also received.

6.	**BORROWINGS**		
	Non-current		
	Small Enterprise Finance Agency SOC Limited	**43 723 210**	16 131 236
	Current		
	Small Enterprise Finance Agency SOC Limited	**5 542 379**	6 452 495
	FirstRand Bank Limited	**30 014 305**	–
	Nedbank Limited	**–**	1 434 106
		35 556 684	7 886 601
	Total borrowings	**79 279 894**	24 017 837

The secured borrowings from Small Enterprise Finance Agency SOC Limited accrue interest at prime plus 1%. Interest is payable semi-annually with capital repayable on maturity of the five year facility (March 2020). The borrowings are secured by the Group's cash balances and loan and trade receivables of R59 983 320 (2017: R24 968 862). This facility is now fully utilised.

The R33 000 000 secured facility with FirstRand Bank Limited accrues interest at prime less 1% and is repayable by 28 February 2018. The facility is guaranteed by Tradegro Holdings Proprietary Limited (a wholly owned subsidiary of Tradehold Limited) and secured by Gray Swan Sanlam Collective Investments unit trust investments of R6 054 623. A further R24 000 000 was invested in these unit trusts in September 2017.

The unsecured R5 000 000 (2017: R5 000 000) overdraft facility with Nedbank Limited accrues interest at prime which is settled monthly. Nedbank Limited reviews the facility annually.

		31 August 2017 Cents per share Reviewed
7.	**EARNINGS PER SHARE**	
	Basic earnings per share	**6.09**
	Diluted earnings per share	**6.09**
	Headline earnings per share	**5.76**
	Diluted headline earnings per share	**5.76**

Basic earnings per share	**R**
The earnings and number of ordinary shares used in the calculation of basic earnings per share are as follows:	
Profit attributable to owners of the company	**5 868 375**
	Number
Weighted average number of ordinary shares	**96 291 720**

Diluted earnings per share

The company has no dilutive potential ordinary shares.

Headline earnings per share	**R**
The earnings and number of ordinary shares used in the calculation of headline earnings per share are as follows:	
Profit attributable to owners of the company	**5 868 375**
Profit on asset held for sale	**(326 333)**
Headline earnings for headline earnings per share	**5 542 042**
	Number
Weighted average number of ordinary shares	**96 291 720**

	31 August 2017 R Reviewed
8. **RELATED PARTIES**	
The Company is 100% owned by Tradehold Limited. The significant transactions and balances are detailed below:	
Transactions	
Fee income	
Tradehold Limited	**1 434 000**
Interest income from associates	
Mettle Solar Investments Proprietary Limited group	**3 642 056**
Lendcor Proprietary Limited	**311 810**
Interest income from other related parties	
Aapstert Investments Proprietary Limited	**561 591**
Francois van Themaat, director of group company	**108 212**
Expense recoveries	
Tradehold Limited	**1 371 571**
Balances	
Loans due from associates	
Mettle Solar Investments Proprietary Limited group (before equity accounted losses) – interest at prime on first R5 500 000; interest at prime plus 3% on the balance	**61 277 753**
Lendcor Proprietary Limited – interest at prime	**10 285 579**
Lendcor Holdings Proprietary Limited – interest at prime	**1 900 240**
Loan receivables	
Francois van Themaat – interest at prime less 2%	**2 605 986**
Borrowings	
Tradehold Limited – interest free	**69 600 000**

The preference share investment in a company associated with a director is disclosed in note 4.

9. **EVENTS AFTER THE REPORTING DATE**

The Group disposed of the preference shares (refer to note 4) to a Tradehold Limited group company in February 2018 for R25 581 485. The Tradehold Limited group company settled the purchase consideration by taking over R25 581 485 of the Group's R69 600 000 shareholder borrowings due to Tradehold Limited.

The repayment date of the R33 000 000 facility from FirstRand Bank Limited (refer to note 6) has been extended until 31 August 2018.

The Company is in the process of listing on Alt^{X}.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE REVIEWED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF METTLE INVESTMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2017

The definitions and interpretation commencing on page 4 of this Pre-listing Statement shall not apply to this **Annexure 4**.

The Directors
Mettle Investments Ltd
1st Floor FedGroup Place
Willie van Schoor Avenue
Bellville
7530
9 May 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED INTERIM FINANCIAL INFORMATION OF METTLE INVESTMENTS LIMITED ("METTLE") INCLUDED IN THE PRE-LISTING STATEMENT

Introduction

We have reviewed the consolidated interim financial information of Mettle for the six months ended 31 August 2017 as set out in **Annexure 3** of the Pre-listing Statement to be issued on or about Monday, 14 May 2018 ("the Pre-listing Statement") in compliance with the JSE Limited ("JSE") Listings Requirements.

The consolidated interim financial information, specifically prepared for the purpose of the Pre-listing statement in order to comply with section 8.7 of the JSE Listing Requirements, comprises the statement of financial position as at 31 August 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 6 month period ended 31 August 2017, and the notes thereto, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility

The directors of Mettle are responsible for the preparation, contents and presentation of the Pre-listing Statement and for ensuring that Mettle complies with the JSE Listings Requirements. The directors of Mettle are also responsible for the fair presentation of the consolidated historical financial information in accordance with International Financial Reporting Standards ("IFRS"). The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express a conclusion on the consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Condensed Consolidated Interim Financial Information is not prepared, in all material respects, in accordance with the applicable financial framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less in scope than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this Condensed Consolidated Interim Financial Information.

Basis for qualified conclusion

Mettle prepared interim figures for the six month period ended 31 August 2017, specifically for the purpose of the Pre-listing Statement in order to comply with section 8.7 of the JSE Listing Requirements. Mettle did not present comparative consolidated interim figures for the 6 month period ended 31 August 2016, which constitutes a departure from the requirements of the International Accounting Standard (IAS) 34 Interim Financial Reporting.

Qualified review conclusion

Based on our review, except for the effect of the matter described in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated historical financial information of Mettle for the 6 month period ended 31 August 2017 is not fairly prepared, in all material respects, for the purposes of the Pre-listing Statement, in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Purpose of the report

This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

BDO CAPE INCORPORATED
Practice number 970879-0000
Chartered Accountants (SA)
Registered Auditors

Bernard van der Walt
Partner
Chartered Accountant (SA)
Registered Auditor

6th Floor
123 Hertzog Boulevard Foreshore
Cape Town
8001

REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF REWARD FOR THE THREE YEARS ENDED 28 FEBRUARY 2015, 2016 AND 2017

Introduction

The audited historical financial information of Reward set out below has been extracted from the consolidated audited special purpose financial information of Reward for the three years ended 28 February 2015, 29 February 2016 and 28 February 2017 ("Historical Financial Information"). The Historical Financial Information is the responsibility of the Directors. The Historical Financial Information was prepared in accordance with IFRS and interpretations adopted by the International Accounting Standards Board ("IASB") and were audited by PricewaterhouseCoopers Inc., who issued an unqualified audit opinion thereon. The independent reporting accountant's report on the Historical Financial Information is presented in **Annexure 6**.

Commentary

Results

In the three years to 28 February 2017, Reward was able to achieve a compound annual turnover growth rate of 20.6%, whilst maintaining a relatively high profit margin (37.3% in 2017). This measured, profitable growth rate demonstrates both the continuing opportunities within the alternative lending market within the UK, and the fact that Reward has followed a consistent business model. This performance has continued into the period to 31 August 2017. Reward achieves high margins on the back of experienced staff making secured loans to SME customers who have found it more difficult to access capital from mainstream banks. During the period under review Reward has invested in both business development and risk management staff to facilitate growth within the same lending criteria. The business prides itself on a low bad debt expense, with costs of £0.1 million in 2017 representing 1.5% of turnover.

Balance sheet

From February 2015 to August 2017, the debtor book grew from £19.5 million to £44.5 million. The growth in the book over the period was largely financed by loans to Reward from its parent company, but in August 2017 Reward achieved a significant milestone when it entered into a £40 million debt facility with the Foresight Group, a London based Investment Fund Manager. During the period under review, Reward has increased the proportion of the debtor book due from ongoing Invoice Finance clients (23% of total loan book at 31 August 2017, versus 15% at 28 February 2015), rather than one off Business Finance loans. This trend has been a deliberate move by Reward to increase the level of recurring income, with Business Finance loans averaging less than 12 months duration.

Statement of financial position

	Notes	2017 £'000	2016 £'000	2015 £'000
Non-current assets				
Property, plant and equipment	9	42	38	17
		42	38	17
Current assets				
Trade and other receivables	10	40 253	31 276	19 502
Cash and cash equivalents		2 926	2 521	1 841
		43 179	33 797	21 343
Total assets		**43 221**	**33 835**	**21 360**
Equity and liabilities				
Equity attributable to owners of the parent				
Ordinary shares	15	–	–	–
Retained earnings		4 465	2 518	882
Non-controlling interests		828	535	117
Total equity		5 293	3 053	999
Current liabilities				
Corporation tax		583	403	193
Trade and other payables	11	1 089	662	688
Borrowings	12	2 712	2 000	–
Non-current liabilities				
Borrowings	12	33 544	27 717	19 480
Total liabilities		**37 928**	**30 782**	**20 361**
Total equity and liabilities		**43 221**	**33 835**	**21 360**
Additional information				
Net asset value/tangible net asset value		5 293		
Number of shares		100		
NAVPS/TNAVPS (£'000)		**52.93**		

Statement of comprehensive income

	Notes	2017 £'000	2016 £'000	2015 £'000
Revenue	4	7 482	6 558	5 146
Administrative expenses		(1 943)	(1 612)	(1 257)
Loan loss provision movement	10	(114)	(268)	(466)
Operating profit		5 425	4 678	3 423
Finance costs	6	(1 927)	(1 724)	(982)
Finance income	6	9	4	3
Profit before income tax		**3 507**	**2 958**	**2 444**
Income tax expense	8	(719)	(618)	(345)
Profit for the financial year		**2 788**	**2 340**	**2 099**
Profit attributable to:				
Owners of the parent		1 947	1 636	1 392
Non-controlling interests		841	704	707
Other comprehensive income		–	–	–
Profit and total comprehensive income for the financial year		**2 788**	**2 340**	**2 099**
Additional information				
Earnings/diluted earnings/headline earnings/ diluted headline earnings		2 788		
Number of shares		100		
EPS/DEPS/HEPS/DHEPS (£'000)		**27.88**		

All of the above results relate to continuing operations.

There is no difference between the profit before income tax and the profit for the financial years stated above and their historical cost equivalents.

The financial information presented for the year to 28 February 2015 is that of Reward Finance Group Limited. This is the equivalent financial information as if the reorganisation, described in note 20, had not taken place, and Reward Investments (No. 2) Limited had been in existence in its current structure throughout the three years presented.

Statement of changes in equity

	Called up share capital £'000	Non-controlling interest £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance as at 1 March 2014	–	293	2 356	2 649
Profit for the financial year	–	707	1 392	2 099
Total comprehensive income for the year	–	707	1 392	2 099
Dividends paid	–	(883)	(2 866)	(3 749)
Balance as at 28 February 2015	–	**117**	**882**	**999**
Balance as at 1 March 2015	–	(117)	882	999
Profit for the financial year	–	704)	1 636	2 340
Total comprehensive income for the year	–	**704)**	**1 636**	**2 340**
Transactions with owner of entity	–	278	–	278
Dividends paid	–	(564)	–	(564)
Total transactions with owners, issues in the year and dividends paid	–	**(286)**	**–**	**(286)**
Balance as at 29 February 2016	**–**	**535**	**2 518**	**3 053**
Balance at 1 March 2016	–	535	2 518	3 053
Profit for the financial year	–	841	1 947	2 788
Total comprehensive income for the year	–	841	1 947	2 788
Dividends paid	–	(548)	–	(548)
Balance as at 28 February 2017	**–**	**828**	**4 465**	**5 293**

This dividend relates to the outside shareholder's portion of the dividend declared by Reward Finance Group Limited, a subsidiary of Reward Investments (No.2) Limited.

Statement of cash flows

	2017 £'000	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit before income tax	3 507	2 958	2 444
Non-cash items			
Depreciation	28	22	22
Movement on loan loss provision	114	268	466
Finance costs	1 794	1 684	979
Changes in working capital			
Movement in receivables	(10)	328	(7 364)
Movement in payables	80	(432)	7 857
Cash generated from operations	**5 513**	**4 828**	**4 404**
Trade receivables including loans and advances – issued	(86 280)	(69 078)	(45 558)
Trade receivables including loans and advances – repaid	77 238	57 148	37 983
Interest paid	(1 803)	(1 688)	(982)
Taxation paid	(539)	(447)	(622)
Net cash flows generated from operating activities	**(5 871)**	**(9 237)**	**(4 775)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	(32)	(43)	(11)
Interest received	9	4	3
Net cash flows used in investing activities	**(23)**	**(39)**	**(8)**
Cash flows from financing activities			
Proceeds from borrowings	20 685	14 740	7 700
Borrowings repaid	(13 838)	(4 220)	–
Dividends paid	(548)	(564)	(3 749)
Net cash generated from financing activities	**6 299**	**9 956**	**3 951**
Net increase in cash and cash equivalents	405	680	(832)
Cash and cash equivalents at beginning of the year	2 521	1 841	2 673
Cash and cash equivalents at end of the year	**2 926**	**2 521**	**1 841**

Notes to the consolidated historical financial information

The principal accounting policies applied in the preparation of this historical financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

The historical financial information of Reward Investments (No. 2) Limited have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and International Financial Interpretations Committee ("IFRIC") interpretations. The historical financial information has been prepared on the going-concern basis, under the historical cost convention.

The preparation of historical financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity are detailed within note 3 below.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Going-concern

The directors believe that preparing the financial statements on the going-concern basis is appropriate due to the profitable performance of the group during the year, along with budgeted positive future performance and cash flows.

New standards, amendments and IFRIC interpretations

New and amended standards adopted by the group

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 March 2016 have had a material impact on the Group.

New and amended standards not effective for current financial year

The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 March 2016 and have not been adopted early.

Amendments to IAS 7 Statement of cash flows on disclosure initiative (effective 1 January 2017)

Amendments to IAS 12 'Income taxes' on recognition of deferred tax assets for unrealised losses (effective 1 January 2017)

IFRS 9 'Financial instruments' (effective 1 January 2018)

IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)

IFRS 16 'Leases' (effective 1 January 2019)

The Group is still assessing the potential impact on the consolidated financial statements. IFRS 9 is expected to affect the measurement of the Group's trade receivables due to the expected losses model.

Revenue

Interest income

The Reward Investments (No. 2) Limited Group charges its clients interest each day on the balance of their outstanding loan. This interest income is recognised in the statement of comprehensive income as it is added to the client's borrowings.

Fee and related income

Other fee income, which includes disbursements, is credited to the statement of comprehensive income when the service has been provided or the disbursement expenditure incurred.

Capital set up fees – fees are charged to customers on the inception of loans. These are recognised in the statement of comprehensive income over the estimated life of the loan.

Overpayment fees – Fees are calculated and charged on a monthly basis. Income is recognised in the period it is charged to the client.

All fees are generated within the UK and relate to the group's principal activities of asset-based lending and invoice discounting.

Property, plant and equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The cost of property, plant and equipment is their purchase cost, together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as follows:

Office equipment	33%
Fixtures and fittings	33%

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, cash held to order with solicitors and bank overdrafts.

Trade and other receivables

Secured loans made, classified as "trade receivables" in the financial statements, are periodically reviewed by the directors for recoverability. Loan assets in the balance sheet represent the amount of total repayments receivable, less the income allocated to future years.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment of trade receivables

Specific provision is made against exposures which have been identified as bad or doubtful to reduce the carrying amount, including interest in arrears.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Taxation and deferred taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.1 Critical accounting estimates and assumptions

The company and group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

2.2 Impairment of trade receivables

The directors have followed the guidance of IAS 39 and reviewed the trade receivable balances, as at the reporting date, to determine whether there is objective evidence that they are impaired. Provisions are in place for those amounts where there is uncertainty as to their recoverability. Where identified that the value of security no longer provides sufficient realisable value to enable the full repayment of the loan balance (this will include both capital and interest charged to the facility) consideration will be given to applying a provision against the facility for any anticipated shortfall. Further detail is provided in note 10.

3. FINANCIAL RISK MANAGEMENT

The two principle risks and uncertainties affecting the business are considered to be:

- credit risk, whereby the Group is exposed to financial loss through the failure of a borrower or counterparty to meet their financial obligations. The Group mitigates this risk by taking security over tangible assets, clear underwriting policies and the due diligence undertaken before loans are made. Consequently the credit risk to which the business is exposed is low; and
- liquidity risk i.e. that the Group has access to sufficient capital to meet both its existing obligations, and future growth aspirations. The Group has agreed funding lines from its parent company which enable it to manage its day-to-day and longer term capital requirements. In addition, the Group continues to assess the suitability of alternate sources of finance.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going-concern, so that it can continue to provide adequate returns for shareholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. The Group does not have a formal targeted debt to equity ratio.

Interest rate risk

The level of facilities are regularly reviewed the levels of floating rate are monitored and assessed against forecast changes in interest rates and forward guidance from interest rate setting authorities.

At 28 February 2017, if the interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been £266 000 (2016: £224 000, 2015: £107 000) lower/higher.

4. REVENUE

Analysis of revenue by category

	2017 £'000	**2016 £'000**	**2015 £'000**
Interest	5 450	4 958	3 675
Service fees	2 032	1 600	1 471
	7 482	**6 558**	**5 146**

5. DIRECTORS' AND EMPLOYEES' INFORMATION

	2017 £'000	**2016 £'000**	**2015 £'000**
Staff costs during the financial year amounted to:			
Wages and salaries	806	626	130
Social security costs	267	172	89
Other Pension costs	34	–	–
	1 107	**798**	**219**

The remuneration paid to directors in respect of employment and services to the Group was:

	2017 £'000	**2016 £'000**	**2015 £'000**
Aggregate emoluments	240	156	–
Pension costs	14	–	–
	254	**156**	**–**
Of which, the highest paid director received:			
Aggregate emoluments	104	99	–
Pension costs	10	–	–
	114	**99**	**–**

6. FINANCE INCOME AND COSTS

	2017 £'000	2016 £'000	2015 £'000
Interest receivable and similar income			
Other	9	4	3
Interest payable and similar charges			
Loans from third parties	(133)	(40)	(22)
Loans from group undertakings	(1 794)	(1 684)	(960)
	(1 927)	**(1 724)**	**(982)**
	(1 918)	**(1 720)**	**(979)**

7. PROFIT BEFORE INCOME TAX

	2017 £'000	2016 £'000	2015 £'000
Profit before income tax is stated after charging:			
Audit fees payable to the company's auditor for the audit of parent company and consolidated financial statements	8	2	3
Fees payable to company's auditors for other services:			
The audit of company's subsidiaries	29	21	16
Depreciation of property, plant and equipment	28	22	22
Impairment of trade receivables	114	268	466
Employee benefits	1 107	798	219

8. INCOME TAX EXPENSE

	2017 £'000	2016 £'000	2015 £'000
Current tax:			
UK Corporation tax on profits of the year	724	617	391
Adjustment in respect of previous years	(6)	–	(46)
Total current tax	**718**	**617**	**345**
Deferred taxation	1	1	–
Income tax expense	**719**	**618**	**345**

Factors affecting the tax charge for the current year

The tax assessed for the financial year is higher (2016: higher, 2015: lower) than the standard rate of corporation tax in the UK of 20% (2016: 20%, 2015: 21%).

