



**Invicta**  
HOLDINGS LIMITED

**Preliminary audited  
summarised consolidated  
results and  
notice of  
annual general meeting  
for the year ended 31 March**

**2018**

## Letter to shareholders

### Dear shareholder

This summary of our results for the year to 31 March 2018 also includes an executive review of our performance.

The notice of the annual general meeting, form of proxy and other administrative information form part of this summarised report.

In line with global trends and as a responsible corporate citizen, we have taken the decision to publish our annual reports on our website since current financial reporting requirements and corporate governance disclosures make for bulky and costly posted annual reports.

The integrated annual report and annual consolidated financial statements will be available on our website [www.invictaholdings.co.za](http://www.invictaholdings.co.za) on or about Friday 29 June 2018. We believe that this approach to reporting confirms our commitment to protecting the environment where we can, while we grow our business in a sustainable manner.

Thank you for your support.



**Dr CH Wiese**  
*Chairman*

# Financial highlights

The 31 March 2018 results disclosed below represent the total continuing operations.

Revenue

**R9.6 billion**

↔ 0%

Profit attributable to ordinary  
shareholders before specific tax provision\*

**R526 million**

↓ -23%

Operating profit before  
foreign exchange movements

**R940 million**

↓ -11%

Headline earnings per share before  
specific tax provision\*

**464 cents**

↓ -23%

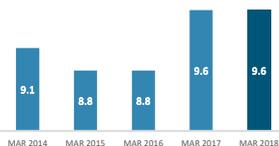
Headline earnings per share after  
specific tax provision of R400 million

**90 cents**

↓ -81%

\*Pro forma

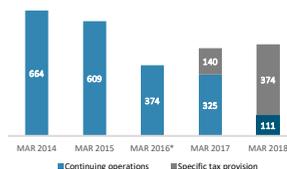
Revenue  
(R billion)



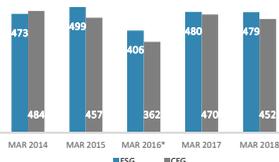
Operating profit before foreign  
exchange movements  
(R million)



Earnings per share  
(cents)



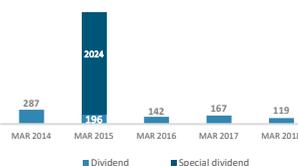
Segment operating profit before  
foreign exchange movements  
(R million)



Net interest-bearing debt : equity  
(%)



Ordinary dividends paid  
(cents)



\*Restated

# Executive review of our performance

## Overview of the year

The Invicta Group has delivered satisfactory results for the year to 31 March 2018. The market conditions in the regions served by the Group were mixed – South Africa (77% of Revenue) had low economic growth, political uncertainty and low business confidence for the bulk of the financial year, whilst the rest of the world (23% of revenue) showed improved growth. Revenue from continuing operations was flat on last year at R9.6 billion.

## Group performance

### Continuing operations

The continuing operations comprise:

- ESG (Engineering Solutions Group) – distributor of engineering products (like bearings, belts, tools, electric motors, hydraulics etc.), technical services and solutions.
- CEG (Capital Equipment Group) – distributor of agricultural machinery, construction and earthmoving machinery, forklifts and related parts, including Kian Ann Engineering, which is based in Singapore.

Whilst revenue from continuing operations was flat, gross profit declined by 3.1% to R2.979 billion, reflecting the depressed conditions in which the Group trades in South Africa, viz; mining, agriculture, manufacturing and construction. Although costs were strictly controlled and increased by only 0.8%, the resultant operating profit before foreign exchange movements showed a decline of 10.6% from R1.051 billion to R940 million. (It should be noted that the prior year figure of R1.051 billion reflected an exceptional increase of 34% over FY 2016). Net foreign exchange costs increased by R30 million from R41 million to R71 million.

Profit before taxation from continuing operations decreased by 15% to R760 million.

### Specific tax provision

- The board of Invicta has noted both stakeholder and market commentary over the potential tax consequences of certain transactions which Invicta entered into several years ago, and which were referred to by the Independent Auditors in their report on the 2017 Annual Financial Statements ('the transactions').
- Based upon advice received, the board is of the view that the transactions are tax compliant. However, the board is also of the view that the ongoing uncertainty is affecting the Group and hampering its ability to use equity to fund expansion, and therefore that a pragmatic solution which provides certainty is preferable to potentially protracted and costly litigation which would also require significant management time and result in material opportunity cost for the Group.
- The Company therefore continues to negotiate with the South African Revenue Services (SARS) with a view to reaching agreement regarding the tax consequences of the transactions.
- Taking all the above considerations into account, the board has concluded that an amount of R400 million (2017: R150 million) is the best estimate of an additional provision, which amount has been raised in the Annual Financial Statements for the March 2018 financial year.
- Should agreement not be reached with SARS and, on the basis that it elects to issue revised assessments, the Group will defend its position fully.

The pro forma financial information indicated in the table further below has been prepared for illustrative purposes only to provide information on how the specific tax provision adjustment might have impacted on the continuing operations' financial performance of the Group for the year ended 31 March 2018 as if the adjustment had not taken place.

Because of its nature, the pro forma financial information may not be a fair reflection of the Group's results of operation, financial position, changes in equity or cash flows.

The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies that comply with International Financial Reporting Standards. These are consistent with those applied in the preliminary audited summarised consolidated results for the year ended 31 March 2018.

No other adjustments have been made to the pro forma financial information.

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

Deloitte & Touche have issued an unmodified report on the pro forma financial information, which report is available for inspection at the Company's registered office.

# Executive review of our performance

The effect of this on our summarised consolidated statement of profit or loss and other comprehensive income is as follows:

	Note	%	31 March	
			2018 R'000	2017 R'000
Profit before taxation from continuing operations	1	(15)	759 919	897 049
Current taxation	2		(136 351)	(171 747)
Profit after current taxation from continuing operations, before specific taxation provision		(14)	623 568	725 302
Profit for the year from discontinued operations	1		7 697	36 505
Profit for the year, before specific tax provision		(17)	631 265	761 807
Profit attributable to non-controlling interest	1		(20 993)	3 932
Profit attributable to preference shareholders	1		(84 057)	(82 435)
Profit attributable to owners of the Company, before specific tax provision		(23)	526 215	683 304
<b>Specific taxation provision</b>	3		<b>(400 000)</b>	<b>(150 000)</b>
Profit attributable to owners of the Company	1	(76)	126 215	533 304
Shares in issue ('000)			106 953	106 953
Headline earnings per share from continuing operations, before specific tax provision (cents)	4	(23)	464	606
Specific tax provision (cents)			(374)	(140)
Headline earnings per share from continuing operations, after specific tax provision (cents)		(81)	90	466

## Notes:

1. As per the summarised consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2018.
2. Current taxation charge excluding the specific taxation provision.
3. Being the specific taxation provision as explained in this announcement.
4. Per share calculation is based on adjusted profit.

## Discontinued operations

The Group disposed of its building supply business (BSG) on 30 September 2017. The Group still holds the MacNeil Plastics business (which manufactures specific ranges of plastic piping) as an asset which it intends selling. The discontinued profits for the current year include MacNeil Plastics for the full year and BSG for half a year, whilst the comparative includes them both for a full year.

## Statement of financial position information

The Group settled its material financial debts and released certain financial investments during the year. The settlement resulted in a non-recurring loss of R20 million which has been included in Selling, Administration and Distribution costs.

Inventories have increased in the period under review. This was a result of management's decision to acquire specific stock ranges in advance of commodity and tariff increases, as well as to ensure stock availability from BMG World while the new systems and physical stock were being implemented and moved. This is expected to reverse in the coming financial year.

# Executive review of our performance

## ESG

ESG's revenue of R4.6 billion was 2% below last year, largely as a result of challenging trading conditions in South Africa. The division did well to keep its operating profit before foreign exchange movements only R1 million (0.2%) below last year at R478 million. Most of the industries serviced by ESG have struggled, which is evidenced by the muted, but solid results. The resizing of the business through cost saving initiatives and the "Simplify for Success" program will continue into the new year and are expected to bear fruits in the coming year.