	2017 £'000	2016 £'000	2015 £'000
Profit before income tax	3 507	2 958	2 444
Profit before income tax multiplied by the standard rate of United Kingdom corporation tax of 20.00% (2016: 20.08%, 2015: 21.17%)	701	594	517
Explained by:			
Permanent differences – expenses not deductible for tax purposes	21	26	28
Income not taxable	–	–	(143)
Adjustment to tax charge in respect of previous periods	(6)	–	(46)
Capital allowances for period in excess of depreciation	–	(5)	–
Utilisation of tax losses	–	3	–
Group relief not paid for	3	–	(11)
Total tax charge for the financial year	**719**	**618**	**345**

Finance (No.2) Act 2015 announced a reduction in corporation tax rates to 19% with effect for financial years 2017, 2018 and 2019. Further, Finance Act 2016 has announced a further reduction in the tax rate for financial year 2020 to 17%. These rates have been incorporated in these financial statements.

The group had a deferred taxation asset of £1 000 at 28 February 2017 (2016: liability of £1 000, 2015: £nil).

9. PROPERTY, PLANT AND EQUIPMENT

Cost	Office equipment £'000	Fixtures and fittings £'000	Total £'000
At 1 March 2014	36	30	66
Additions	7	4	11
At 1 March 2015	43	34	77
Additions	12	31	43
At 1 March 2016	55	65	120
Additions	10	22	32
At 28 February 2017	**65**	**87**	**152**
Accumulated depreciation			
At 1 March 2014	19	19	38
Charge for the period	11	11	22
At 1 March 2015	30	30	60
Charge for the period	14	8	22
At 1 March 2016	44	38	82
Charge for the period	13	15	28
At 28 February 2017	**57**	**53**	**110**
Net book value			
At 28 February 2017	**8**	**34**	**42**
At 29 February 2016	11	27	38
At 28 February 2015	13	4	17

10. TRADE AND OTHER RECEIVABLES

	2017 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:			
Trade receivables	40 995	31 954	20 434
Less provision for impairment of trade receivables	(930)	(816)	(961)
Trade receivables – net	40 065	31 138	19 473
Taxation and social security	119	93	–
Amounts owed by group undertakings	27	14	–
Other receivables	42	31	29
	40 253	31 276	19 502

The fair value of trade and other receivables equates to their book value. These amounts are reflected as current as they form part of the normal operating cycle.

Charges over land, buildings, trade receivables and other assets are held as collateral for accounts receivable.

Movements on the provision for impairment of trade receivables are as follows:

	£'000
At 1 March 2014	(495)
Provision for receivables impairment	(466)
At 1 March 2015	(961)
Utilised against bad debts	413
Provision for receivables impairment	(268)
At 1 March 2016	(816)
Provision for receivables impairment	(114)
At 28 February 2017	**(930)**

Trade receivables past due but not impaired:

	2017 £'000	2016 £'000	2015 £'000
30 days past due	–	698	992
60 days past due	–	1 423	–
90 days past due	–	–	–
More than 90 days past due	8 118	5 304	6 482
At 28 February	**8 118**	**7 425**	**7 474**

Ageing of impaired trade receivables:

	2017 £'000	2016 £'000	2015 £'000
More than 90 days past due	930	816	961
At 28 February	**930**	**816**	**961**

11. **TRADE AND OTHER PAYABLES**

	2017 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:			
Accounts payable	13	16	173
Amounts owed to group undertakings	618	298	9
Taxation and social security	215	123	38
Accruals and deferred income	208	171	148
Members loan	–	–	320
Other payables	35	54	–
	1 089	**662**	**688**

The fair value of trade and other payables equates to their book value.

Amounts owed to the group undertakings – trade are unsecured, interest-free and payable on demand.

12. **BORROWINGS**

	2017 £'000	2016 £'000	2015 £'000
Amounts falling due within one year:			
Loans	2 712	2 000	–
	2 712	**2 000**	–
Amounts falling due after more than one year:			
Amounts owed to group undertakings	33 544	27 717	19 480
	33 544	**27 717**	**19 480**

The loan agreement with the intermediate parent, put in place with effect from 1 March 2015, was amended in February 2017 to allow for additional funding. Amounts falling due after one year are unsecured and interest is charged at between 4% and 8% over the sterling three-month LIBOR per annum. The loans are repayable on the earliest of default, 36 months' notice given by the Lender, a sale of the business or 28 February 2020. The interest rates in place are deemed to be at market rate as they are in line with interest rates on external loans within the group.

The £2 712 000 of third party loans are unsecured and repayable on demand. Interest is charged at 4% over the sterling three month LIBOR per annum.

	2017 £'000	2016 £'000	2015 £'000
Repayment terms of borrowings:			
Payable within one year	2 712	2 000	–
Payable within years two and five	39 415	34 946	27 441
Total borrowings	**42 127**	**36 946**	**27 441**

13. **FINANCIAL INSTRUMENTS**

	Loans and receivables £'000	**Total £'000**
Assets as per balance sheet 28 February 2017		
Trade and other receivables excluding prepayments	40 214	**40 214**
Cash and cash equivalents	2 926	**2 926**
Total	**43 140**	**43 140**
Assets as per balance sheet 29 February 2016		
Trade and other receivables excluding prepayments	31 249	**31 249**
Cash and cash equivalents	2 521	**2 521**
Total	**33 770**	**33 770**
Assets as per balance sheet 29 February 2015		
Trade and other receivables excluding prepayments	19 474	**19 474**
Cash and cash equivalents	1 841	**1 841**
Total	**21 315**	**21 315**

	Amortised cost £'000	**Total £'000**
Liabilities as per balance sheet 28 February 2017		
Trade and other payables excluding non-financial liabilities	874	874
Borrowings	36 256	36 256
Total	**37 130**	**37 130**
Liabilities as per balance sheet 29 February 2016		
Trade and other payables excluding non-financial liabilities	540	540
Borrowings	29 717	29 717
Total	**30 257**	**30 257**
Liabilities as per balance sheet 28 February 2015		
Trade and other payables excluding non-financial liabilities	650	650
Borrowings	19 480	19 480
Total	**20 130**	**20 130**

14. **DEFERRED TAXATION ASSET/(LIABILITY)**

	2017 £'000	**2016 £'000**	**2015 £'000**
Origination and reversal of fixed asset timing differences	1	(1)	–
Total deferred tax asset/(liability)	**1**	**(1)**	**–**

15. **SHARE CAPITAL**

	Ordinary shares of £1 each Number	**£**
Authorised, allotted and fully paid:		
As at 28 February 2015, 29 February 2016 and 28 February 2017	**100**	**100**

16. DIVIDENDS PAID

	2017 £'000	2016 £'000	2015 £'000
Dividends paid in the financial year (£1 827/share (2016: £1 881/share)	548	564	3 749
	548	**564**	**3 749**

Dividends paid in the years ended 28 February 2017 and 29 February 2016 are those paid from Reward Finance Group Limited to the non-controlling interest in the year. Dividends paid in the year ended 28 February 2015 were distributions to non-controlling interests from Reward Commercial Finance LLP and Reward Capital LLP and a dividend from Reward Finance Group Limited to its then owner Tradegro S.à rl.

17. RESERVES

Non-controlling interest – Reward Finance Group Limited is owned 30% by Truly Alternative Limited and 70% by Reward Investments (No. 2) Limited. No share premium or goodwill was recognised on Reward Investments (No. 2) Limited's acquisition of the 70% interest in Reward Finance Group Limited as part of a group reconstruction due to application of merger relief.

18. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Tradegro S. à r.l., a company registered in Luxembourg.

The ultimate parent undertaking and controlling party is Tradehold Limited, a company incorporated in the Republic of South Africa and listed on the Johannesburg Stock Exchange.

The largest and smallest group in which the results of the company are consolidated is that of the ultimate parent company, Tradehold Limited. The consolidated financial statements of Tradehold Limited are available to the public at its registered address at 36 Stellenberg Road, Parow Industria, 7490, South Africa.

19. RELATED PARTIES

Office and management service costs of £148 000 (2016: £142 668, 2015: £132 000) were charged to the group by a fellow group undertaking, Moorgarth Group Limited for services provided by the staff. At the year-end the group owed £33 543 986 (2016: £27 717 542, 2015: £19 480 000) to its intermediate parent company, Tradegro S.à r.l. At the year-end, the group owed £591 039 (2016: £105 983, 2015: £nil) to a Tradehold Limited group undertaking, Moorgarth Group Limited.

Ms CH Wiese is a beneficiary of the CH Wiese Family Trust, which Trust holds the shares of the Titan group of companies, which is a major shareholder of Tradehold Limited. During 2016, Reward Finance Group Limited entered into a finance agreement with Ms CH Wiese, in terms of which Reward borrowed an amount of £2 000 000. Interest of £89 845 (2016: £38 128) accrued to Ms CH Wiese on this loan during the year.

20. GROUP REORGANISATION

In February 2015, a new entity, Reward Investments (No. 2) Limited, was placed on top of the existing group, Reward Finance Group Limited, by issuing shares to the existing group shareholders. This transaction was not a business combination and has been accounted for as a reorganisation of an existing group that has not changed the substance of the reporting entity. No capital was raised as part of the reorganisation. There was no change to the beneficial economic interests of the underlying shareholders as a result of the restructure.

- On 10 February 2015, RI2 was newly incorporated for the purpose of acquiring Reward Finance Group Limited ("Reward"). At the time of incorporation, RI2 was 100% owned by Tradegro S.à r.l.
- On 27 February 2015, RI2 acquired 100% of Reward. At the time, Reward held a 70% interest in Reward Commercial Finance LLP and Reward Capital LLP ("the Reward LLPs").
- On 1 March 2015, Reward acquired the remaining 30% shareholding in the Reward LLPs from the minority shareholders for a 30% shareholding in Reward.

- On 1 March 2015, the business of the Reward LLPs was transferred into three newly incorporated subsidiaries of Reward, namely Reward Invoice Finance Limited, Reward Capital Limited and Reward Trade Finance Limited (collectively, the "Reward Subsidiaries"). The Reward LLPs became dormant.

Consequently, the financial information presented for the year to 28 February 2015 is that of Reward Finance Group Limited. This is the equivalent financial information as if the above reorganisation had not taken place, and Reward Investments (No. 2) Limited had been in existence in its current structure throughout the three years presented.

21. **INVESTMENTS IN SUBSIDIARIES**

All subsidiaries share the same financial year-end as Reward Investments (No. 2) Limited and are incorporated in the United Kingdom. The following information relates to the Group's financial interest in its significant subsidiaries, over which the group has control through its direct and indirect interests on respective intermediate holding companies and other entities:

Name	**Effective shareholding**	**Share capital and reserves £'000**	**Principal activity**
Reward Finance Group Limited	70%	1 310	Asset and invoice discount-based lending
Reward Capital Limited	70%	1 374	Asset-backed lending
Reward Invoice Finance Limited	70%	105	Invoice discounting
Reward Trade Finance Limited	70%	(29)	Trade Finance lending

The summarised financial information contained below relates to Reward Finance Group Limited which is considered to have a significant non-controlling interest:

	2017 £'000	**2016 £'000**	**2015 £'000**
Reward Finance Group Limited			
Summarised statement of financial position			
Non-current assets	552	548	17
Current assets	43 207	33 789	21 344
Total assets	**43 759**	**34 337**	**21 361**
Non-current liabilities	(36 205)	(29 040)	(19 480)
Current liabilities	(4 282)	(3 000)	(881)
Total liabilities	**(40 487)**	**(32 040)**	**(20 361)**
Non-controlling interest	(982)	(689)	(300)
Summarised statement of comprehensive income			
Revenue	7 482	6 558	5 146
Net profit for the year	2 802	2 388	2 099
Other comprehensive income	–	–	–
Total comprehensive income	**2 802**	**2 388**	**2 099**
Total comprehensive income attributable to non-controlling interest	841	704	707
Dividends paid to non-controlling interest	548	564	883
Summarised statement of cash flows			
Cash utilised in operating activities	(5 931)	(9 243)	(4 775)
Cash utilised in investing activities	(23)	(39)	(8)
Cash generated from financing activities	6 359	9 962	3 951

22. POST-BALANCE SHEET EVENTS

On 18 August 2017 Reward Finance Group Limited entered into a £40 000 000 secured loan note facility over eight years, with Foresight, half of which was drawn down initially. Some third-party borrowings and a portion of group borrowings were repaid using funds raised. This significantly reduces the group's liquidity risk and provides significantly more funds available to the business to lend to customers and reduces the groups reliance on funding from its parent.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF REWARD FOR THE THREE YEARS ENDED 28 FEBRUARY 2015, 2016 AND 2017

The definitions and interpretation commencing on page 4 of this Pre-listing Statement shall not apply to this **Annexure 6**.

The Directors
Mettle Investments Limited
1st Floor, FedGroup Place
Willie van Schoor Avenue
Bellville
Western Cape
7530

Dear Sirs/Mesdames

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF REWARD INVESTMENTS (NO. 2) LIMITED INCLUDED IN THE PRE-LISTING STATEMENT

Our opinion

Mettle Investments Limited ("Mettle Investments") is issuing a pre-listing statement to its shareholders regarding its proposed primary listing on the Alt^{X} exchange of the Johannesburg Stock Exchange ("JSE") (the "Proposed Listing") to be dated on or about Monday, 14 May 2018 ("the Pre-listing Statement").

In our opinion, the consolidated historical financial information of Reward Investments (No. 2) Limited as set out in **Annexure 5** of the Pre-listing Statement (the "Consolidated Historical Financial Information") presents fairly, in all material respects, the consolidated financial position of Reward Investments (No. 2) Limited and its subsidiaries (together the "Group") as at 28 February 2017, 29 February 2016 and 28 February 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements.

What we have audited

At your request and solely for the purpose of the Pre-listing Statement to be dated on or about Monday, 14 May 2018, we have audited Reward Investments (No. 2) Limited's Consolidated Historical Financial Information, which comprises:

- the consolidated statements of financial position as at 28 February 2017, 29 February 2016 and 28 February 2015;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the Consolidated Historical Financial Information, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Reporting Accountant's responsibilities for the audit of the Consolidated Historical Financial Information* section of our report.

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

Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

Purpose of this report

This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Historical Financial Information for the year ended 28 February 2017. These matters were addressed in the context of our audit of the Consolidated Historical Financial Information for the year ended 28 February 2017 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Assessment of potential impairment of trade receivables The Group has recognised net trade receivables on the statement of financial position to the amount of GBP 40 065 000 after recognising a provision for impairment of trade receivables of GBP930 000. Refer to note 2 and note 10 to the Consolidated Historical Financial Information for the related disclosures. In order to assess the recoverability of trade receivables, management determine whether there is objective evidence that they are impaired. Provisions are in place for those amounts where there is uncertainty as to their recoverability, after considering security in place. Where identified that the value of security no longer provides sufficient realisable value to enable the full repayment of the loan balance consideration will be given to applying a provision against the facility for any anticipated shortfall. The impairment assessment of specific trade receivables inherently contains a degree of estimation as judgments are required by Reward Investments (No. 2) Limited management in the calculation thereof. Due to the magnitude of trade receivables and the presence of key management assumptions in the assessment of their recoverability, the assessment of potential impairment of trade receivables has been considered to be a matter of most significance to the audit. We obtained an understanding of the relevant controls related to the processes over credit origination and credit extension, and the completeness and accuracy of data used in the impairment assessments for trade receivables.	We obtained an understanding of the relevant controls related to the processes over credit origination and credit extension, and the completeness and accuracy of data used in the impairment assessments for trade receivables. We obtained external confirmations for a selected sample of trade receivables, which included higher value trade receivables and other balances and did not find material exceptions. We selected a sample of trade receivables for which Reward Investments (No. 2) Limited management had recognised specific impairment provisions and compared the impairment indicators, inputs and assumptions applied by Reward Investments (No. 2) Limited management in their assessment of the recoverability, to supporting documentation such as market information and correspondence with the customer. The assumptions were found to be in line with external evidence and historical trends. We also inspected a sample of legal agreements and supporting documentation to test existence and the legal right to the collateral for these trade receivables. We selected a sample of trade receivables that had not been identified by Reward Investments (No. 2) Limited management as impaired and performed an independent evaluation of the appropriateness of the conclusions reached by Reward Investments (No. 2) Limited management regarding the existence of indicators of impairment through inspection of documentation and external evidence obtained by Reward Investments (No. 2) Limited management as part of their client risk assessment process, and did not find material exceptions. In order to assess the reliability of Reward Investments (No. 2) Limited management's historical estimates relating to the impairment provisions, "look back" procedures were performed. This consisted of a comparison between the non-performing trade receivables identified by management in the prior period and the current period to assess if there were any trade receivables that existed in both periods, that were not identified as impaired in prior period and subsequently impaired in the current period. The historical estimates of Reward Investments (No. 2) Limited management were found to be in line with the actual results.

Responsibilities of the directors for the Consolidated Historical Financial Information

The directors of Mettle Investments are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that Mettle Investments complies with the JSE Limited Listings Requirements.

The directors of Reward Investments (No. 2) Limited are responsible for the preparation and fair presentation of the Consolidated Historical Financial Information in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements, and for such internal control as the directors of Reward Investments (No. 2) Limited determine is necessary to enable the preparation of Consolidated Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Historical Financial Information, the directors of Reward Investments (No. 2) Limited are responsible for assessing the Group's ability to continue as a going-concern, disclosing, as applicable, matters related to going-concern and using the going-concern basis of accounting unless the directors of Reward Investments (No. 2) Limited Limited either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting accountant's responsibilities for the audit of the Consolidated Historical Financial Information

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Reward Investments (No. 2) Limited .
- Conclude on the appropriateness of the directors of Reward Investments (No. 2) Limited's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the consolidated historical financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountant's report. However, future events or conditions may cause the Group to cease to continue as a going-concern.
- Evaluate the overall presentation, structure and content of the Consolidated Historical Financial Information, including the disclosures, and whether the Consolidated Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Historical Financial Information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of Reward Investments (No. 2) Limited regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of Reward Investments (No. 2) Limited with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of Reward Investments (No. 2) Limited,we determine those matters that were of most significance in the audit of the Consolidated Historical Financial Information of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Inc.
Director: A Wentzel
Registered Auditor

Cape Town
9 May 2018

REVIEWED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF REWARD FOR THE SIX MONTHS ENDED 31 AUGUST 2017

The condensed interim consolidated financial information of Reward for the six months ended 31 August 2017 set out below has been extracted from the reviewed condensed interim consolidated financial statements of Reward for the six months ended 31 August 2017 ("Interim Financial Information").

The Interim Financial Information is the responsibility of the Directors. The Interim Financial Information was prepared in accordance with IFRS and interpretations adopted by the International Accounting Standards Board ("IASB") and in accordance with IAS 34 Interim Financial Reporting and were reviewed by PricewaterhouseCoopers Inc., which issued a review opinion thereon. The independent reporting accountants' report on the Interim Financial Information is presented in **Annexure 8** and should be read in conjunction with the information presented in this **Annexure 7**.

STATEMENT OF COMPREHENSIVE INCOME

	Note	**31 August 2017 £'000 Reviewed**
Revenue		**4,440**
Administrative expenses		(1,316)
Loan loss provision movement	2	(101)
Operating profit		**3,023**
Finance income		12
Finance costs		(1,013)
Profit before income tax		**2,022**
Taxation		(423)
Profit for the period before non-controlling interest		**1,599**
Profit attributable to:		
– Owners of the parent		1,098
– Non-controlling interests		501
		1,599
Profit and total comprehensive income for the financial year		**1,599**
Additional information		
Earnings/Diluted earnings/Headline earnings/Diluted headline earnings		1,599
Number of shares		100
EPS/DEPS/HEPS/DHEPS (£'000)		**15.99**

STATEMENT OF FINANCIAL POSITION

	Note	31 August 2017 £'000 Reviewed	28 February 2017 £'000 Audited
Non-current assets			
Property, plant and equipment		54	42
Loans to directors		1,106	–
		1,160	42
Current assets			
Trade and other receivables	2	44,467	40,253
Cash and cash equivalents		2,793	2,926
		47,260	43,179
Total assets		**48,420**	**43,221**
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares		–	–
Retained earnings		5,563	4,465
Non-controlling interests		995	828
Total equity		6,558	5,293
Current liabilities			
Corporation tax		642	583
Trade and other payables		1,099	1,089
Borrowings	3	2,000	2,712
		3,741	4,384
Non-current liabilities			
Borrowings	3	38,121	33,544
Total liabilities		**41,862**	**37,928**
Total equity and liabilities		**48,420**	**43,221**
Additional information			
Net asset value/Tangible net asset value		6,558	5,293
Number of shares		100	100
NAVPS/TNAVPS (£'000)		**65.58**	**52.93**

STATEMENT OF CHANGES IN EQUITY

	Note	Called up share capital £'000	Non-controlling interest £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance as at 1 March 2017		–	828	4,465	**5,293**
Profit for the financial period		–	501	1,098	**1,599**
Dividends paid	5	–	(334)	–	**(334)**
Balance as at 31 August 2017		**–**	**995**	**5,563**	**6,558**

STATEMENT OF CASH FLOWS

	31 August 2017 £'000 Reviewed
Cash flows from operating activities	
Operating profit	3,023
Non-cash items	
Depreciation	11
Movement on loan loss provision	101
Finance costs	–
Changes in working capital	
Movement in receivables	(10)
Movement in payables	417
Cash generated from operations	**3.542**
Trade receivables including loans and advances – issued	(52,746)
Trade receivables including loans and advances – repaid	49,476
Interest paid	(951)
Taxation paid	(365)
Net cash flows generated from operating activities	**(1,044)**
Cash flows from investing activities	
Acquisition of property, plant and equipment	(23)
Loans to directors	(1,106)
Interest received	12
Net cash flows used in investing activities	**(1,117)**
Cash flows from financing activities	
Proceeds from borrowings	20,000
Borrowing costs paid	(1,193)
Borrowings repaid	(16,445)
Dividends paid	(334)
Net cash generated from financing activities	**2,028**
Net decrease in cash and cash equivalents	(133)
Cash and cash equivalents at beginning of the year	2,926
Cash and cash equivalents at end of the year	**2,793**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

The principal accounting policies applied in the preparation of the condensed interim financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

The interim financial information for the six months ended 31 August 2017, has been prepared on the basis of the accounting policies set out in the last annual report and accounts, except for income taxes which are accrued using the tax rate that is expected to be applicable for the full year, and in accordance with IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board and adopted by the European Union.

The condensed interim consolidated financial information of Reward for the six months ended 31 August 2016 has not been shown as it is not required in terms of the JSE Listings Requirements.

Various new accounting standards and amendments came into force and others were issued during the period, none of which are expected to have any significant impact on the Group and effects will principally relate to amendment and extension of current disclosures.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same, in all material respects, as those applied to the consolidated financial statements for the year ended 28 February 2017.

The interim condensed consolidated financial information has been prepared for purposes of the Mettle Investments Limited's Pre-listing Statement. As permitted by the JSE Limited Listings Requirements, notwithstanding the requirements of IFRS, no comparative results need to be shown, as the interim condensed consolidated financial information has been prepared using accounting policies that are identical to those contained in the historical financial information.

Going-concern

Having reassessed the principal risks disclosed in the 2017 annual report the Directors considered it appropriate to adopt the going-concern basis of accounting in preparing the interim financial statements.

2. **TRADE AND OTHER RECEIVABLES**

	31 August 2017 £'000	28 February 2017 £'000
Amounts falling due within one year:		
Trade receivables	44,265	40,995
Less provision for impairment of trade receivables	(1,031)	(930)
Trade receivables – net	43,234	40,065
Taxation and social security	–	119
Amounts owed by group undertakings	–	27
Other receivables	1,233	42
	44,467	**40,253**
Amounts falling due after more than one year:		
Loans to directors	1,106	–

The fair value of trade and other receivables equates to their book value. These amounts are reflected as current as they form part of the normal operating cycle.

Charges over land, buildings, trade receivables and other assets are held as collateral for accounts receivable.

On 27 April 2017, Reward Finance Group Limited granted a loan of £1 200 000 to EAF Investments Limited, a shareholder of Reward Finance Group Limited and company controlled by Nick Smith who is also a director of Reward Finance Group Limited. The loan is repayable after 10 years and accrues interest at 2.5% over the sterling three-month LIBOR per annum. Dividends payable to EAF Investments Limited are used to repay the loan.

Movements on the provision for impairment of trade receivables are as follows:

	£'000
At 1 March 2017	(930)
Provision for receivables impairment	(101)
At 31 August 2017	**(1,031)**

Trade receivables past due but not impaired

	31 August 2017 £'000	**28 February 2017 £'000**
30 days past due	2,138	–
60 days past due	104	–
90 days past due	–	–
More than 90 days past due	7,183	8,118
At 28 February	**9,425**	**8,118**

Ageing of impaired trade receivables

	31 August 2017 £'000	**28 February 2017 £'000**
More than 90 days past due	1,031	930
At 28 February	**1,031**	**930**

3. BORROWINGS

		31 August 2017 £'000	**28 February 2017 £'000**
Amounts falling due within one year			
Loans	3.1	2,000	2,712
		2,000	**2,712**
Amounts falling due after more than one year			
Loans	3.2	20,050	–
Amounts owed to group undertakings	3.3	18,071	33,544
		38,121	**33,544**

3.1 The £2 000 000 of third party loans are unsecured and repayable on demand. Interest is charged at 4% over the sterling three month LIBOR per annum.

3.2 On 18th August 2017 Reward Finance Group Ltd entered into a £40 000 000 secured loan note facility over eight years, with Foresight Group, half of which was drawn down initially. Some third-party borrowings and a portion of group borrowings were repaid using funds raised. Interest is charged at 6.5% per annum. Amounts falling due after one year are secured by a fixed and floating charge over all assets of the Group.

3.3 On 18 August 2017 Reward Investments (No. 2) Limited refinanced its loan with the intermediate Parent under a new £30,000,000 facility. Amounts falling due after one year are unsecured and interest is charged at 3.5% over the sterling three-month LIBOR per annum. The loans are repayable on the earliest of default, or 17 August 2025. The interest rate in place is deemed to be at market rate as it is in line with interest rates on external loans within the group.

4. CAPITAL COMMITMENTS

There were no capital commitments at 31 August 2017.

5. DIVIDENDS PAID

	31 August 2017 £'000
Dividends paid in the period	334
	334

Dividends are those paid from Reward Finance Group Limited to the non-controlling interest in the period.

6. LOANS TO DIRECTORS

	31 August 2017 £'000	**28 February 2017 £'000**
Amounts falling due after more than one year		
Loans to directors	1,106	–

On 27 April 2017, Reward Finance Group Limited granted a loan of £1,200,000 to EAF Investments Limited, a shareholder of Reward Finance Group Limited and company controlled by Nick Smith who is also a director of Reward Finance Group Limited. The loan is repayable after 10 years and accrues interest at 2.5% over the sterling three-month LIBOR per annum. Dividends payable to EAF Investments Limited are used to repay the loan.

7. RELATED PARTIES

Office and management service costs of £92,000 (2017: £148,000) were charged to the group by a fellow group undertaking, Moorgarth Group Limited for services provided by the staff. At the period end the group owed £18,070,734 (2017: £33,543,986) to its intermediate parent company, Tradegro. At the period-end, the group owed £330,988 (2017: £591,039) to a Tradehold Limited group undertaking, Moorgarth Group Limited.

Ms CH Wiese is a beneficiary of the CH Wiese Family Trust, which Trust holds the shares of the Titan group of companies, which is a major shareholder of Tradehold Limited. During 2016, Reward Finance Group Limited entered into a finance agreement with Ms CH Wiese, in terms of which Reward borrowed an amount of £2,000,000. Interest of £43,601 (2017: £89,845) accrued to Ms CH Wiese on this loan during the period.

On 27 April 2017, Reward Finance Group Limited granted a loan of £1,200,000 to EAF Investments Limited, a company controlled by Nick Smith who is also a director of Reward Finance Group Limited. Interest of £11,497 accrued on the loan during the period.

Truly Alternative Limited is a company controlled by minority shareholders of Reward Finance Group Limited. £66,667 was paid to Truly Alternative Limited in the period for services in relation to the raising of finance.

EAF Investments Limited is a company controlled by a minority shareholder of Reward Finance Group Limited. £33,333 was paid to EAF Investments Limited in the period for services in relation to the raising of finance.

8. **EVENTS AFTER THE REPORTING DATE**

The directors are not aware of any further matters or circumstances that occurred between the end of the interim financial period and the date of this Pre-listing Statement that would require adjustments to the Interim Financial Information.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE REVIEWED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF REWARD FOR THE SIX MONTHS ENDED 31 AUGUST 2017

The definitions and interpretation commencing on page 4 of this Pre-listing Statement shall not apply to this **Annexure 8**.

The Directors
Mettle Investments Ltd
1st Floor FedGroup Place
Willie van Schoor Avenue
Bellville
7530

Introduction

Mettle Investments Limited ("Mettle Investments") is issuing a pre-listing statement to its shareholders (the "Pre-listing Statement") regarding the proposed primary listing on the Alt^X exchange of the Johannesburg Stock Exchange ("JSE") (the "Proposed Listing").

At your request and solely for the purpose of the Pre-listing Statement to be dated on or about Monday, 14 May 2018, we have reviewed the condensed consolidated statement of financial position of Reward Investments (No. 2) Limited ("the Company") and its subsidiaries ("the Group") as at 31 August 2017 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes ("the Condensed Consolidated Interim Historical Financial Information"), as presented in **Annexure 7** to the Pre-listing Statement, in compliance with the JSE Limited ("JSE") Listings Requirements.

Directors' responsibility

The directors of Mettle Investments are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that Mettle Investments complies with the JSE Listings Requirements. The directors of Reward Investments (No. 2) Limited are responsible for the preparation and presentation of the Condensed Consolidated Interim Historical Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the requirements of the JSE Listings Requirements, and for such internal control as the directors of Reward Investments (No. 2) Limited determine is necessary to enable the preparation of Condensed Consolidated Interim Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Historical Financial Information Performed by the Independent Auditor of the Entity". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Condensed Consolidated Interim Historical Financial Information is not prepared, in all material respects, in accordance with the applicable financial framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less in scope than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this Condensed Consolidated Interim Historical Financial Information.

Basis for qualified conclusion

As discussed in note 1 to the Condensed Consolidated Interim Historical Financial Information, the condensed consolidated statements of comprehensive income, changes in equity and cash flows and their related explanatory notes do not include comparative information for the six-month period ended 31 August 2016, as is required by International Accounting Standard 34, "Interim Financial Reporting".

Qualified conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Condensed Consolidated Interim Historical Financial Information of Reward Investments (No. 2) Limited as set out in **Annexure 7** to the Pre-listing Statement, is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the requirements of the JSE Listings Requirements.

Purpose of the report

This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

PricewaterhouseCoopers Inc.
Director: A Wentzel
Registered Auditor

Cape Town
9 May 2018

PRO FORMA FINANCIAL INFORMATION OF METTLE INVESTMENTS

Due to the number of restructuring steps as set out in **Annexure 18** the *pro forma* financial information of Mettle Investments has been set out in 9.1 and 9.2. The *pro forma* statement of financial position and *pro forma* statement of comprehensive income set out in 9.2 illustrate the impact of Mettle Investments' acquisition of Reward and the associated Restructure steps on the Reward statement of financial position and statement of comprehensive income after taking all consolidation entries into account, prior to its inclusion into the *pro forma* financial information of Mettle Investments as set out in 9.1 and the associated Restructure steps.

Accordingly, Mettle Investments Shareholders should read **9.1** in conjunction with **9.2** for a full appreciation thereof.

The *pro forma* consolidated statement of financial position of Mettle Investments as at 31 August 2017 and the *pro forma* consolidated financial results of Mettle Investments for the six months ended 31 August 2017 are set out below. The *pro forma* financial information has been prepared for illustrative purposes only to provide information on how the Restructure and Listing might have impacted on the financial position and results of operations of Mettle Investments. Due to its nature, the *pro forma* financial information may not fairly present Mettle Investments' financial position or results of operations after the Restructure and Listing.

The *pro forma* financial information set out below, has been prepared in terms of IFRS, the accounting policies of Mettle Investments and The South African Institute of Chartered Accountants' Guide on *Pro forma* Financial Information. The report of the independent reporting accountants, which is included as **Annexure 10** to this Pre-listing Statement, should be read in conjunction with the *pro forma* financial information set out in this **Annexure 9.**

The Directors are responsible for the preparation of the *pro forma* financial information. The *pro forma* consolidated statement of financial position of Mettle Investments has been prepared on the assumption that the Restructure and Listing were effected on 31 August 2017, while the *pro forma* consolidated statement of comprehensive income has been prepared on the assumption that the Restructure and Listing were effected on 1 March 2017 (i.e. the beginning of the six month period ended 31 August 2017).

9.1 *Pro forma* financial information of Mettle Investments

Statement of financial position as at 31 August 2017

	Interim 31 August 2017 Mettle Investments R in 000s[1]	*Pro forma* restructuring of Mettle Investments R in 000s[2]	*Pro forma* acquisition of Reward R in 000s[3]	*Pro forma* acquisition of Mettle Solar Africa R in 000s[4]	*Pro forma* loan acquisitions R in 000s[5]	*Pro forma* loan capitalisations R in 000s[6]	Acquisitions and listing costs R in 000s[7]	Mettle Investments *Pro forma* total R in 000s[8]
Assets								
Non-current assets								
Property, plant and equipment	731	–	879	–	–	–	–	1,610
Goodwill	7,475	–	–	–	–	–	–	7,475
Investment in preference shares	24,798	(24,798)[2.1]	–	–	–	–	–	–
Investments in joint ventures	11,105	–	–	–	–	–	–	11,105
Investments in equity accounted investments	47,902	–	–	6	–	–	–	47,908
Loans due from equity accounted investments	61,163	–	–	–	13,703	–	–	74,866
Loans due from directors	–	–	18,010	–	–	–	–	18,010
Financial assets	6,055	–	–	–	–	–	–	6,055
Deferred taxation	1,542	–	–	–	–	–	–	1,542
Loan receivables	11,000	–	–	–	–	–	–	11,000
Total non-current assets	**171,771**	**(24,798)**	**18,889**	**6**	**13,703**	**–**	**–**	**179,571**
Current assets								
Loan receivables	32,797	–	724,101	–	–	–	–	756,898
Trade and other receivables	35,023	–	–	–	–	–	–	35,023
Taxation	25	–	–	–	–	–	–	25
Cash and cash equivalents	31,049	400,419[2.2,2.4]	(181,190)	(6)	(176,543)	–	(4,306)	69,423
Total current assets	**98,894**	**400,419**	**542,911**	**(6)**	**(176,543)**	**–**	**(4,306)**	**861,369**
Total assets	**270,665**	**375,621**	**561,800**	**–**	**(162,840)**	**–**	**(4,306)**	**1,040,940**

	Interim 31 August 2017 Mettle Investments R in 000s[1]	*Pro forma* restructuring of Mettle Investments R in 000s[2]	*Pro forma* acquisition of Reward R in 000s[3]	*Pro forma* acquisition of Mettle Solar Africa R in 000s[4]	*Pro forma* loan acquisitions R in 000s[5]	*Pro forma* loan capitalisations R in 000s[6]	Acquisitions and listing costs R in 000s[7]	Mettle Investments *Pro forma* total R in 000s[8]
Equity and liabilities								
Equity								
Ordinary share capital and premium	100,622	445,221[2.3,2.4]	–	–	–	–	(70)	545,773
Non-controlling interests	–	–	25,262	–	–	18,093	–	43,355
Retained income	12,232	–	–	–	–	–	(4,236)	7,996
Common control reserve	–	–	(145,142)	–	–	–	–	(145,142)
Total equity	**112,854**	**445,221**	**(119,880)**	**–**	**–**	**18,093**	**(4,306)**	**451,982**
Non-current liabilities								
Borrowings	43,723	–	326,494	–	–	–	–	370,217
Borrowings due to related parties	–	–	294,268	–	(162,840)	(18,093)	–	113,335
Borrowings due to shareholders	67,950	(67,950)[2.2,2.3]	–	–	–	–	–	–
Other financial liability	4,266	–	–		–	–	–	4,266
Total non-current liabilities	**115,939**	**(67,950)**	**620,762**	**–**	**(162,840)**	**(18,093)**	**–**	**487,818**
Current liabilities								
Borrowings	35,557	–	–	–	–	–		35,557
Borrowings due to related parties	–	–	32,568	–	–	–	–	32,568
Borrowings due to shareholders	1,650	(1,650)[2.2]	–	–	–	–	–	–
Provisions	240	–	–	–	–	–	–	240
Trade and other payables	4,407	–	17,896	–	–	–	–	22,303
Taxation	18	–	10,454	–	–	–	–	10,472
Total current liabilities	**41,872**	**(1,650)**	**60,918**	**–**	**–**	**–**	**–**	**101,140**
Total equity and liabilities	**270,665**	**375,621**	**561,800**	**–**	**(162,840)**	**–**	**(4,306)**	**1,040,940**
Net asset value	112,854							451,982
Net tangible asset value	105,379							444,507
Weighted average number of shares in issue (000s)	96,292	150,882						247,174
Net asset value per share (cents)	117.20							182.86
Net tangible asset value per share (cents)	109.44							179.83

Notes to *pro forma* statement of financial position of Mettle Investments

Detailed restructuring steps are set out in **Annexure 18**.

1. Extracted, without adjustment, from the reviewed statement of financial position of Mettle Investments as at 31 August 2017 prepared in compliance with IFRS and reviewed by BDO Cape Incorporated who issued a review opinion thereon.
2. Represents the effect of the restructuring steps, as set out in **Annexure 18**, to enable Mettle Investments to complete the proposed Restructure and Listing, including:
   - 2.1 sale of Aapstert Investments Proprietary Limited preference shares to Collins Property Projects Proprietary Limited on loan account for R25.6 million;
   - 2.2 cession of loan account created in 2.1 above to Tradehold in partial repayment of the shareholder loan (balance of shareholder loan pre- and post-partial repayment is R70 million and R42 million respectively);
   - 2.3 settlement of the balance of the shareholder loan account owed to Tradehold via issue of 40,192,618 shares for an amount for R42 million; and
   - 2.4 the issue of 110,690,037 shares to Tradehold to capitalise Mettle Investments for an amount of R403.2 million.
   - 2.5 The cash and cash equivalents adjustment is made up as follows:
     - 2.5.1 A *pro forma* cash outflow of R2.8 million to account for the shortfall between the value of the preference shares on balance sheet date (R24.8 million) in 2.1 above and the partial repayment of the shareholder loan of R27.6 million (R70 million to R42 million) in 2.2 above. This shortfall exists purely due to timing differences, as there have been minor fluctuations in the carrying amount of both the loans and the preference shares between the balance sheet date of the *pro formas* (31 August 2017) and the sale and cession referred to in 2.1 and 2.2.
     - 2.5.2 A R403.2 million inflow for the shares issued as described in 2.4.

   The result is the R400.4 million cash and cash equivalents inflow.
3. Represents the acquisition of 90% of Reward as set out in step 2 and 3 of **Annexure 18**. Extracted, without adjustment, from the *pro forma* Reward statement of financial position as set out in section 9.2 of this **Annexure 9**. The acquisition of the 90% shareholding of Reward has been brought into the Mettle Investments Group by applying predecessor accounting as a result of a business combination under common control and applied prospectively. Translated at the exchange rate of ZAR 16.28: GBP 1 as applicable on the effective date (being 1 March 2018 as per the legal agreements for the transfer of the risk and rewards of the transaction). IFRS 3 was not applicable as this transaction is a combination of businesses under common control, which is outside of the scope of IFRS 3. As such this is not a reverse take-over, but an acquisition of a business under common control (Reward) and an acquisition of an equity accounted investment (Mettle Solar Africa).
4. Represents the acquisition of the 55% shareholding in Mettle Solar Africa from Tradehold Africa as set out in step 4 of **Annexure 18**. The acquisition was done at cost, based on the 31 August 2017 interim financial statements of Mettle Solar Africa, reviewed by PwC Mauritius. The 55% shareholding is accounted for as an equity accounted investment in terms of IAS 28 Investments in Associates and Joint Ventures as Mettle Investments will not have control over the Mettle Solar Africa board of directors. Translated at the exchange rate of ZAR 11.82: USD 1 as applicable on the effective date (being 1 March 2018 as per the legal agreements for the transfer of the risk and reward of the Restructure).
5. Represents the effect of acquiring the loan claim against Mettle Solar Africa of R13.7 million, as set out in step 4 of **Annexure 18** and the loan claim against Reward of R162.8 million as set out in step 3 of **Annexure 18**.
6. Represents the effect of capitalising the loan claim against Reward through the issue of 1,111,112 Reward shares at a cost of R18.1 million to Tradegro as set out in step 8 of **Annexure 18**, which results in an increase in non-controlling interests.
7. Represents the transaction and listing costs incurred.
8. Represents the *pro forma* statement of financial position of Mettle after the Restructure and Listing.