The only acquisition undertaken during the year was that of the Fenner Beltings Sales and Marketing business, which was effective 1 February 2018. It did not have a material impact on the results under review. It is, however, expected to make an important contribution to both revenue and profitability in the year ahead.

On 3 May 2018 the Group announced the purchase of the Forge Industrial Group. It comprises of tools and related products (Toolquip and Allied), machining tools (F and H Machine Tools) and industrial conveyer belting and related components (Belt Brokers). It operates through 11 branches countrywide including 3 distribution centres in Gauteng. The acquisition will be completed after the fulfilment of certain conditions precedent, including Competition Commission approval.

## CEG

CEG improved revenue by 2.4% despite relinquishing the New Holland Agricultural Equipment agency in May 2017. The results from CEG's South African businesses declined due to challenging conditions in agricultural machinery and construction machinery markets, whilst the non - South African results improved as global economic conditions improved.

The gross profit percentage of CEG declined in line with prevailing market conditions in South Africa. CEG's operating profit before foreign exchange movements declined by 3.8%, but a focused effort by the division resulted in good cash generation.

CEG is well structured to take advantage of any improvement in market conditions and is actively seeking suitable acquisitions. On 2 January 2018, the Shamrock business was acquired by CEG. Shamrock supplies and services forklifts and machines of the highest quality in niche markets with quality brands "Moffett", "Combilift", "Agrimac", "Innolift" and "Multi Sweep".

## Strategic focus and prospects

The Group continues to focus on improving efficiencies and processes in its existing operations.

An overall improvement in world commodity prices and market conditions in the coming year are expected to add momentum to the Group's performance.

The process of internationalising the Group in order for it to be able to list offshore is on track for conclusion by the end of the new financial year. To remind stakeholders, the rationale for this is to enable Invicta to eventually list on an international stock exchange in addition to its current listing on the JSE. The listing on an international stock exchange will provide improved access to international funding for debt and/or equity, as the Group looks to expand its international footprint in a measured and focused approach.

The Group continues to seek and will evaluate any suitable acquisition opportunities that arise.

Any forward looking statement in this announcement has not been reviewed or reported on by the Company's auditors.

## Changes to the board and board committees

The Group company secretary and legal advisor, Grace Chemaly resigned effective 27 September 2017 and was replaced by Lize Dubery effective 1 January 2018. Gavin Pelsler was appointed as an executive director on 7 September 2017. Nazlee Rajmohamed will join the board as financial director from 1 July 2018.

## Dividend policy

The board further advises that it will be proposing to pay a 50 cent dividend to ordinary shareholders instead of applying the normal dividend policy of a total dividend cover ratio of 3.5 times at interim results adjusted to 2.75 times at year-end.

## Appreciation

The board is once again highly appreciative to the executive management, the respective management teams of our businesses and most importantly all the staff, for the excellent commitment and performance in what can only be described as difficult and uncertain economic times.

The board is confident that, with the strengths the Group possesses and the strategic plans, the Group will continue to deliver sustainable value to all stakeholders going forward.

# Independent auditor's report on summarised consolidated financial statements

## To the shareholders of Invicta Holdings Limited

### Opinion

The summarised consolidated financial statements of Invicta Holdings Limited, which comprise the summarised consolidated statement of financial position as at 31 March 2018, the summarised consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Invicta Holdings Limited for the year ended 31 March 2018.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Invicta Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 'Basis of Preparation' to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to the annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Invicta Holdings Limited and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 June 2018. That report also includes:

- The communication of other key audit matters as reported in the auditor's report of the audited financial statements.

### Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 'Basis of Preparation' to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with the International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte & Touche  
Registered Auditors  
Per: Thega Marrayday  
Partner  
15 June 2018

Buildings 1 and 2  
Deloitte Place  
The Woodlands  
Woodlands Drive  
Woodmead Sandton  
2052