Statement of comprehensive income for the six months ended 31 August 2017

	Interim 31 August 2017 Mettle Investments R in 000s[1]	*Pro forma* acquisition of Reward R in 000s[2]	*Pro forma* acquisition of Mettle Solar Africa R in 000s[3]	*Pro forma* loan capitalisation R in 000s	Acquisitions and listing costs R in 000s[7]	Mettle Investments *pro forma* R in 000s[8]
Revenue	20,472	74,603	–	–	–	95,075
Other income	2,563	–	–	–	–	2,563
Operating income	**23,035**	**74,603**	**–**	**–**	**–**	**97,638**
Allowance for impairment of loan and trade receivable	–	(1,697)	–	–	–	(1,697)
Operating expenses	(11,961)	(22,112)	–	–	(4,236)	(38,309)
Profit from operations	**11,074**	**50,794**	**–**	**–**	**(4,236)**	**57,632**
Finance costs	(3,196)	(17,021)	–	(2,048)[4]	–	(22,265)
Finance income	–	202	–	96[5]	–	298
Earnings from equity accounted investments	81	–	(23)	–	–	58
Profit before taxation	**7,959**	**33,975**	**(23)**	**(1,952)**	**(4,236)**	**35,723**
Taxation	(2,091)	(7,107)	–	390	–	(8,808)
Profit after taxation	**5,868**	**26,868**	**(23)**	**(1,562)**	**(4,236)**	**26,915**
Foreign currency translation gains/(losses)	–	(829)[6]	1[6]	–	–	(828)
Total comprehensive income	**5,868**	**26,039**	**(22)**	**(1,562)**	**(4,236)**	**26,087**
Attributable to:						
Equity holders of the Company	5,868	17,577	(22)	(1,030)	(4,236)	18,157[7]
Non-controlling interests	–	8,462	–	(532)	–	7,930
Total	**5,868**	**26,039**	**(22)**	**(1,562)**	**(4,236)**	**26,087**
Reconciliation between earnings and headline earnings						
Basic earnings	5,868	26,039	(22)	(1,562)	(4,236)	26,087
Adjusted for:						
Profit on asset held for sale	(326)	–	–	–	–	(326)
Foreign currency translation gains/(losses)	–	829	(1)	–	–	828
Headline earnings	**5,542**	**26,868**	**(23)**	**(1,562)**	**(4,236)**	**26,589**
Weighted average number of shares in issue (000s)	96,292	150,882				247,174
Earnings per share (cents)	6.09					10.55
Headline earnings per share (cents)	5.76					10.76

Notes to the *pro forma* statement of comprehensive income

1. Extracted, without adjustment, from the reviewed statement of comprehensive income of Mettle Investments for the six months ended 31 August 2017 prepared in compliance with IFRS and reviewed by BDO Cape Incorporated, who issued a review opinion thereon.
2. Extracted, without adjustment, from the *pro forma* Reward statement of comprehensive income as set out in section 9.2 of this **Annexure 9**. This adjustment is expected to have a continuing effect, although the associated translation adjustment is not expected to have a continuing effect.
3. Represents the inclusion of 55% earnings of the equity accounted investment, Mettle Solar Africa, based on the 31 August 2017 interim financial statements of Mettle Solar Africa, reviewed by PricewaterhouseCoopers Mauritius. Mettle Solar Africa incurred a loss of USD 3,201. A loss of R21,883 was attributed to Mettle Investments in respect of its 55% shareholding, after taking into account a translation adjustment. This adjustment is expected to have a continuing effect, although the associated translation adjustment is not expected to have a continuing effect.
4. Represents the additional interest that will be incurred due to Foresight taking over a GBP 20 million portion of the loan from Tradegro to Reward. The loan with Foresight incurs interest at a rate of 6.5%, while the loan from Tradegro incurs interest at 3.5%. The resultant 3% differential increases the interest expense. Also included in this amount is a reduction of interest due to Mettle Investments Group's acquisition of a GBP 10 million portion of the Reward's loan from Tradegro. This adjustment is expected to have a continuing effect.
5. Represents the interest earned on the acquired Mettle Solar Africa loan. Mettle Investments Group's share of the interest expense has been equity accounted through the earnings from equity accounted investments, and thus the net effect is to show the finance income from outside shareholders. This adjustment is expected to have a continuing effect.
6. Represents the translation adjustment required to translate the foreign operations in different functional currencies for Mettle Solar Africa (USD) and Reward (GBP) to the presentation currency of Mettle Investments (ZAR). The resulting adjustment is derived by multiplying profit for the year by the differential between the average exchange rates for the period and the exchange rates applicable at effective date (being 1 March 2018 as per the legal agreements for the transfer of the risk and reward of the transaction). This adjustment is not expected to have a continuing effect and is a HEPS adjustment in terms of SAICA circular 2/2013 which specifically includes the translation of foreign operations as a HEPS adjustment.
7. Represents the transaction and listing costs incurred. This adjustment is not expected to have a continuing effect.
8. Represents the *pro forma* statement of comprehensive income of Mettle Investments after the Restructure and Listing.

9.2 ***Pro forma* financial information illustrating Mettle Investments' acquisition of Reward and the associated Restructure steps, on the Reward financial information**

Due to the number of restructuring steps as set out in **Annexure 18** the *pro forma* financial information of Mettle Investments has been set out in 9.1 and 9.2. The *pro forma* statement of financial position and *pro forma* statement of comprehensive income set out in 9.2 below illustrates the impact of Mettle Investments' acquisition of Reward and associated Restructure steps on the Reward statement of financial position and statement of comprehensive income after taking all consolidation entries into account, prior to its inclusion into the *pro forma* financial information of Mettle Investments set out in 9.1.

Accordingly, Mettle Investments Shareholders should read 9.2 in conjunction with 9.1 for a full appreciation thereof.

The *pro forma* financial information has been prepared in terms of IFRS, the Guide on *Pro forma* Financial Information issued by SAICA and the accounting policies of Mettle Investments.

The Directors are responsible for the preparation of the *pro forma* financial information of Mettle Investments' acquisition of Reward and associated Restructure steps.

Statement of financial position of Reward at 31 August 2017

	Interim 31 August 2017 Reward R in 000s[1]	Cost of Reward R in 000s[2]	Reward distribution R in 000s[3]	Reward transaction costs R in 000s[4]	*Pro forma* adjustments R in 000s[5]	*Pro forma* Reward R in 000s[6]
Assets						
Non-current assets						
Property, plant and equipment	879	–	–	–	–	879
Investment in subsidiaries	–	226,671	–	–	(226,671)[7]	–
Loans due from directors	18,010	–	–	–	–	18,010
Total non-current assets	**18,889**	**226,671**	**–**	**–**	**(226,671)**	**18,889**
Current assets						
Loan receivables	724,101	–	–	–	–	724,101
Cash and cash equivalents	45,481	–	(226,657)	(14)	–	(181,190)
Total current assets	**769,582**	**–**	**(226,657)**	**(14)**	**–**	**542,911**
Total assets	**788,471**	**226,671**	**(226,657)**	**(14)**	**(226,671)**	**561,800**
Equity and liabilities						
Equity						
Non-controlling interests	16,203	–	–	–	9,059[8]	25,262
Retained income	90,588	–	–	–	(90,588)[9]	–
Common control reserve	–	–	–	–	(145,142)[10]	(145,142)
Reserves	–	226,671	(226,657)	(14)	–	–
Total equity	**106,791**	**226,671**	**(226,657)**	**(14)**	**(226,671)**	**(119,880)**
Non-current liabilities						
Borrowings	326,494	–	–	–	–	326,494
Borrowings due to related parties	–	–	–	–	294,268[11]	294,268
Borrowings due to shareholders	294,268	–	–	–	(294,268)[11]	–
Total non-current liabilities	**620,762**	**–**	**–**	**–**	**–**	**620,762**
Current liabilities						
Borrowings due to related parties	32,568	–	–	–	–	32,568
Trade and other payables	17,896	–	–	–	–	17,896
Taxation	10,454	–	–	–	–	10,454
Total current liabilities	**60,918**	**–**	**–**	**–**	**–**	**60,918**
Total equity and liabilities	**788,471**	**226,671**	**(226,657)**	**(14)**	**(226,671)**	**561,800**

Notes to the *pro forma* statement of financial position

1. Extracted, without adjustment, from the reviewed statement of financial position of Reward as at 31 August 2017 prepared in compliance with IFRS and reviewed by PwC who issued a review opinion thereon. Translated at the exchange rate of ZAR 16.28: GBP 1 as applicable on the effective date (being 1 March 2018 as per the legal agreements for the transfer of the risk and reward of the transaction).
2. Represents the consideration paid by Mettle Investments to Reward for the acquisition of share capital in Reward as set out in step 2 of **Annexure 18** and the related recognition of Reward as an investment in subsidiary. The cash is held by Reward in a non-distributable reserve account for a short period after the subscription of Reward shares in terms of UK company law.
3. Represents the reclassification of the cash received as per note 2 above, less transaction costs, from the non-distributable reserve account to distributable cash in terms of UK company law. This cash is then paid to the former shareholder of Reward (Tradegro Sarl), resulting in a cash outflow from the Mettle Investments Group.
4. Represents transaction costs of GBP 900 incurred in the acquisition of Reward.
5. Represents the Mettle Investments consolidation and restructure adjustments as explained further in notes 7 to 11 below.
6. Represents the *pro forma* statement of financial position of Reward.
7. Represents the elimination of the Investment in subsidiary upon consolidation.
8. Represents the additional non-controlling interest recognised as a result of Mettle Investments acquiring 90% of Reward.
9. Represents the elimination of Reward's retained earnings upon consolidation.
10. Represents the recognition of a common control reserve being the excess of the purchase consideration over the consolidated net asset value of Reward.
11. Represents the reclassification of loans from borrowings due to shareholders (Tradehold) to borrowings due to related parties upon change of shareholder from Tradehold to Mettle Investments.

***Pro forma* statement of comprehensive income for the six months ended 31 August 2017**

	Interim 31 August 2017 Reward R in 000s[1]	*Pro forma* adjustments R in 000s[2]	*Pro forma* Reward R in 000s[3]
Revenue	74,603	–	74,603
Allowance for impairment of loan and trade receivable	(1,697)	–	(1,697)
Operating expenses	(22,112)	–	(22,112)
Profit from operations	**50,794**	**–**	**50,794**
Finance costs	(17,021)	–	(17,021)
Finance income	202	–	202
Profit before taxation	**33,975**	**–**	**33,975**
Taxation	(7,107)	–	(7,107)
Profit after taxation	**26,868**	**–**	**26,868**
Foreign currency translation loss	–	(829)	(829)
Total comprehensive income	**26,868**	**(829)**	**26,039**
Attributable to:			
Equity holders of the Company	18,135	(560)	17,577
Non-controlling interests	8,732	(269)	8,462
Total	**26,867**	**(829)**	**26,039**
Reconciliation between earnings and headline earnings			
Basic earnings	26,867	(829)	26,039
Adjusted for:			
Foreign currency translation loss	–	829	829
Headline earnings	**26,867**	**–**	**26,868**

Notes to the *pro forma* statement of comprehensive income

1. Extracted, without adjustment, from the reviewed statement of comprehensive income of Reward for the six months ended 31 August 2017 prepared in compliance with IFRS and reviewed by PwC, who issued a review opinion thereon. Translated at the average exchange rate for the six months (ZAR 16.80: GBP 1).
2. Represents the translation adjustment required to translate the foreign operations in different functional currencies for Reward (GBP) to the presentation currency of Mettle Investments (ZAR). The resulting adjustment is derived by multiplying profit for the year by the differential between the average exchange rate for the period (ZAR 16.80: GBP 1) and exchange rate at effective date (being 1 March 2018 as per the legal agreements for the transfer of the risk and reward of the transaction) (ZAR 16.28: BP 1). This adjustment is not expected to have a continuing effect.
3. Represents the *pro forma* statement of comprehensive income of Reward.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF METTLE INVESTMENTS

The definitions and interpretation commencing on page 4 of this Pre-listing Statement shall not apply to this **Annexure 10**.

The Directors
Mettle Investments Limited
1st Floor,
FedGroup Place
Willie van Schoor Avenue
Bellville
7530

Independent reporting accountant's assurance report on the compilation of *Pro forma* Financial Information of Mettle Investments Limited

Introduction

Mettle Investments Limited ("Mettle Investments" or the "Company") is issuing a pre-listing statement to its shareholders regarding the proposed listing of the Company on the Alt^X Exchange of the Johannesburg Stock Exchange ("JSE") ("the Listing").

At your request and for the purposes of the Pre-listing Statement, we present our assurance report on the compilation of the *Pro forma* Financial Information of the Company by the directors.

The *pro forma* financial information, presented in section 9.1 and 9.2 included in Annexure 9 of the Pre-listing Statement, consists of the *pro forma* statement of financial position as at 31 August 2017, the *pro forma* statement of comprehensive income for the six months and the *pro forma* financial effects (the "*Pro forma* Financial Information"). The *Pro forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and described in **Annexure 9** to the Pre-listing Statement.

The *Pro forma* Financial Information has been compiled by the directors to illustrate the impact of the Listing and a series of transactions to effect the Company to acquire 90% of Reward Investments (No. 2) Limited and 55% of Mettle Solar Africa Limited and a loan claim ("the Restructure") on the Company's reported financial position as at 31 August 2017, and the Company's financial performance for the period then ended, as if the Listing and the Restructure had taken place at 31 August 2017 and 1 March 2017, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's condensed interim financial statements for the six months ended, on which a review report has been provided by BDO Cape Incorporated.

Directors' responsibility

The directors of the Company are responsible for the compilation, contents and presentation of the *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 9** to the Pre-listing Statement. The directors of the Company are also responsible for the financial information from which it has been prepared.

Our independence and quality control

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

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

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in **Annexure 9** to the Pre-listing Statement based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and described in **Annexure 9** to the Pre-listing Statement.

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

The purpose of *Pro forma* Financial Information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

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

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

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 9** to the Pre-listing Statement.

PricewaterhouseCoopers Inc.
Director: **A Wentzel**
Registered Auditor

Cape Town
Wednesday, 9 May 2018

FURTHER PARTICULARS OF THE DIRECTORS OF METTLE INVESTMENTS AND ITS MAJOR SUBSIDIARIES

Other directorships and partnerships held by the Directors of Mettle Investments and its Major Subsidiary in the five years immediately preceding the Last Practicable Date

The directorships held by the Directors of Mettle Investments for the past five years are set out below:

Enterprise Name	Registration Number	Enterprise Status	Director Status
Hendrik Frederik Prinsloo			
Mettle Solar Investments Proprietary Limited	2016/215610/07	In business	Active
Mettle Corporate Finance Proprietary Limited	2011/102921/07	In business	Active
Lendcor Holdings Proprietary Limited	2014/158154/07	In business	Active
Gondotrix Proprietary Limited	2014/158318/07	In business	Active
Prinsloo Family Investments Proprietary Limited	2016/139372/07	In business	Active
Lendcor Proprietary Limited	1998/013565/07	In business	Active
Marsabel (One) Property Investments Proprietary Limited	2002/006922/07	In business	Active
Mettle Vehicle Finance Proprietary Limited	2007/027618/07	In business	Active
Mettle Property Solutions Proprietary Limited	2007/028217/07	In business	Active
Mettle Specialised Finance Proprietary Limited	2008/027610/07	In business	Active
Gray Swan Financial Services Proprietary Limited	2010/009813/07	In business	Active
Incatorque Proprietary Limited	2011/003109/07	In business	Active
Mettle Equipment Finance Proprietary Limited	2011/011053/07	In business	Active
Blue Downs 3 Property Development Proprietary Limited	2008/005250/07	In business	Resigned
Corporate Aone Trade and Invest 9 Proprietary Limited	2008/004920/07	In business	Resigned
First Trade and Invest Proprietary Limited	2008/005183/07	In business	Resigned
Imperial Crown Trading 196 Proprietary Limited	2007/001660/07	In business	Resigned
Mettle Credit Services Proprietary Limited	2003/011957/07	In business	Resigned
Pando Finance Proprietary Limited	2015/250955/07	In business	Resigned
Thomas More Flannery			
Reward Capital Limited	9432492	In Business	Active
Reward Invoice Finance Limited	9432479	In Business	Active
Reward Finance Group Limited	7385919	In Business	Active
Reward Trade Finance Limited	9121381	In Business	Active
Hermanus Roelof Willem Troskie			
C5 Holdings	B163679	In business	Resigned
C5 S.à r.l.	B171283	In business	Resigned
Pinard S.à r.l.	B163596	In business	Resigned
Brait SE	SE1	In business	Active
Brait Mauritius Limited	60342 C1/GBL	In business	Active
Tendril S.à r.l.	B149493	In business	Resigned
Tradegro S.à r.l.	B149807	In business	Active
Tradehold Limited	B89549	In business	Active
Translink Services S.à r.l.	B92931	In business	Resigned
Flagstone Finance S.A.	B118871	Dormant	Resigned
Flagstone Reinsurance (Luxembourg) S.à r.l.	B0152211	Dormant	Resigned
Cano S.à r.l.	B176671	Dormant	Resigned

Enterprise Name	Registration Number	Enterprise Status	Director Status
Eurofund Holdings Luxembourg S.à r.l.	B175927	In business	Active
Eurofund Investments Ferro S.à r.l.	B 197331	In business	Resigned
Eurofund Investments La Villa S.à r.l.	B151858	In business	Resigned
Eurofund Investments Luxembourg S.à r.l.	B125594	In business	Resigned
Intu Eurofund Developments S.à r.l.	B175947	In business	Active
ICS Holdings S.à r.l.	B196746	In business	Resigned
ICS JV S.à r.l.	B196745	In business	Resigned
Intu Management Spain Holdings S.à r.l.	B195004	In business	Active
ICS InvestCo S.à r.l.	B196684	In business	Resigned
AIBC Investcorp Holdings S.A.	B54938	Dormant	Resigned
Crema Holdings S.à r.l.	B139898	In business	Resigned
Crema Investments S.à r.l.	B140016	In business	Resigned
Darter Holdings I S.à r.l.	B0182282	In business	Resigned
Darter Holdings II S.à r.l.	B0193074	In business	Resigned
Foam Investments I S.à r.l.	B122127	Dormant	Resigned
Foam Investments II S.à r.l.	B119839	Dormant	Resigned
Gulf Delicatessen Investors S.à r.l.	B182065	In business	Resigned
Gulf Investors Agro S.à r.l.	B155199	In business	Resigned
Icopal Equity S.a.r.l	B131122	Dormant	Resigned
Icopal Holdings S.à r.l.	B131124	Dormant	Resigned
N&W Holdings S.à r.l.	B141097	Dormant	Resigned
Promotions Holdings S.à r.l.	B108697	Dormant	Resigned
Promotions Investments S.à r.l.	B108602	Dormant	Resigned
Redington Turkey Holdings S.à r.l.	B156649	In business	Resigned
SL Holdings S.à r.l.	B197764	In business	Resigned
Track Holdings S.à r.l.	B194148	In business	Resigned
Turkish Fashion Investors S.à r.l.	B0170823	In business	Resigned
Campus Wangen Holding S.à r.l.	In process of issue	In business	Resigned
Vending Holdings S.à r.l.	B142183	Dormant	Resigned
Vending Investments S.à r.l.	B142068	Dormant	Resigned
Maitland International Holdings plc	C44145	In business	Active
Invergarry Leasing S.à r.l.	B113003	In business	Active
Flooring Industries Ltd	B132722	In business	Active
Grupo Pestana SGPS	511230397	In business	Active
Hotel Rauchstrasse 22 S.à r.l.	B134131	In business	Resigned
Pestana Berlin S.à r.l.	B148692	In business	Resigned
Pestana Luxembourg	B17673	In business	Active
Quanlux S.à r.l.	B41592	In business	Resigned
Adana S.à r.l.	B174360	Dormant	Resigned
Aldershot Holdings S.à r.l.	B195478	In business	Active
Alto Investments S.à r.l.	B0170717	In business	Active
Ardagh Group S.A.	B160804	In business	Active
Ardagh Packaging Finance S.A.	B182462	In business	Active
Ardagh Packaging Luxembourg Finance S.à r.l.	B156452	In business	Active
ARD Holdings S.A.	B 53248	In business	Active
ARD Finance	B160806	In business	Active
ARD Group Finance Holdings S.A.	B209270	In business	Active
ARD Investments S.à r.l.	B 219501	In business	Active
ARD Securities S.A.	B 188227	In business	Active
Chalice Holdings	In process of issue	In business	Resigned
Avenir Investments S.à r.l.	B0170261	In business	Active
Arial S.à r.l.	B212819	In business	Active

Enterprise Name	Registration Number	Enterprise Status	Director Status
Balmora S.à r.l.	B174336	Dormant	Resigned
Carida S.à r.l.	B174362	Dormant	Resigned
Denova S.à r.l.	B174361	Dormant	Resigned
Shrewsbury Investments S.à r.l.	B149445	In business	Active
Yeoman Capital S.A.	B131609	In business	Active
Yeoman (Gibraltar) Holdings Limited	99969	In business	Active
Brandenburg Realty Co-Investment Limited	59786	In business	Active
Puma Brandenburg Limited	44365	In business	Active
Taurus Investments S.à r.l.	B58900	In business	Active
CMI Luxembourg S.à r.l.	B0098270	In business	Resigned
Xola Management S.à r.l.	B130001	In business	Resigned
Southern View Finance UK Limited	B428498	In business	Resigned
Blaircross Limited	322840	Dormant	Resigned
BYI Investments Limited	C56096	In business	Resigned
DevCap holdings S.à r.l.	B123804	Dormant	Resigned
First Metallic Products Limited	36927	In business	Resigned
Floreal Pensions & Retirement Inc.	2605S/4	In business	Resigned
Hellaby S.A.	B65990	In business	Resigned
Icopal Debtco S.à r.l.	B149988	Dormant	Resigned
Maitland Executive Services Ltd.	1447491	In business	Resigned
Mohawk Finance S.à r.l.	B146953	In business	Resigned
Orogen Investment S.A.	B55522	In business	Resigned
PHD Overseas Limited S.A.	B26025	In business	Resigned
Sagis Gallica Finance Limited	B 65856	In business	Resigned
Sagis Gallica S.A.	B65856	In business	Resigned
Simar S.A.	B71726	In business	Resigned
Southern View Finance Limited	GB428498	Dormant	Resigned
Tradegro Holdings Limited	B 89393	In business	Resigned
Yola Investments S.à r.l.	B127744	In business	Resigned
Friedrich Hans Esterhuyse			
Mosselbaai Natuurreservaat Proprietary Limited	1991/032188/07	In Business	Active
Mettle Corporate Finance Proprietary Limited	2011/102921/07	In Business	Resigned
Dimopoint Proprietary Limited	2011/147121/07	In Business	Active
Mettle Solar (RF) Proprietary Limited	2014/103664/07	In Business	Resigned
Lendcor Holdings Proprietary Limited	2014/158154/07	In Business	Resigned
Gondotrix Proprietary Limited	2014/158318/07	In Business	Resigned
Aapstert Investments Proprietary Limited	2016/099563/07	In Business	Active
Mettle Solar Investments Proprietary Limited	2016/215610/07	In Business	Resigned
Collins Property Projects Proprietary Limited	1967/011746/07	In Business	Active
Tradehold Limited	1970009054/06	In Business	Active
Lendcor Proprietary Limited	1998/013565/07	In Business	Resigned
Catwalk Investments 104 Proprietary Limited	1999/001058/07	In Business	Resigned
O'Connor Brothers Finance Proprietary Limited	2002/012345/07	In Business	Resigned
Mettle Credit Services Proprietary Limited	2003/011957/07	In Business	Resigned
Mettle Manco Proprietary Limited	2003/031070/07	In Business	Resigned
IMPEX Treasury Solutions Proprietary Limited	2004/030477/07	In Business	Resigned
Abatha Capital Holdings Proprietary Limited	2005010092/07	In Business	Active
Applemint Properties 24 Proprietary Limited	2005/031596/07	In Business	Active
Imbali Props 21 Proprietary Limited	2006/004676/07	In Business	Active
Imperial Crown Trading 196 Proprietary Limited	2007/001660/07	In Business	Resigned
Mettle Vehicle Finance Proprietary Limited	2007/027618/07	In Business	Resigned
Saddle Path Props 69 Proprietary Limited	2007/033800/07	In Business	Active

Enterprise Name	Registration Number	Enterprise Status	Director Status
First Aone Trade and Invest 1 Proprietary Limited	2008/005195/07	In Business	Resigned
Crystal Park Developments (RF) Proprietary Limited	2008/005207/07	In Business	Resigned
Mettle Specialised Finance Proprietary Limited	2008/027610/07	In Business	Resigned
Marco Van Zyl Wentzel			
International Mining and Dredging Holdings Proprietary Limited	2012/095390/07	In Business	Active
Stellar Capital Partners Limited	1998/015580/06	In Business	Active
Transhex Group Proprietary Limited	1963/007579/06	In Business	Active
Truckworx SA Proprietary Limited	2015/151781/07	In Business	Active
West Coast Resources Proprietary Limited	2011/007203/07	In Business	Active
Nine Alp Investment Proprietary Limited	2017/169520/07	In Business	Active
Eight Alp Investments Proprietary Limited	2017/169475/07	In Business	Active
Ten Alp Investments Proprietary Limited	2017/138012/07	In Business	Active
Planet Inc Trading and Investments Proprietary Limited	2017/151958/07	In Business	Active
Afri Gain Proprietary Limited	2017/007881/07	In Business	Active
RPC Partners Proprietary Limited	2016/300250/07	In Business	Active
Bruce Andrew Chelius			
Collins Private Equity Holdings Proprietary Limited	2004/031233/07	In Business	Active
Collins Pharmaceutical Holdings Proprietary Limited	2005/006801/07	In Business	Active
Eveready Proprietary Limited	2002/009654/07	In Business	Active
Friedshelf 196 Proprietary Limited	2001/018005/07	Dormant	Resigned
Autovest Limited	2007/010989/07	In Business	Resigned
Freewheel Trade and Invest 12 Proprietary Limited	2008/017658/07	Dormant	Resigned
Noteworthy Trade 10 Proprietary Limited	2008/021314/07	In Business	Active
GMIB Investments Proprietary Limited	2008/016748/07	Dormant	Resigned
Royal Anthem Investments Proprietary Limited	2003/007300/07	In Business	Active
Teljoy Group Proprietary Limited	2002/005569/07	In Business	Resigned
Nordland Proprietary Limited	1967/004956/07	In Business	Active
Lightvest Proprietary Limited	2013/205812/07	In Business	Active
Nordland Operations Proprietary Limited	2013/205801/07	In Business	Active
Electrawinds Holdings Proprietary Limited	2015/093583/07	Dormant	Resigned
Bronike Investments Proprietary Limited	2015/371625/07	In Business	Active
Bronike Trading Proprietary Limited	2017/150180/07	In Business	Active

The directorships held by the directors of Reward for the past five years are set out below:

Enterprise Name	Registration Number	Enterprise Status	Director Status
David Anthony Harrop			
Moorgarth Group Ltd	04852678	In Business	Active
Moorgarth Properties Ltd	05054340	In Business	Active
River Street Properties Ltd	05443252	In Business	Active
Moorgarth Leisure Ltd	05953379	In Business	Active
Moorgarth Property Investments Ltd	06545410	In Business	Active
Reward Finance Group Ltd	07385919	In Business	Active
Reward Trade Finance Ltd	09121381	In Business	Active
Wandle Point Management Ltd	09276540	In Business	Active
The Boutique Workplace Company Ltd	09411671	In Business	Active
Reward Invoice Finance Ltd	09432479	In Business	Active
Reward Capital Ltd	09432492	In Business	Active
Moorgarth Property Management Ltd	09794966	In Business	Active

Enterprise Name	Registration Number	Enterprise Status	Director Status
RSP Investments Ltd	09921340	In Business	Active
Moorgarth Site Services Ltd	10078245	In Business	Active
Moorgarth Retail Ltd	10281312	In Business	Active
Moorgarth Living Ltd	10293489	In Business	Active
Moolmoor Holdings Ltd	10379540	In Business	Active
Moolmoor Investments Ltd	10380346	In Business	Active
Moolmoor (Waverley) Ltd	10550582	In Business	Active
Reading Site Services Ltd	10689079	In Business	Active
Ventia Ltd	06885027	In Business	Active
Queen Street Business Centre Ltd	07209791	In Business	Active
Soho Square Business Centres Ltd	08127209	In Business	Active
Margaret Street Business Centre Ltd	08463850	In Business	Active
St John Street Business Centre Ltd	07900513	In Business	Active
John Street Business Centre Ltd	08478852	In Business	Active
Thomas Street Business Centre Ltd	08093359	In Business	Active
Savoy Street Business Centre Ltd	08988470	In Business	Active
Farringdon Street Business Centre Ltd	08879610	In Business	Active
Neal Street Business Centre Ltd	08890402	In Business	Active
Queen Street (City) Business Centre Ltd	08619168	In Business	Active
Christopher Street Business Centre Ltd	09209540	In Business	Active
Golden Square Business Centre Ltd	07378205	In Business	Active
Whitefriars Street Business Centre Ltd	09282616	In Business	Active
Wimbledon Business Centre Ltd	09497593	In Business	Active
Bedford Square Business Centre Ltd	09187644	In Business	Active
Southampton Place Business Centre Ltd	09472402	In Business	Active
Revival Holdings	04827728	Dormant	Resigned
Moorgarth Asset Management Ltd	04500285	Dormant	Resigned
Truly Futures Ltd	08339420	Dormant	Resigned
St Catherines Perth 1 S.à r.l	B171952	In Business	Active
St Catherines Perth 2 S.à r.l	B171959	Dormant	Active
Timothy Andrew Vaughn			
Reading Site Services Ltd	10689079	In Business	Active
Moolmoor (Waverley) Ltd	10550582	In Business	Active
Moolmoor Holdings Ltd	10379540	In Business	Active
Moolmoor Investments Ltd	10380346	In Business	Active
Moorgarth Living Ltd	10293489	In Business	Active
Moorgarth Retail Ltd	10281312	In Business	Active
Moorgarth Site Services Ltd	10078245	In Business	Active
RSP Investments Ltd	09921340	In Business	Active
Ventia Ltd	06885027	In Business	Active
Queen Street Business Centre Ltd	07209791	In Business	Active
Soho Square Business Centres Ltd	08127209	In Business	Active
Margaret Street Business Centre Ltd	08463850	In Business	Active
St John Street Business Centre Ltd	07900513	In Business	Active
John Street Business Centre Ltd	08478852	In Business	Active
Thomas Street Business Centre Ltd	08093359	In Business	Active
Savoy Street Business Centre Ltd	08988470	In Business	Active
Farringdon Street Business Centre Ltd	08879610	In Business	Active
Neal Street Business Centre Ltd	08890402	In Business	Active
Queen Street (City) Business Centre Ltd	08619168	In Business	Active
Christopher Street Business Centre Ltd	09209540	In Business	Active
Whitefriars Street Business Centre Ltd	09282616	In Business	Active

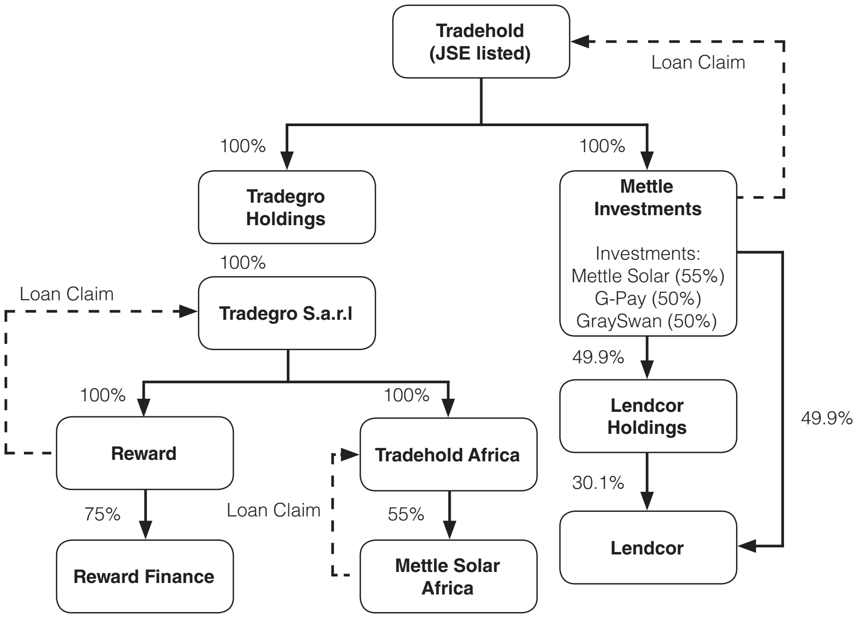
Enterprise Name	Registration Number	Enterprise Status	Director Status
Bedford Square Business Centre Ltd	09187644	In Business	Active
Golden Square Business Centre Ltd	07378205	In Business	Active
Southampton Place Business Centre Ltd	09472402	In Business	Active
Moorgarth Property Management Ltd	09794966	In Business	Active
Wandle Point Management Ltd	09276540	In Business	Active
Reward Capital Ltd	09432492	In Business	Active
Reward Invoice Finance Ltd	09432479	In Business	Active
The Boutique Workplace Company Ltd	09411671	In Business	Active
Reward Trade Finance Ltd	09121381	In Business	Active
Moorgarth Maple Ltd	SC312513	In Business	Active
Reward Finance Group Ltd	07385919	In Business	Active
Moorgarth Property Investments Ltd	06545410	In Business	Active
Moorgarth Leisure Ltd	05953379	In Business	Active
River Street Properties Ltd	05443252	In Business	Active
Moorgarth Properties Ltd	05054340	In Business	Active
Moorgarth Group Ltd	04852678	In Business	Active
Inception Euston S.à r.l	B217166	In Business	Active
Inception Holdings S.à r.l	B161565	In Business	Active
Inception Living S.à r.l	B192192	In Business	Active
Inception (Reading) S.à r.l	B196757	In Business	Active
London Office S.à r.l	B183145	In Business	Active
Moorgarth Maple Luxembourg S.à r.l	B217334	In Business	Active
Moorgarth Holdings Luxembourg S.à r.l	B156358	In Business	Active
Moorgarth Properties Luxembourg S.à r.l	B099968	In Business	Active
St Catherines Perth 1 S.à r.l	B171952	In Business	Active
St Catherines Perth 2 S.à r.l	B171959	Dormant	Active
Tauri Holdings S.à r.l	B180884	In Business	Active
Nordic Lime Street S.à r.l	B170671	Dormant	Resigned
Revival Holdings Limited	04827728	Dormant	Resigned
Moorgarth Asset Management Ltd	04500285	Dormant	Resigned
Truly Futures Ltd	08339420	Dormant	Resigned
Karen Louise Nordier			
Moorgarth Leisure Ltd	05953379	In Business	Active
River Street Properties Ltd	05443252	In Business	Active
Moorgarth Property Investments Ltd	06545410	In Business	Active
Tradegro (UK) Ltd	03819051	In Business	Active
Moorgarth Properties Ltd	05054340	In Business	Active
Moorgarth Group Ltd	04852678	In Business	Active
Reward Finance Group Ltd	07385919	In Business	Active
Ventia Ltd	06885027	In Business	Active
Wandle Point Management Ltd	09276540	In Business	Active
Reward Invoice Finance Ltd	09432479	In Business	Active
Reward Capital Ltd	09432492	In Business	Active
The Boutique Workplace Company Ltd	09411671	In Business	Active
Moorgarth Living Ltd	10293489	In Business	Active
Moorgarth Retail Ltd	10281312	In Business	Active
Moolmoor Investments Ltd	10380346	In Business	Resigned
Moolmoor Holdings Ltd	10379540	In Business	Resigned
Moolmoor (Waverley) Ltd	10550582	In Business	Resigned
RSP Investments Ltd	09921340	In Business	Active
Queen Street Business Centre Ltd	07209791	In Business	Active
Soho Square Business Centres Ltd	08127209	In Business	Active

Enterprise Name	Registration Number	Enterprise Status	Director Status
Margaret Street Business Centre Ltd	08463850	In Business	Active
St John Street Business Centre Ltd	07900513	In Business	Active
John Street Business Centre Ltd	08478852	In Business	Active
Savoy Street Business Centre Ltd	08988470	In Business	Active
Farringdon Street Business Centre Ltd	08879610	In Business	Active
Neal Street Business Centre Ltd	08890402	In Business	Active
Queen Street (City) Business Centre Ltd	08619168	In Business	Active
Christopher Street Business Centre Ltd	09209540	In Business	Active
Southampton Place Business Centre Ltd	09472402	In Business	Active
Bedford Square Business Centre Ltd	09187644	In Business	Active
Golden Square Business Centre Ltd	07378205	In Business	Active
Wimbledon Business Centre Ltd	09497593	In Business	Active
Thomas Street Business Centre Ltd	08093359	In Business	Active
Whitefriars Street Business Centre Ltd	09282616	In Business	Active
Carefera Consulting and Investments CC	2008/237037/23	Dormant	Resigned
Tradegro Holdings Proprietary Limited	1921/006793/07	In Business	Active
Tradehold Limited	1970/009054/06	In Business	Active
Xavier Trading Proprietary Limited	1999/023940/07	Dormant	Active
Mettle Credit Services Proprietary Limited	2003/011957/07	In Business	Resigned
Mettle Factors Proprietary Limited	2004/015725/07	Dormant	Resigned
Mettle Motor Loans Proprietary Limited	2004/023961/07	Dormant	Resigned
Mettle Vehicle Finance Proprietary Limited	2007/027618/07	In Business	Resigned
Mettle Property Solutions Proprietary Limited	2007/028217/07	In Business	Resigned
Mettle Investments Proprietary Limited	2008/002061/07	In Business	Resigned
Corporate Aone Trade and Invest 3 Proprietary Limited	2008/005303/07	In Business	Resigned
Groot Bokpost Developments Proprietary Limited	2008/006350/07	In Business	Resigned
Mettle Mortgage Management Company Proprietary Limited	2008/017233/07	Dormant	Active
Mettle Mortgage Company Proprietary Limited	2008/017989/07	Dormant	Active
Inception Euston S.à r.l	B217166	In Business	Active
Inception Holdings S.à r.l	B161565	In Business	Active
Inception Living S.à r.l	B192192	In Business	Active
Inception (Reading) S.à r.l	B196757	In Business	Active
London Office S.à r.l	B183145	In Business	Active
Moorgarth Maple Luxembourg S.à r.l	B217334	In Business	Active
Moorgarth Holdings Luxembourg S.à r.l	B156358	In Business	Active
Moorgarth Properties Luxembourg S.à r.l	B099968	In Business	Active
St Catherines Perth 1 S.à r.l	B171952	In Business	Active
St Catherines Perth 2 S.à r.l	B171959	Dormant	Active
Tauri Holdings S.à r.l	B180884	In Business	Active
Tradegro S.à r.l	B149807	In Business	Active

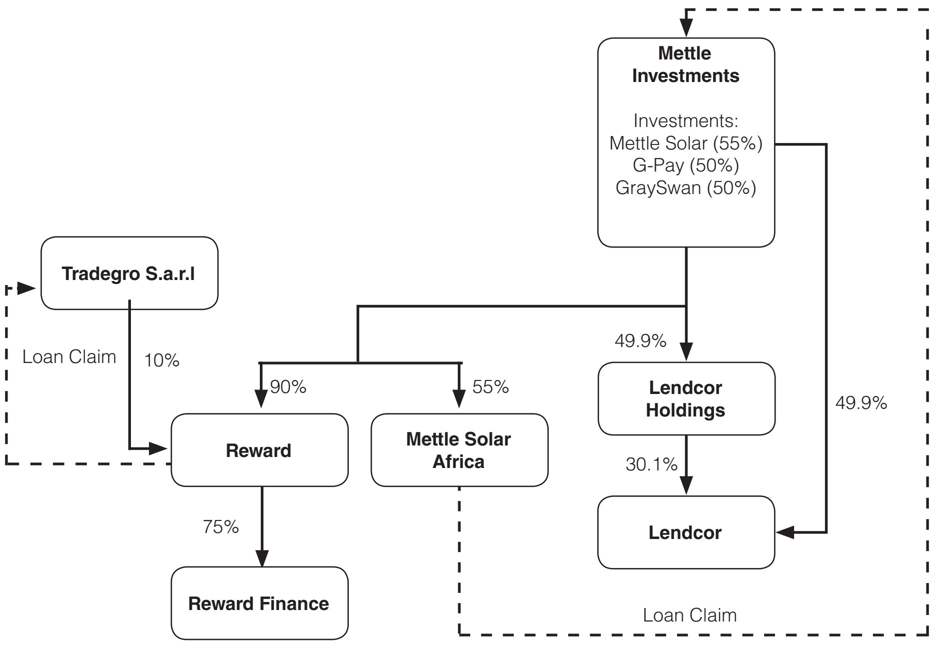
GROUP STRUCTURE OF METTLE INVESTMENTS

The diagrams below exclude certain immaterial companies that are not relevant to the Restructure and Distribution.