# Summarised consolidated statement of profit or loss and other comprehensive income

		31 March	
	%	2018	2017
	change	R'000	R'000
<b>Continuing operations</b>			
Revenue	0	9 639 807	9 631 811
Gross profit		2 979 073	3 073 847
Operating profit before foreign exchange movements	(11)	940 275	1 051 178
Net foreign exchange cost		(71 421)	(40 748)
<b>Operating profit</b>	<b>(14)</b>	<b>868 854</b>	<b>1 010 430</b>
Interest received and dividends received from financial investments		824 563	771 942
Interest paid		(947 091)	(889 429)
Share of profits of associates		13 593	4 106
Profit before taxation from continuing operations	(15)	759 919	897 049
Taxation		(536 351)	(321 747)
Profit for the year from continuing operations	(61)	223 568	575 302
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	(79)	7 697	36 505
<b>Profit for the year</b>		<b>231 265</b>	<b>611 807</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating capitalised loans		(2 923)	(10 788)
Exchange differences on translating foreign operations		(69 058)	(82 482)
<b>Total comprehensive income for the year</b>		<b>159 284</b>	<b>518 537</b>
<b>Profit attributable to:</b>			
Owners of the Company		126 215	533 304
Non-controlling interest		20 993	(3 932)
Preference shareholders		84 057	82 435
		231 265	611 807
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		55 833	447 004
Non-controlling interest		19 394	(10 902)
Preference shareholders		84 057	82 435
		159 284	518 537
<b>Earnings per share</b>			
Earnings per share from continuing operations (cents)	(76)	111	465
Earnings per share (cents)	(76)	118	499
Diluted earnings per share (cents)	(76)	118	499

# Summarised consolidated headline earnings and earnings per share

	%	31 March	
		2018	2017
	change	R'000	R'000
<b>Determination of headline earnings</b>			
Attributable earnings		126 215	533 304
Adjustments			
- Headline earnings per share adjustments on discontinued operations		-	(578)
- Gain from bargain purchase price recognised		-	(235)
- Impairment of property, plant and equipment		-	3 517
- (Profit)/Loss on disposal of investments		(24 440)	5 286
- Profit on disposal of other assets		(326)	(231)
- Net profit on disposal of property, plant and equipment		(13 335)	(11 355)
- Impairment of goodwill		4 767	-
- (Reversal)/Impairment of loans		-	3 089
Total adjustments before taxation and non-controlling interest		(33 334)	(507)
Taxation		11 532	1 456
Non-controlling interest		-	307
Total adjustments		(21 802)	1 256
<b>Headline earnings</b>		<b>104 413</b>	<b>534 560</b>
Headline earnings per share from continuing operations (cents)		90	466
Headline earnings and diluted headline earnings per share (cents)		98	500
<b>Shares in issue</b>			
Weighted average ('000)		106 953	106 953
At the end of the period ('000)		108 495	108 495
Number of shares used for diluted earnings per share ('000)		106 953	106 953
<b>Headline earnings per share (cents)</b>	(80)	<b>98</b>	500
<b>Earnings per share (cents)</b>	(76)	<b>118</b>	499
<b>Dividends per share* (cents)</b>		<b>119</b>	167
- Interim	(4)	69	72
- Final	(47)	50	95

\* In accordance with IAS 10 (Events After The Reporting Period), the final dividend of 50 cents per share proposed by the directors has not been reflected in the final results as it had not been declared at the year-end.

# Summarised consolidated condensed statement of financial position

	31 March	
	2018 R'000	2017 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>2 928 453</b>	8 167 232
Property, plant and equipment	1 720 797	1 640 530
Financial investments and investment in associates	119 184	2 085 253
Goodwill and other intangible assets	835 624	776 075
Financial assets, finance lease and long-term receivables	52 979	3 484 113
Deferred taxation	199 869	181 261
<b>Current assets</b>	<b>7 228 414</b>	7 024 693
Inventories	3 917 689	3 662 856
Trade and other receivables	1 620 016	1 541 960
Current portion of financial investments, finance leases and long-term receivables	648 138	751 247
Taxation prepaid	25 236	16 113
Bank and cash balances	1 017 335	1 052 517
Assets classified as held for sale	157 978	1 073 053
<b>Total assets</b>	<b>10 314 845</b>	16 264 978
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>5 089 771</b>	5 268 111
Equity attributable to the equity holders	4 990 298	5 116 027
Non-controlling interest	99 473	152 084
<b>Non-current liabilities</b>	<b>1 685 318</b>	6 892 355
Long-term borrowings and financial liabilities	1 647 231	6 857 313
Deferred taxation	38 087	35 042
<b>Current liabilities</b>	<b>3 422 064</b>	3 432 390
Trade, other payables and provisions	1 862 731	2 136 640
Share appreciation rights liability	851	5 443
Taxation liabilities	583 170	170 052
Shareholders for dividends	48 995	49 593
Current portion of long-term borrowings	755 900	864 211
Bank overdrafts	170 417	206 451
Liabilities associated with assets held for sale	117 692	672 122
<b>Total liabilities</b>	<b>5 225 074</b>	10 996 867
<b>Total equity and liabilities</b>	<b>10 314 845</b>	16 264 978