Group structure of Mettle Investments and Tradehold before the Restructure, Listing and Distribution:



Group Structure of Mettle Investments after the Restructure, Listing and Distribution:



DETAILS OF MAJOR SUBSIDIARY COMPANIES AND THEIR DIRECTORS

Additional details of Subsidiaries to be acquired prior to the Listing Date are listed below:

Mettle Investments' major subsidiaries:

Name of subsidiary	Date of incorporation	Place incorporated	Registration number	Holding company ownership in subsidiary	Main business	Authorised and issued share capital (£)	Issued share capital (£)	Date on which Company became subsidiary	Listed	Directors
Reward	10 February 2015	United Kingdom	09432546	90%	Reward is an investment holding company with its sole investment being in Reward Finance, an asset-backed lending business	11,112,112	11,112,112	N/A[1]	No	D.A. Harrop K.L. Nordier T.A Vaughan

Note:

1. Reward was incorporated by Tradehold in February 2015 and became a subsidiary of Mettle Investments as part of the Restructure as set out in the Pre-listing Statement.

LOAN CAPITAL AND MATERIAL LOANS OUTSTANDING

As at the Last Practicable Date, Mettle Investments and its Subsidiaries had the following material borrowings:

MATERIAL BORROWINGS

Lender	Facility	Facility amount (Rand)	Currency of loan	Secured/ unsecured	Terms	Interest rate	Security provided	Details of repayments within the next 12 months
Small Enterprise Finance Agency SOC Limited	Used to fund the operations of Mettle Administrative Services Proprietary Limited	49,303,527[2]	R	Secured	Interest payable semi-annually with capital repayable in March 2020	Prime plus 1%	Secured by Mettle Administrative Services Proprietary Limited's cash balances and loan and trade receivables	N/A
Foresight[1]	Third party borrowings and a portion of Group borrowings were repaid using funds raised	689,661,898[3]	£	Secured	Note programme with a maximum of GBP40 million. Notes subscribed for on request by RFG but at least GBP25 million must be drawn down by 18 August 2019, GBP30 million by 18 August 2020, GBP35 million by 18 August 2021. Notes must be redeemed within four years of their issue. Interest is 6.5% nominal annual compounded daily and paid quarterly.	6.5% p.a	Security is the cession of key man insurance policies. Pre-payment possible but pre-payment fee will be levied. Financial covenant – NAV must be equal to or greater than 60% of outstanding principal of the unredeemed notes as per the Company's management accounts.	N/A

1. R/£ exchange rate as at the Last Practicable Date of 17.24/1 used to convert the Foresight loan.
2. Facility is fully drawn down.
3. R551 729 518 drawn down from R689 661 898 facility (R/£ exchange rate as at the Last Practicable Date of 17.24/1 used for conversion).

As at the Last Practicable Date, the above borrowings do not carry any rights as to conversion into securities in the Company nor does the Company have any convertible and/or redeemable preference shares or debentures.

EXTRACTS FROM MEMORANDUM OF INCORPORATION

Set out below are summarised extracts from the Memorandum of Incorporation:

6 ISSUE OF SHARES AND VARIATION OF RIGHTS

6.1 The Company is authorised to issue –

6.1.1 500,000,000 ordinary Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –

6.1.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 vote in the case of a vote by means of a poll;

6.1.1.2 participate proportionally in any distribution made by the Company; and

6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.

6.2 For purposes of clause 6.1, *pari passu* shall have the meaning attributed thereto in terms of the JSE Listings Requirements.

6.3 The Board shall not have the power to –

6.3.1 increase or decrease the number of authorised Shares of any class of the Company's Shares;

6.3.2 create any new class or classes of authorised but unissued Shares;

6.3.3 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

6.3.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;

6.3.5 convert any class of Shares into one or more other classes of Shares;

6.3.6 reclassify any classified Shares that have been authorised but not issued;

6.3.7 classify any unclassified Shares that have been authorised but not issued;

6.3.8 determine the preferences, rights, limitations or other terms of any Shares; or

6.3.9 change the name of the Company,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.

6.4 All Securities of a class shall rank *pari passu* in all respects.

6.5 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 22.2.

6.6 In addition, and without prejudice to, the provisions of clause 6.3, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting.

6.7 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

6.8 The Company may only issue Shares which are fully paid up and freely transferable.

6.9 The Board may, subject to clause 6.13 and the further provisions of this clause 6.9, resolve to issue Shares of the Company, Securities convertible into Shares and/or grant options to subscribe for Shares, at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation and provided that such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements to the extent required.

6.10 All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.

6.11 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5), only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.

6.12 Subject to what may be authorised by the Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 6.14, and subject to clauses 6.9 and 6.13, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.

6.13 Notwithstanding the provisions of clauses 6.3, 6.12 and 6.14, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.14 Notwithstanding the provisions of clause 6.12, the Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements.

20 SHAREHOLDERS' MEETINGS

20.1 Calling of Shareholders' Meetings

20.1.1 The Board, or any prescribed officer of the Company authorised by the Board, is entitled to call a Shareholders' meeting at any time.

20.1.2 Subject to the provisions of section 60 dealing with the passing of resolutions of Shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders' meeting –

20.1.2.1 at any time that the Board is required by the Act, the JSE Listings Requirements or this Memorandum of Incorporation to refer a matter to Shareholders for decision; or

20.1.2.2 whenever required in terms of the Act to fill a vacancy on the Board; or

20.1.2.3 when required in terms of clause 20.1.3 or by any other provision of this Memorandum of Incorporation.

20.1.3 The Board shall call a meeting of Shareholders if 1 or more written and signed demands by Shareholders calling for such a meeting are delivered to the Company and –

20.1.3.1 each such demand describes the specific purpose for which the meeting is proposed; and

20.1.3.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, as of the earliest time specified in any of those demands, of at least 10% of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.

20.2 **Annual General Meetings**

20.2.1 In addition to other meetings of the Company that may be convened from time to time, the Company shall convene an annual general meeting of its Shareholders once in each calendar year, but no more than 15 months after the date of the previous annual general meeting.

20.2.2 The Company shall deliver notices of meetings to each Shareholder entitled to vote at such meeting who has elected to receive such documents.

20.2.3 Subject to the provisions of the JSE Listings Requirements, any such annual general meeting –

20.2.3.1 shall be capable of being held by Electronic Communication in accordance with the further provisions of this Memorandum of Incorporation; and

20.2.3.2 shall not be capable of being held in accordance with the provisions of section 60 set out in clause 25.

20.2.4 Each annual general meeting of the Company contemplated in clause 20.2.1 shall provide for at least the following business to be transacted –

20.2.4.1 the presentation of the directors' report, audited financial statements for the immediately preceding financial year of the Company and an audit committee report;

20.2.4.2 the election of Directors, to the extent required by the Act and by clause 26.3.2 of this Memorandum of Incorporation;

20.2.4.3 the appointment of an auditor and an audit committee for the following financial year;

20.2.4.4 any matters raised by the Shareholders, with or without advance notice to the Company, provided that matters raised without notice shall only be capable of being approved at a subsequent Shareholder's meeting duly convened in terms of this Memorandum of Incorporation or, to the extent permissible in terms of this Memorandum of Incorporation, in terms of a subsequent written resolution duly proposed for adoption by the Shareholders.

20.2.5 Save as otherwise provided herein, the Company is not required to hold any other Shareholders' meetings other than those specifically required by the Act and the JSE Listings Requirements.

20.3 **Location and Notice of Meeting**

20.3.1 The Board may determine the location of any Shareholders' meeting, and the Company may hold any such meeting in the Republic or in any foreign country, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

20.3.2 Every Shareholder's meeting shall be reasonably accessible within the Republic for electronic participation by Shareholders, irrespective of whether the meeting is held in the Republic or elsewhere.

20.3.3 All meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 business days' notice.

20.4 **Quorum and Adjournment of Meetings**

20.4.1 The quorum for a Shareholders' meeting to begin or for a matter to be considered, shall be at least 3 Shareholders entitled to attend and vote and present in person. In addition –

20.4.1.1 a Shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

20.4.1.2 a matter to be decided at a Shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

20.4.2 The time periods specified in sections 64(4) and (5) apply to the Company without variation and, accordingly, if within 1 hour after the appointed time for a meeting to begin, the requirements of clause 20.4.1 –

20.4.2.1 for that meeting to begin have not been satisfied, the meeting shall be postponed, without any motion, vote or further notice, for 1 week;

20.4.2.2 for consideration of a particular matter to begin have not been satisfied –

20.4.2.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; or

20.4.2.2.2 if there is no other business on the agenda of the meeting, the meeting shall be adjourned, without any motion or vote, for 1 week,

provided that the person intended to chair a meeting that cannot begin due to the operation of clause 20.4.1 may extend the 1 hour limit allowed in clause 20.4.2 for a reasonable period on the grounds that –

20.4.2.3 exceptional circumstances affecting weather, transportation or Electronic Communication have generally impeded or are generally impeding the ability of Shareholders to be present at the meeting; or

20.4.2.4 one or more particular Shareholders, having been delayed, have communicated an intention to attend the meeting, and those Shareholders, together with others in attendance, would satisfy the requirements of clause 20.4.1.

20.4.3 The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders, or an immaterial defect in the manner or form of giving notice of any such meeting, shall not invalidate any resolution passed at any such meeting.

20.4.4 The Company shall not be required to give further notice of a meeting that has been postponed or adjourned in terms of clause 20.4.2 unless the location for the meeting is different from –

20.4.4.1 the location of the postponed or adjourned meeting; or

20.4.4.2 the location announced at the time of adjournment, in the case of an adjourned meeting.

20.4.5 Notwithstanding the provisions of clause 20.4.4, for so long as the Company's Securities are listed on the JSE, the Company shall release notice on SENS of any postponed or adjourned meeting (whether postponed or adjourned in terms of clause 20.4.2 or otherwise).

20.4.6 Subject to compliance with the JSE Listings Requirements, if at the time appointed in terms of clause 20.4.2 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of clause 20.4.1 have not been satisfied, the Shareholders present in person or by proxy will be deemed to constitute a quorum.

20.4.7 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, all the Shareholders forming part of the quorum must be present at the meeting for the matter to be considered at the meeting.

20.4.8 The chairperson of a meeting may with the consent of a meeting at which a quorum is present (and must if the meeting resolves thus) adjourn the meeting from time to time and from place to place, but an adjourned meeting may only deal with matters which could legally be dealt with at the meeting on which the adjournment took place.

20.4.9 The maximum period allowable for an adjournment of a Shareholders' meeting is as set out in section 64(12), without variation.

20.5 **Conduct of Meetings**

20.5.1 The chairperson, if any, of the Board shall preside as chairperson at every Shareholder's meeting.

20.5.2 If there is no such chairperson, or if at any meeting he or she is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose 1 of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 minutes after the time appointed for commencement of the meeting, the Shareholders present shall by way of a poll appoint one of their number to be chairperson of the meeting.

20.5.3 The chairperson of a Shareholders' meeting may –

20.5.3.1 appoint any firm or persons to act as scrutineers for the purpose of checking any powers of attorney received and for counting the votes at the meeting;

20.5.3.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.

20.5.4 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution, unless –

20.5.4.1 it is brought to the attention of the chairperson at the meeting; and

20.5.4.2 in the opinion of the chairperson of the meeting, it is of sufficient magnitude to vitiate the resolution.

20.5.5 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised –

20.5.5.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or

20.5.5.2 at the meeting or adjourned meeting at which the result of the poll was announced,

and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

20.5.6 Even if he is not a Shareholder —

20.5.6.1 any Director; or

20.5.6.2 the Company's attorney (or where the Company's attorneys are a firm, any partner or director thereof),

may attend and speak at any Shareholders' meeting, but may not vote, unless he is a Shareholder or the proxy or representative of a Shareholder.

22 **VOTES OF SHAREHOLDERS**

22.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company –

22.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;

22.1.2 on a poll any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder; and

22.1.3 the holders of Securities other than ordinary Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided in clause 22.2.

22.2 If any resolution is proposed as contemplated in clause 6.5, the holders of such Shares ("**Affected Shareholders**") shall be entitled to vote at the meeting of ordinary Shareholders as contemplated in clause 22.1, provided that –

22.2.1 the votes of the Shares of that class held by the Affected Shareholders ("**Affected Shares**") shall not carry any special rights or privilegåes and each Affected Shareholder shall be entitled to 1 vote for every Affected Share held; and

22.2.2 the total voting rights of all Securities, other ordinary Shares and any Securities which are special Shares created for the purpose of black economic empowerment in terms of the Broad-Based Black Economic Empowerment Act, No 53 of 2004 and the Codes promulgated under such Act, shall not be more than 24.99% of the total votes (including the votes of the ordinary Shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any Affected Shares held by an Affected Shareholder rounded down to the nearest whole number).

22.3 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by –

22.3.1 at least 5 persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders; or

22.3.2 a Shareholder who is, or Shareholders who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% of the voting rights entitled to be voted on that matter; or

22.3.3 the chairperson of the meeting.

22.4 At any meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause 22.3, and unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

22.5 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled.

22.6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.

22.7 A poll demanded on the election of a chairperson (as contemplated in clause 20.5.2) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

22.8 Where there are joint registered holders of any Share, any 1 of such persons may exercise all of the voting rights attached to that Share at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than 1 of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such Share shall alone be entitled to vote in respect thereof.

22.9 The board of any company or the controlling body of any other entity or person that holds any Securities of the Company may authorise any person to act as its representative at any meeting of Shareholders of the Company, in which event the following provisions will apply –

22.9.1 the person so authorised may exercise the same powers of the authorising company, entity or person as it could have exercised if it were an individual holder of Shares; and

22.9.2 the authorising company, entity or person shall lodge a resolution of the directors of such company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders' meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting in his sole discretion.

24 SHAREHOLDERS' RESOLUTIONS

24.1 For an ordinary resolution to be approved it must be supported by more than 50% of the voting rights exercised on the resolution, as provided in section 65(7). Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, to the extent that the JSE Listings Requirements require a higher percentage in respect of any particular ordinary resolution, the Company shall not implement such ordinary resolution unless the Company has obtained the support of the applicable percentage prescribed in terms of the JSE Listings Requirements.

24.2 For a special resolution to be approved it must be supported by the holders of at least 75% of the voting rights exercised on the resolution, as provided in section 65(9).

24.3 No matters, except –

24.3.1 those matters set out in section 65(11); or

24.3.2 and any other matter required by the Act to be resolved by means of a special resolution; or

24.3.3 for so long as the Company's securities are listed on the JSE, any other matter required by the JSE Listings Requirements to be resolved by means of a special resolution,

require a special resolution of the Company.

24.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.

26 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

26.1 Number of Directors

26.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.

26.1.2 All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.

26.1.3 Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

26.2 **Election of Directors**

26.2.1 In any election of Directors –

26.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

26.2.1.2 in each vote to fill a vacancy –

26.2.1.2.1 each vote entitled to be exercised may be exercised once; and

26.2.1.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

26.2.2 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).

26.3 **Eligibility, Resignation and Rotation of Directors**

26.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.

26.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 26.3.2 –

26.3.2.1 at each annual general meeting referred to in clause 20.2.1, 1/3 of the Directors for the time being, or if their number is not 3 or a multiple of 3, the number nearest to 1/3, but not less than 1/3, shall retire from office, provided that if a Director is appointed as managing Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

26.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

26.3.2.3 a retiring Director shall be eligible for re-election;

26.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 25;

26.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 20.4.2 to 20.4.5 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

26.3.3 The Board shall, through its nomination committee if such committee has been constituted in terms of clause 32, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

26.4 **Powers of the Directors**

26.4.1 The Board has the power to –

26.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.1.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

26.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 26.

26.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.

26.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

26.4.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

26.4.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than three months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 26.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

26.4.6 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 month period contemplated in clause 26.4.5, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

26.5 **Directors' Interests**

26.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

26.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

26.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

26.5.4 Save where the Directors have obtained the prior approval of the JSE to so propose such a resolution, the proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Directors to perform such an act on behalf of the Company, is prohibited.

28 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

28.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

28.2 Any Director who –

28.2.1 serves on any executive or other committee; or

28.2.2 devotes special attention to the business of the Company; or

28.2.3 goes or resides outside South Africa for the purpose of the Company; or

28.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

28.3 The Directors may also be paid all their travelling and other expenses properly and necessarily incurred by them in connection with –

28.3.1 the business of the Company; and

28.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

28.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

30 INDEMNIFICATION OF DIRECTORS

30.1 The Company may –

30.1.1 advance expenses to a Director or directly or indirectly indemnify a Director in respect of the defence of legal proceedings, as set out in section 78(4);

30.1.2 indemnify a Director in respect of liability as set out in section 78(5); and/or

30.1.3 purchase insurance to protect the Company or a Director as set out in section 78(7),

and the power of the Company in this regard is not limited, restricted or extended by this Memorandum of Incorporation.

30.2 The provisions of clause 30.1 shall apply *mutatis mutandis* in respect of any former Director, prescribed officer or member of any committee of the Board, including the audit committee.

31 **BORROWING POWERS**

31.1 Subject to the provisions of clause 31.2 the other provisions of this Memorandum of Incorporation, the Directors may from time to time –

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

31.2.1 the Company; and

31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised by the Board to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

35 **DISTRIBUTIONS**

35.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

35.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements,

provided that if such distribution is a repayment of capital, the Company shall not be entitled to make such distribution on the basis that it may be called up again.

35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

35.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

35.5 All distributions are to be declared by the Directors in accordance with the provisions of the Act.

35.6 All unclaimed distributions (other than monetary distributions) will be kept in trust by the Company until claimed, provided that distributions unclaimed for a period of three years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies due to any Shareholder/s shall be held by the Company in trust until lawfully claimed by such Shareholder/s, provided that such unclaimed monies shall be subject to the laws of prescription.

35.7 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to –

35.7.1 the holder at his registered address; or

35.7.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

35.7.3 such person and at such address as the holder or joint holders may in writing direct.

35.8 Every such cheque or warrant shall –

35.8.1 be made payable to the order of the person to whom it is addressed; and

35.8.2 be sent at the risk of the holder or joint holders.

35.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

35.10 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

35.11 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

35.12 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

35.13 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –

35.13.1 by the distribution of specific assets; or

35.13.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

35.13.3 in cash; or

35.13.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.

35.14 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

35.15 The Directors may –

35.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

35.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

35.16 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

Set out below are the summarised extracts of the articles of association of Reward:

16. **SHARE CAPITAL**

16.1 The share capital of Reward is divided into “Ordinary Shares” (being ordinary shares of £1 in the capital of Reward) and “A Ordinary Shares” (being A ordinary shares of £1 in the capital of Reward). Except as otherwise provided in the Reward Articles, the Ordinary Shares and the A Ordinary Shares rank equally in all respects but constitute separate classes of shares.

16.2 Each holder of A Ordinary Shares and Ordinary Shares has the right to attend and speak at general meetings of Reward, to appoint one or more proxies and, if they are a corporation, corporate representatives to attend general meetings and exercise their voting rights. Every holder of A Ordinary Shares and Ordinary Shares who is present in person has one vote and on a poll every such holder who is present in person or by proxy has one vote for every share held by him.

16.3 The A Ordinary Shares do not confer to the holders of A Ordinary Shares any entitlement to receive any dividends until cumulative dividends in total of £13 918 980 have been paid to the holders of the Ordinary Shares.

16.4 Each holder of A Ordinary Shares and Ordinary Shares has the right, on a winding up of Reward, to share in the balance of the assets available for distribution in proportion to the amount of capital paid up on each A Ordinary Share and Ordinary Share.

16.5 Neither the A Ordinary Shares nor the Ordinary Shares are to be redeemed or liable to be redeemed at the option of Reward or the shareholder.

16.6 No shares in Reward are to be issued without the consent in writing of a Majority nor shall any share be issued at a discount or otherwise be issued in breach of the provisions of the Reward Articles or of the UK Companies Act 2006.

16.7 Sections 561 and 562 of the UK Companies Act 2006 (which contain provisions relating to the pre-emptive issue of shares) do not apply to Reward.

16.8 Whenever as a result of a consolidation of shares any shareholders would become entitled to fractions of a share, the directors of Reward may, with the prior written consent of a Majority, on behalf of those shareholders, sell the shares representing the fractions for the best reasonably obtainable to any person (including, subject to the provisions of the UK Companies Act 2006, Reward) and distribute the net proceeds of sale in due proportion among those shareholders, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser.

16.9 Reward may, with the consent of the Majority, purchase its own shares with cash up to an amount in a financial year not exceeding the lower of £15,000 or the value of 5 per cent of its share capital.

17. APPOINTMENT, QUALIFICATION AND REMUNERATION OF DIRECTORS

Appointment and Retirement

17.1 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution of the shareholders of Reward. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one.

17. A Majority shall have power at any time, and from time to time, to appoint any person to be a director, either as an additional director (provided that the appointment does not cause the number of directors to exceed any maximum number determined in accordance with article 12.1 of the Reward Articles as the maximum number of directors for the time being in force) or to fill a vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be made by notice in writing to Reward signed by the shareholder or shareholders making the appointment or removal or, in the case of a shareholder being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such notice at the registered office of Reward.

17.3 In any case where, as a result of death or bankruptcy, Reward has no directors and as a result of death or insolvency Reward has no shareholders, the transmittee(s) of the last shareholder to have entered insolvency or of the last shareholder to have died (whichever occurs later) shall have the right, by notice in writing to Reward signed by such transmittee(s), to appoint a person, who is willing to act and is permitted to do so, to be a director.

17.4 Subject to the provisions of the UK Companies Act 2006, the directors of Reward may appoint one or more of their number to the post of managing director or to any other executive office of Reward and may enter into an agreement or arrangement with any director for his employment by Reward or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and Reward.

Termination of Director's Appointment

17.5 A person ceases to be a director of Reward as soon as:

17.5.1 that person ceases to be a director by virtue of any provision of the UK Companies Act 2006 or is prohibited from being a director by law;

17.5.2 a bankruptcy order is made against that person;

17.5.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

17.5.4 a registered medical practitioner who is treating that person gives a written opinion to Reward stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

17.5.5 notification is received by Reward from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or

17.5.6 that person is removed from office as a director pursuant to article 12.2 of the Reward Articles.

Qualification

17.6 A person is not required to hold shares in the capital of Reward in order to be a director of Reward.

Remuneration

17.7 Directors may undertake any services for Reward that the directors decide.

17.8 Directors are entitled to such remuneration as the directors determine:

17.8.1 for their services to Reward as directors, and

17.8.2 for any other service which they undertake for Reward.

17.9 Subject to the Reward Articles, a director's remuneration may:

17.9.1 take any form, and

17.9.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

17.10 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

17.11 Unless the directors decide otherwise, directors are not accountable to Reward for any remuneration which they receive as directors or other officers or employees of Reward's subsidiaries or of any other body corporate in which Reward is interested.

18. **DIRECTORS' BORROWING POWERS**

18.1 There are no specific restrictions in the Reward Articles in relation to the borrowing powers of the directors. The directors are responsible for the management of Reward's business, for which purpose they may exercise all the powers of the company (Article 3 of the Model Articles) subject to:

18.2 A Majority may direct the directors to take, or refrain from taking, specified action. Any such direction shall be made by notice in writing to Reward signed by the shareholder or shareholders giving the direction or, in the case of a shareholder being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such notice at the office. No such direction invalidates anything which the directors have done before the giving of such direction. (Article 3)

19. **RETIREMENT OF DIRECTORS BY ROTATION**

There are no requirements for the directors to retire by rotation in Reward's Articles.

CORPORATE GOVERNANCE AND KING IV

The definitions and interpretations commencing on page 4 of this Pre-listing Statement shall apply to this **Annexure 16**.

The Directors endorse the philosophies and principles of King IV and recognise their responsibility to conduct the affairs of Mettle Investments with integrity and accountability in accordance with generally accepted corporate practices. This includes steering the Company and setting strategic direction, planning and approving policies, overseeing matters of the Company and ensuring accountability.

Upon listing of the Company on Alt^X, Mettle Investments will be obliged to comply with paragraph 3.84 of the Listings Requirements which deals with certain corporate governance matters extracted from King IV. Accordingly, in anticipation of listing, these aspects of corporate governance have been introduced within the Company and King IV will be applied, where practical and reasonable throughout Mettle Investments going forward in accordance with the Listings Requirements for companies listed on the Alt^X. The Directors have, accordingly, established procedures and policies appropriate to Mettle's business in keeping with its commitment to best practices in corporate governance. These procedures and policies will be reviewed by the Directors from time to time.

The Directors of Mettle Investments will adopt the principles of King IV to the extent required. The Board embraces the principles of fairness, accountability, responsibility and transparency.

The formal steps taken by the Directors in ensuring that King IV are complied with are as follows:

Directors and Company Secretary

Chairman and Chief Executive Officer

The Board will be chaired by Friedrich Esterhuyse who is a non-independent non-executive director due to the fact that such director has been involved in the day-to-day management of the Company during the preceding financial year. As a result Hermanus Troskie has been appointed as the lead independent director. Furthermore, the offices of Chairman and Chief Executive Officer are separated with Hendrik Prinsloo appointed as Chief Executive Officer.

Board balance

Non-executive directors will constitute the majority of the members of the Board in order to ensure a balance of power in favour of unbiased decisions. Furthermore, no one individual director has unfettered powers of decision-making.

The Board

The Board will meet on a regular basis where possible, but at a minimum of every three months. The Company will disclose the number of meetings held each year in its annual report, together with the attendance at such meetings. A formal record shall be kept of all conclusions reached by the Board on matters referred to it for discussion. Should the Board require independent professional advice, such advice will be sought by the Board at the Company's expense.

All Directors have access to the advice and services of Mettle Corporate Finance Proprietary Limited, which fulfils the role of Company Secretary. The Board, during a board meeting held on 19 April 2018, considered and is of the opinion that Mettle Corporate Finance Proprietary Limited has the requisite attributes, experience and qualifications to fulfil its commitments effectively. This assessment is based on the experience, qualifications and competency of the employees of the company.

Directors are expected to maintain their independence when deciding on matters relating to strategy, performance, resources and standards of conduct. On first appointment, all Directors will be expected to undergo appropriate training as to the Company's business, strategic plans and objectives, and other relevant laws and regulations. Further training will be performed on an ongoing basis to ensure that Directors remain abreast of changes in regulations and the commercial environment.

The Board is responsible for relations with stakeholders, as well as being accountable to them for the performance of the Company, and reporting thereon in a timely and transparent manner.

In accordance with the Listings Requirements, the Directors are required to attend a four-day Directors Induction Programme. Arrangements are being made for all Directors to attend and complete the next available programme. All certificates of attendance will be sent to the JSE for record purposes.

The Board of Directors of Mettle Investments consists of the following Directors:

Executive

Hendrik Prinsloo (Managing Director)

Justin Rookledge (Financial Director)

Thomas Flannery

Independent Non-Executive Directors

Marco Wentzel

Hermanus Troskie (Lead Independent Director)

Bruce Chelius

Non-Executive Director

Friedrich Esterhuyse (Chairman)

Supply of information

The Directors will be briefed properly in respect of special business prior to Board meetings and information will be provided timeously to enable them to give full consideration to all the issues being dealt with.

Furthermore, management shall supply the Board with the relevant information needed to fulfil its duties. Directors shall make further enquiries where necessary, and thus shall have unrestricted access to all Company information, records, documents and property. Not only will the Board look at the quantitative performance of the Company, but also at issues such as customer satisfaction, market share, environmental performance and other relevant issues. The Chairman will ensure that all Directors are briefed adequately prior to Board meetings.

Delegation of duties

Directors have the authority to delegate certain of their duties, either externally or internally, in order that they perform their duties fully. The Chief Executive Officer shall review these delegations and report on this to the Board.

Appointments to the Board

Any member of the Board can nominate a new appointment to the Board, which will be considered at a Board meeting. The nominated Director's expertise and experience will be considered by the Board as a whole in a formal and transparent manner, as well as any needs of the Board in considering such appointment. A nomination committee has not been appointed. Any Director appointed by the Board shall be regarded as an interim appointment and will remain in office until the following meeting of Shareholders, at which the Shareholders may decide to appoint such director to the Board for the appropriate term of office.

A general meeting of the Shareholders shall have the power from time to time to appoint anyone as a director, either to fill a vacancy, or as an additional director. The Memorandum of Incorporation does not provide for a maximum number of Directors.

Directors' remuneration

Remuneration policy

The remuneration policy in place is to remunerate Executive Directors primarily on a Total Guaranteed Package ("TGP") which includes base salary and benefits that accrue on a monthly basis, Short-Term Incentives (STI) through cash bonuses, as well as Long-Term Incentives ("LTI") by way of share incentives.

The remuneration policy and implementation report will be tabled for a separate non-binding advisory vote by Mettle Investments Shareholders at the next annual general meeting. The remuneration policy will record the measures that the Board commits to take in the event that either the remuneration policy or the implementation report are voted against by 25% or more of the votes exercised. In such instances, the announcement on the voting results will provide an invitation to dissenting shareholders to engage with the Company and will specify the manner and timing of such engagement.

King IV sets out the basis and codes of good practice for governance of executive remuneration, on which this Remuneration Policy is based.

Objectives

The objectives of the Remuneration Policy are to:

- define general guidelines for the Company's remuneration of Non-Executive, Executive Directors and Senior Executives;
- ensure that the right calibre of Executives and Senior Executives is attracted, retained, motivated and rewarded for individual performances and contribution to the Company;
- remunerate Directors and Executives fairly and responsibly; and
- align the interest of Executive Directors and Senior Executives with the interest of Mettle Investments Shareholders and the business strategy and sustainability of the Company.

Executive Directors and Senior Executives

Executive Directors' and Senior Executives' remuneration comprise of a:

- TGP which incorporates a Basic Salary and Benefits,
- STI which includes short-term bonus awards for achieving annual performance targets; and
- Share incentives as a LTI reward.

Basic Salary

Basic salary is a fair salary based on the industry norms and Company performance. The basic salaries are reviewed on an annual basis.

Benefits

Benefits will comprise of fringe benefits, allowances and retirement benefits.

Bonuses

The calculation of bonuses for Executive Directors and Senior Executives is a discretionary cash amount based on the annual performance of the individual involved and the achievement of the financial targets set for the Company and its various subsidiaries and associates.

Share Incentives

The Company intends establishing an equity based employee share incentive scheme in the near future. This will be presented to Shareholders for approval in terms of the Listing Requirements.

Financial targets are approved by the Board annually in advance taking cognisance of operational targets for the Company with respect to:

- Growth rate;
- Operating profit;
- Return on capital; and
- Cash flow.

Non-Executive Directors

Non-Executive Directors remuneration will comprise of:

- Directors' fees; and
- Additional fees

Directors' fees

Directors' fees are payable in the form of a retainer for attendances at Board and Committee meetings and work associated therewith.

Additional Fees

Additional fees are payable for additional time spent on behalf of the Company based on market-related rates.

Service contracts and compensation

Mettle Investments has entered into normal service contracts with all of its Executive Directors. All Non-Executive Directors are subject to retirement by rotation and re-election by Mettle Investments Shareholders at least once every three years in accordance with the Memorandum of Incorporation.

Remuneration Committee

The Board has established a remuneration committee and the following Directors will be the first members thereof:

Marco Wentzel

Bruce Chelius

Friedrich Esterhuyse

Accountability and audit

Incorporation

The Company is duly incorporated in South Africa and operates in conformity with the Memorandum of Incorporation and all applicable laws of South Africa. Upon its listing on Alt^{X}, the Company will also be obliged to comply with the Listings Requirements.

Financial reporting

The Board is responsible for the Company's systems of internal financial and operational control, as well as for maintaining an appropriate relationship with the Company's auditors. The Board is also responsible for presenting a balanced and understandable assessment of the Company's financial position with respect to all financial and price sensitive reports on the Company.

Internal control

The Directors shall conduct an annual review of the Company's internal controls, and report their findings to Mettle Investments Shareholders. This review will cover financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company.

Audit and risk committee

A combined Audit and Risk Committee has been established, whose primary objective is to provide the Board with additional assurance regarding the efficacy and reliability of the financial information used by the Directors, to assist them in discharging their duties. The committee is also required to provide independent oversight of, among others:

- The effectiveness of the organisation's assurance functions and services, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the finance function; and
- The integrity of the annual financial statements and, to the extent delegated by the Company, other external reports issued by the organisation.

The Audit and Risk Committee has the power to make decisions regarding its statutory duties, and is accountable for its performance in this regard. In addition to its statutory duties, the Audit and Risk Committee is responsible for, *inter alia*, the following:

- the recommendation of the Company's annual financial statements to the Board for approval;
- risk governance and ensuring that it dedicates sufficient time to this responsibility;
- overseeing the management of financial and other risks that affect the integrity of external reports issued by the organisation;

- ensure that the Company has established appropriate financial reporting procedures and that those procedures are operating;
- ensure suitability of the appointment of external auditors and the designated individual partner, specifically taking into account any information pursuant to paragraph 22.15(h) of the JSE Listing Requirements; and
- ensuring, on an annual basis, that the financial director has the appropriate expertise and experience.

The following independent non-executive Directors have been appointed to the combined Mettle Audit and Risk Committee:

Marco Wentzel

Hermanus Troskie

Bruce Chelius

The Audit and Risk Committee will meet a minimum of two times per annum to consider and approve interim and year end results, but may meet as often as is deemed necessary.

The DA will have a standing invitation to attend all audit and risk committee meetings for a period equal to the first anniversary of Listing of the Company.

External auditors

The auditors of the Company are currently BDO Cape Incorporated which perform an independent and objective audit of the Company's financial statements. The financial statements are prepared in terms of IFRS.

Code of ethics

Mettle Investments subscribes to the highest ethical standards and behaviour in the conduct of its business and related activities. It is of the view that ethical standards, social responsibility and transformation cannot be addressed separately and has appointed one committee to address these issues for the Company.

Social, Ethics and Transformation Committee

The following persons have been appointed to the Social, Ethics and Transformation Committee:

Hendrik Prinsloo

Justin Rookledge

Bruce Chelius

Relationships with shareholders

It is the plan of Mettle Investments to meet with its Mettle Investments Shareholders and investment analysts, and to provide presentations on the Company and its performance.

The Board shall ensure that Mettle Investments Shareholders are supplied with all the necessary information in order that they may make considered use of their votes, and assess the corporate governance of the Company.

Promotion of gender diversity

In terms of paragraph 3.84(i) of the Listings Requirements, the Board is required to have a policy on the promotion of gender diversity at Board level. Accordingly, the Board approved its Gender Diversity Policy on 19 April 2018. The Company fully supports the inclusion of female members on its Board and has adopted a simple policy that will seek to prefer the appointment of female candidates to its Board and in the event that two candidates of equal competency or experience are identified for appointment, the female candidate will be nominated. This policy will be reviewed annually.

Race diversity policy

In terms of paragraph 3.84(j) of the Listings Requirements, companies are required to have a policy on the promotion of race diversity at Board level. The Company supports this and has adopted such a policy on 19 April 2018, and the Board will endeavour to seek skilled professionals in order to promote race diversity. Such appointments will be considered as and when a new Board member is required.

Dealing in securities

The Board has established procedures regarding the legislation which regulates insider trading, whereby there is a closed period from the date of the financial year end, being 28 February, to the earliest publication of the preliminary report, the abridged report or the provisional report in the case of results for a full period and from the date of the interim period end, being 31 August, to the date of the publication of the first and second interim results as the case may be, which periods are known as closed periods. In accordance with the Listings Requirements, no Director nor the Company Secretary shall deal in the securities of the Company during a closed or prohibited period as well as whilst the Company is trading under a cautionary announcement.

All Directors and the Company Secretary shall obtain clearance to deal from the Chairman of the Company prior to dealing. The Chairman will obtain clearance from the Lead Independent Director prior to dealing, and the Company Secretary shall keep a register of such clearances in terms of the Listings Requirements.

The Company Secretary or such person as may be nominated by him from time to time shall keep a record of all dealings by Directors in the securities of the Company.

Company Secretary

The Board has considered and satisfied itself on the competence, qualifications and experience of the Company Secretary bearing in mind that the Company Secretary has only been appointed since April 2018. This assessment has been based on the experience of its executives to date and the fact that Mettle Corporate Finance Proprietary Limited acts as Company Secretary for Tradehold.

The Directors will assess the ongoing competency of the Company Secretary on an annual basis and in compliance with section 3.84(h) of the JSE Listing Requirements. Moreover, the Board confirms that there is an arm's-length relationship between itself and the Company Secretary and this position will be assessed on an annual basis.

The Board is of the opinion that the Company Secretary has the requisite attributes, experience and qualifications to fulfil its commitments effectively.

Financial Director

The Financial Director, Justin Rookledge, is the full time Financial Director. The Audit and Risk Committee has confirmed his experience and expertise and has issued a confirmation thereof to the JSE. Justin Rookledge will assume the formal responsibilities required of him in terms of Listings Requirements and any relevant provisions of the Companies Act.

King IV Principles

In terms of introduction of King IV and recent communication from the JSE, all companies listed on the JSE from September 2017 will be required to comply with King IV. The Board will endeavour to comply with the 16 relevant Principles set out in King IV where, in the view of the Board, they apply to the business. These principles embody the aspirations of the journey towards good corporate governance.

The 16 King IV Principles and the extent of the Company's compliance are set out in the table below:

Principle	Description	Compliance status	Extent of compliance
1	The governing body should lead ethically and effectively	Comply	The Company is not newly established and the Company has been in existence since 2008. The Board will ensure that the Company's leadership will operate in an ethical manner and is in the process of finalising a code of ethics for the Group, which will be reviewed annually.
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Comply	The Board supports the establishment on an ethical culture throughout the Company. This is one of the essential elements of the Company's code of ethics.

Principle	Description	Compliance status	Extent of compliance
3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Comply	The Board sets the direction for good corporate citizenship, including compliance with the laws of South Africa and the UK (where applicable), standards as a responsible lender, its own policies and procedures, as well as congruence with the Company's purpose, strategy and conduct. The Board furthermore oversees and monitors the Company's status as a good corporate citizen in such areas as the workplace, economic behaviours and results, societal and environmental impacts. The concept of responsible corporate citizenship is integrated into the group strategy, and its principles underpin all key aspects of the business.
4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Comply	The Board assumes responsibility for the Group's performance by steering the strategy and setting its core purpose and values. The formulation and development of the Group's strategy is delegated to management, but the strategy is constructively challenged by the Board with due reference to, *inter alia*, risks and opportunities, resources, the six capitals, the legitimate expectations of Mettle Investments Shareholders and the long-term sustainability of the organisation.
5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.	Comply	The Board takes responsibility for setting the direction, approach and conduct for the Company's reporting and approves the reporting frameworks to be used. It furthermore oversees compliance with legal reporting requirements and aims to ensure that reports meet the reasonable and legitimate needs of material stakeholders to enable them to make informed assessments of the Company's performance and its short-, medium- and long-term prospects.
6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Comply	The Board has put together policies throughout the Group which ensure that the Company's corporate governance procedures are adequate and consistently applied.

Principle	Description	Compliance status	Extent of compliance
7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Comply	All members of the Board have the requisite skills and knowledge from diverse backgrounds. The Board has three executive Directors, three independent Non-Executive Directors and one non-executive director. Curriculum Vitae of the Directors are set out in **Annexure 19** of this Pre-listing Statement.
8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Comply	The independent Directors have been appointed to ensure that a greater level of independence is maintained in all business matters of the Board. In addition, the role of the chief executive officer, Chairman and Lead Independent Director are separated to ensure a balance of power and effective discharge of duties.
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Comply	The Board has sub-committees in place. Each committee has its own charter which sets out rules for the Committee and its members and allows for members to be assessed annually.
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Comply	Service agreements have been signed by all Executive Directors. These set out roles and responsibilities and the effective exercise of authority by each director. The Board has furthermore satisfied itself that key management functions are led by competent and appropriately authorised individuals and are adequately resourced. To this end, a delegation of authority framework has been approved. The Board will in due course ensure that an adequate succession plan for each business in the Group is developed and approved.
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Partially comply	The Audit and Risk Committee has undertaken to set the approach for risk governance in a manner that ensures adequate evaluation of opportunity and risk and supports the Company in setting and achieving its strategic objectives.

Principle	Description	Compliance status	Extent of compliance
12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Comply	The Board will set the approach and approve the policy for technology and information governance, including adoption of appropriate frameworks and standards, but the implementation of effective IT governance will be delegated to management. The Board, together with the Audit and Risk Committee, oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Group's strategy.
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	Comply	Upon Listing, the Company will be governed by the Listings Requirements for the duration of its listing on Alt^X. The Board undertakes to comply with any laws that the Company is required to comply with from time to time.
14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.	Comply	Mettle Investments has a remuneration policy in place to ensure that management is appropriately remunerated. The Board will assess market trends in remuneration and adjust the Company's remuneration policy if need be. The policy and the implementation thereof will be tabled for Mettle Investments Shareholder approval at annual general meetings of the Company to ensure further transparency. It is envisaged that the Company will in due course implement an employee share incentive scheme with the approval of Shareholders.

Principle	Description	Compliance status	Extent of compliance
15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Comply	The Board will delegate to the Audit and Risk Committee oversight to ensure an effective internal control environment, integrity of information for management decision-making and external reporting. The Board will furthermore ensure that a combined assurance model is applied that covers significant risks and material matters through a combination of the organisation's line functions, risk and compliance functions, internal auditors, external auditors and other regulatory service providers so as to enable it to assess the integrity of information and reports and form an opinion on the effectiveness of the control environment. The risk appetite of executive management, the Audit and Risk Committee and Board will determine areas of strategic and business focus, which in turn determines the level of assurance considered appropriate for identified business risks and exposures. To plan and coordinate assurance, the Company has and will design and implement a combined assurance framework, incorporating a number of assurance services, to cover adequately its significant risks and material matters so that these enable an effective control environment, support the integrity of information used as well as the integrity of the Group's external report.
16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Comply	Whilst the effective management of stakeholder relationships will be delegated to management, the Board will ensure that a policy providing for the management of stakeholder relationships is adopted. The Company has a website where all financial reports, business updates and any other information will be made available to ensure that stakeholders are kept abreast with the Company's developments.

DETAILS OF IMMOVABLE PROPERTY LEASED FROM THIRD PARTIES

Details of immovable property owned or immovable property leased from third parties are set out below:

Leased property

Mettle Investments

Landlord	Type of premises	Location	Expiry date	Lessee	Annual payment (R)	Area (m^2)	Escalation and frequency
Redefine Commercial Proprietary Limited	Offices	Johannesburg	31 March 2019	Mettle Administrative Services Proprietary Limited	R207,585	175	10% annual escalation
The Double I Trust	Offices	Johannesburg	31 May 2019	Mettle Specialised Finance Proprietary Limited	R396,000	135	Renewed annually

Reward

Landlord	Type of premises	Location	Expiry date	Lessee	Annual payment (£)	Area (m^2)	Escalation and frequency
Moorgarth Properties Luxemburg S.à r.l	Offices	Leeds, UK	15 October 2025	Reward Finance Group Ltd	46,690	193	No annual escalation

Owned property

There have been no acquisitions or disposal of immovable property in the last three years and the Company is not in the process of acquiring or disposing of immovable property.

MATERIAL CONTRACTS

Set out below, are the material contracts which the Company has entered into which give effect to the Restructure and Distribution. The Restructure and Distribution shall be implemented through the following steps:

Step	Description	Applicable agreement	Parties to the agreement
Pre-Restructure and Distribution steps			
A	Mettle Investments sold its Aapstert Investments Proprietary Limited preference shares to Collins Property Projects Proprietary Limited on loan account for R25.6 million.	N/A	N/A
B	Mettle Investments ceded the aforementioned loan account (R25.6 million) to Tradehold in partial repayment of the shareholder loan (balance of shareholder loan pre and post partial repayment is R67.7 million and R42 million respectively).	N/A	N/A
C	Mettle Investments settles the remaining balance (R42 million) of the loan owing to Tradehold via an issue of shares.	N/A	N/A
Restructure and Distribution steps			
1	Tradehold capitalises Mettle Investments through the subscription of shares. (R403 million)	Mettle Investments subscription agreement	Tradehold and Mettle Investments
2	Mettle Investments to utilise a portion of the subscription proceeds to subscribe for shares in Reward. (R227 million) Immediately post the subscription Mettle Investments and Tradegro will each hold a 90% and 10% share respectively in Reward.	Reward subscription agreement	Mettle Investments and Reward
3	Mettle Investments to utilise a portion of the subscription proceeds to acquire a portion of the loan claim against Reward from Tradegro. (R163 million)	Reward loan claim acquisition agreement	Mettle Investments and Tradegro
4	Mettle Investments to utilise the balance of the subscription proceeds to acquire the shares in and loan claim against Mettle Solar Africa from Tradehold Africa. (R14 million)	Mettle Solar Africa acquisition agreement	Mettle Investments and Tradehold Africa
5	Tradehold Africa to distribute the proceeds received in step 4 to its sole shareholder Tradegro. (R14 million)	N/A	N/A
6	Reward to distribute the subscription proceeds received in step 2 to Tradegro (and not Mettle Investments). (R227 million)	N/A	N/A
7	Tradegro to distribute the dividend received in step 5 and 6 and the proceeds received in step 3 to Tradegro Holdings. (R403 million)	N/A	N/A
8	Reward to capitalise a portion of the loan claim owed to Tradegro through the issue of shares. (R18 million)	Reward part 1 capitalisation agreement	Reward and Tradegro

Step	Description	Applicable agreement	Parties to the agreement
9	Reward to capitalise the loan claim acquired by Mettle Investments in step 3 through the issue of shares. (R163 million) Immediately post step 9 Mettle Investments and Tradegro will each hold a 90% and 10% share respectively in Reward.	Reward part 2 capitalisation agreement	Reward and Mettle Investments
10	Mettle Investments to list on the JSE.	N/A	N/A
11	Tradehold to distribute the shares it holds in Mettle Investments to Tradehold Shareholders (dividend *in specie*)	N/A	N/A

DIRECTOR PROFILES

1.1 **Executive Directors**

Hendrik Frederik Prinsloo

Hendrik's studies included finance, law and tax. After qualifying as an attorney, Hendrik joined Arthur Andersen in 1990 where he specialised in structured finance. In 1995 he co-founded Mettle Investments, heading up the structured finance division and overseeing the establishment of its proprietary funding businesses.

Thomas More Flannery

Thomas' expertise covers many disciplines, including banking and all forms of secured lending, such as invoice finance, bridging loans, hire purchase and leasing. Thomas' considerable experience includes more than 30 years in secured lending, mainly with Yorkshire Bank, Euro Sales Finance and RBS. Before founding Reward, and building the business into a market-leading position, he was responsible for establishing Euro Sales Finance Leeds.

Justin John Rookledge

Justin attended the University of Cape Town and qualified as a chartered accountant in 2002 having completed his articles at PwC. He was appointed as senior audit manager in 2005 where his clients included Cadiz Holdings Limited, the original Mettle Investments group of companies and Control Instruments Group Limited. Justin joined Mettle Investments in February 2009 as a financial manager and was appointed as financial director in September 2016. Justin is currently responsible for the entire financial operations of Mettle SA and will take over the responsibility for Mettle Investments on completion of the Restructure.

1.2 **Non-Executive Director**

Friedrich Hans Esterhuyse

After his articles, Friedrich specialised in corporate and international tax in the Cape Town and Amsterdam offices of PwC where he gained extensive experience in the areas of transaction structuring, re-organisations, mergers and acquisitions, international group structures and investment to and from South Africa. During this time, Friedrich lectured part-time at the University of Stellenbosch and its Business School in the MBA Programme. In 2001 Friedrich joined Mettle Investments' Debt Division where he has been involved in the successful structuring and implementation of several large funding transactions. Friedrich was appointed to the board of directors of the original Mettle Investments group of companies in November 2004 and is currently the joint chief executive officer of Tradehold following the purchase of Mettle Investments by Tradehold in March 2014.

1.3 **Independent Non-Executive Directors**

Hermanus Roelof Willem Troskie

Hermanus is the Managing Director of the Private Clients business of the Maitland Group in Luxembourg. He has extensive experience in the areas of international corporate structuring, cross-border financing and capital markets, with a particular interest in integrated structuring for entrepreneurs and their businesses. Hermanus is a non-executive director of a number of private and public companies. Professional memberships include: Attorney of the High Court of South Africa; Solicitor of the Senior Courts of England and Wales (2001); Luxembourg Institute of Directors; and International Fiscal Association.

Marco Van Zyl Wentzel

Marco lived in Europe for ten years where he was an executive director at Legion Sports Management. In 2013, he returned to South Africa and is currently Chairman of JSE listed mining company Trans Hex Group, alluvial mining company West Coast Resources, logistics company Truckworx SA and renewable energy company Brinmar. He serves on the board of directors of JSE listed investment holding company Stellar Capital Partners, building supply company Quantech and Advantage Health, a company that specialises in wealth management.

Bruce Andrew Chelius

Bruce completed his articles at Deloitte, following which he spent time in the Corporate Finance and Private Equity teams of Standard Bank and BoE Bank. In 2004, Bruce established Collins Private Equity where he serves as managing director. Bruce has been a director of numerous unlisted companies and he currently sits on the boards of Eveready Batteries and Nordland Lighting (where he acts as Chairman). In addition, Bruce is a member of the Investment Committee of TBI Strategic Partners.

1.4 Directors of Major subsidiaries

Short CVs and further details of the directors of the Major Subsidiary are set out below.

Reward (in addition to those on the Board above)

David Anthony Harrop (48)

Nationality	British
Business address	Central House, 47 St Paul's Street, Leeds, LS1 2TE
Appointment date	10 February 2015
Qualifications	BA (Hons)
Position in company	Finance Director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Description	Since David joined the Moorgarth Group in 2011, he's had overall responsibility for the organisation's finances. This includes Moorgarth, Reward Capital and The Boutique Workplace Company, and involves statutory and management reporting, forecasting, capital raising, deal structuring and all taxation matters. David is also an Executive Director of listed parent Tradehold. David began his career at Deloitte, specialising in corporate finance in the UK and Australia. Before joining Moorgarth, he had four years at Scarborough Property Group, where he took Finance Director roles at group companies, including serviced office business Forsyth Business Centres and Sheffield United Football Club.

Karen Louise Nordier (51)

Nationality	South African
Business address	Bahnhofstrasse 30, Zug 6300 Switzerland
Appointment date	10 February 2015
Qualifications	B.Compt (Hons), B.Acc, CA(SA)
Position in company	Non-executive director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Description	Karen joined EY's London office, where she gained international audit experience on investment property and industrial listed companies. In 1997, she joined the Mettle group, where she performed numerous and varied roles including financial management, group risk management and compliance, transaction implementation and management, internal audit, implementation and documentation of processes and controls, business reorganisation and restructuring, turnaround management, operations management and HR management. She was appointed Financial Director of Tradehold in May 2014.

Timothy Andrew Vaughn (51)

Nationality	British
Business address	Central House, 47 St Paul's Street, Leeds, LS1 2TE
Appointment date	23 November 2010
Qualifications	BSc (Hons) MRICS
Position in company	Director
Term of office	No fixed term, but subject to the provisions of the Memorandum of Incorporation
Description	Timothy started Moorgarth's UK business in October 2003, managing an existing real estate portfolio of 31 properties, and with funding to acquire new real estate assets. Since then, he's grown the group's portfolio from £8 million to just short of £200 million, and diversified operations by creating two new trading formats: Reward's serviced office operation, The Boutique Workplace Company, and Reward's asset-based lending business, Reward Capital. Most recently, Timothy developed Reward's property management business. Before creating Moorgarth, Timothy worked with Ernst & Young, and with Arthur Andersen, where he ran the regional real estate consulting practice. This involved advising on and completing property company acquisitions and disposals, general corporate sales where there was a real estate element, the asset management of property portfolios held through insolvency, and an advisory role in some inward investment strategies for companies and cities.

DETAILS OF VENDORS

ACQUISITION OF PART OF A LOAN CLAIM AGAINST REWARD

The Company does not acquire shares in Reward from any party as a "vendor" in terms of the Restructure. Instead it subscribes for shares amounting to 90% of the issued share capital of Reward and these shares are issued to it by Reward. The Company does, however, acquire part of Tradegro's loan claim against Reward, which is subsequently capitalised as per step 9 in **Annexure 18**.

The reason for Tradegro retaining a shareholding in Reward post the Restructure is that Reward will continue to be indebted to Tradegro in the amount of approximately £11 million and to provide continuity with regards to third party financiers of Reward's subsidiaries. It was thus decided that Tradegro will retain a 10% shareholding.

Name of vendor	Tradegro
Address of vendor	Bahnhofstrasse 30, 6300 Zug, Switzerland
Asset acquired from vendor	Loan claims against Reward
Price paid to vendor in cash	£10,000,000
Price paid to vendor in securities	None
Price paid to vendor in respect of goodwill	None
Cost of the asset to the vendor and the date of purchase by the vendor (if within the preceding three years)	The loan claims arose as amounts advanced to Reward from the date of its incorporation
Effective date of acquisition	Completion of the Restructure
Were book debts or other assets guaranteed by the vendor?	No
Were normal warranties provided by the vendor?	No. Only title warranties were provided as this is, effectively, a group restructure.
Were restraints imposed on the vendor under the acquisition and was any amounts payable in respect of such restraints?	No
Did the acquisition involve any liability for accrued taxation?	No
Has the asset acquired been transferred into the name of the Company or one of its subsidiaries?	Yes
Were securities purchased in a company that became a subsidiary of the Company?	No securities were purchased
Has the asset acquired been ceded or pledged?	No

ACQUISITION OF METTLE SOLAR AFRICA

Name of vendor	Tradehold Africa
Address of vendor	c/o Griffon Solutions Limited, C2-401, 4th Floor, Office Block C, Grand Baie La Croisette, Grand Baie, Mauritius
Asset acquired from vendor	Shares (55% of the Mettle Solar Africa's issued shares) in and loan claims against Mettle Solar Africa

Price paid to vendor in cash	US$550 for the shares and US$1,159,699 for the loan claims
Price paid to vendor in securities	None
Price paid to vendor in respect of goodwill	None
Cost of the asset to the vendor and the date of purchase by the vendor (if within the preceding three years)	None. The vendor incorporated the company in 2014.
Effective date of acquisition	Completion of the Restructure
Were book debts or other assets guaranteed by the vendor?	No
Were normal warranties provided by the vendor?	No. Only title warranties were provided as this is, effectively, a group restructure.
Were restraints imposed on the vendor under the acquisition and was any amounts payable in respect of such restraints?	No
Did the acquisition involve any liability for accrued taxation?	No
Has the asset acquired been transferred into the name of the Company or one of its subsidiaries?	Yes
Were securities purchased in a company that became a subsidiary of the Company?	No, Mettle Solar Africa is a joint venture of the Company.
Has the asset acquired been ceded or pledged?	No

TAXATION CONSIDERATIONS

1. Tax considerations relating to the Distribution

1.1 The following is a general description of certain aspects of South African tax considerations relating to the Distribution as at the date of the Pre-listing Statement. It is not intended to be, nor should it be considered as legal, taxation or Exchange Control Regulations advice. South African tax legislation is subject to frequent change and accordingly the comments as set out below may be subject to change, possibly with retrospective effect. Tradehold Shareholders should consult their own professional advisors with regard to the South African tax implications arising in respect of the Distribution. Both Tradehold and Mettle Investments make no representation and give no warranty or undertaking, express or implied, and accept no responsibility for the accuracy or completeness of the information contained in this section.

1.2 The Distribution will constitute a distribution in specie by Tradehold of the Mettle Investments Shares to its shareholders, *pro rata* to their respective shareholdings in Tradehold as at the Distribution Record Date.

1.3 **South African tax resident Tradehold Shareholders**

1.3.1 The Distribution will not qualify as an “unbundling transaction” as envisaged in s46 of the Income Tax Act.

1.3.2 The Distribution should constitute a “foreign dividend” as defined in s1 of the Income Tax Act.

1.3.3 Tradehold Shareholders will be required to include the “foreign dividend” in their gross income for South African income tax purposes, but may claim an exemption for all or part of the foreign dividend depending on their particular facts and circumstances.

1.3.4 Tradehold Shareholders will obtain the Mettle Investments Shares at a base cost equal to the market value of the Mettle Investments Shares on the date of the Distribution.

1.3.5 There should be no dividends tax in respect of the distribution in specie.

1.4 **Non-South African resident Tradehold Shareholders**

1.4.1 Non-South African tax resident Tradehold Shareholders should only be subject to South African tax in respect of the Distribution if they have a permanent establishment in South Africa in which case they should seek professional advice.

1.5 **South African and non-South African resident Tradehold Shareholders**

1.5.1 In terms of the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007) ("STT Act"), securities transfer tax ("STT") will be payable on the transfer of the Mettle Investments Shares to Tradehold Shareholders pursuant to the Distribution.

- The amount of STT to be imposed will be calculated as 0.25% of the market value of the Mettle Investments Shares.
- Tradehold is liable to pay the STT in respect of the transfer of the Mettle Investments Shares pursuant to the Distribution.

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