# Summarised consolidated statement of changes in equity

	31 March	
	2018 R'000	2017 R'000
<b>Share capital, share premium and preference share capital</b>		
Share capital	5 424	5 424
Share premium	2 653 151	2 653 151
Treasury shares - Balance at the beginning of the year	(68 057)	(85 011)
Treasury shares - Movement for the year	-	16 954
Treasury shares - Balance at the end of the year	(68 057)	(68 057)
Preference shares	750 000	750 000
<b>Retained earnings</b>		
Balance at the beginning of the year	1 730 052	1 358 685
Total comprehensive income	210 272	604 951
Transfer from non-distributable and other reserve movements	(42 269)	7 879
Ordinary and preference dividends paid	(262 279)	(241 463)
<b>Balance at the end of the year</b>	<b>1 635 776</b>	<b>1 730 052</b>
<b>Other reserves</b>		
Balance at the beginning of the year	45 457	174 423
Share appreciation rights issued	2 031	-
Non-controlling interest arising on acquisitions and purchases of non-controlling interests	(5 976)	(41 944)
Other reserve movements	42 874	(11 510)
Translation of foreign operations	(70 382)	(75 512)
<b>Balance at the end of the year</b>	<b>14 004</b>	<b>45 457</b>
Attributable to equity shareholders	4 990 298	5 116 027
<b>Non-controlling interest</b>		
Balance at the beginning of the year	152 084	183 310
Total comprehensive income	19 394	18 686
Transfer from non-distributable and other reserve movements	-	(3 146)
Non-controlling interest arising on acquisitions and purchases of non-controlling interests	10 232	(37 719)
Disposal of subsidiary	(81 567)	-
Ordinary and preference dividends paid	(670)	(9 047)
<b>Balance at the end of the year</b>	<b>99 473</b>	<b>152 084</b>

# Summarised consolidated statement of cash flows

	31 March	
	2018 R'000	2017 R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	427 531	1 347 957
Finance costs	(977 487)	(879 612)
Dividends paid to Group shareholders and non-controlling interest	(263 547)	(244 239)
Taxation paid	(163 206)	(188 896)
Interest and dividends received	841 799	736 798
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(134 910)</b>	<b>772 008</b>
<b>Cash flows from investing activities</b>		
Proceeds on sale of property, plant and equipment and other intangible assets	51 265	95 858
Additions to property, plant and equipment	(258 938)	(435 201)
Additions to intangible assets	(26 617)	(16 820)
Acquisition of subsidiaries and associates	(99 484)	(141 912)
Proceeds on sale on subsidiaries	503 776	9 240
Net increase in long-term receivables and finance lease receivables	(421 924)	(404 726)
Net increase in financial investments	(212 731)	(192 081)
Net decrease/(increase) in current portion of financial investments and long-term and finance lease receivables	103 109	(140 641)
<b>Net cash outflow from investing activities</b>	<b>(361 544)</b>	<b>(1 226 283)</b>
<b>Cash flows from financing activities</b>		
Increase in long-term borrowings	844 594	733 843
Net cash outflow on financial transaction	(5 129)	–
Non-controlling interest arising on issue of shares	12 201	–
Decrease in current portion of long-term borrowings and financial liabilities	(172 183)	(62 946)
Acquisition of non-controlling interest	(6 453)	(46 317)
<b>Net cash inflow from financing activities</b>	<b>673 030</b>	<b>624 580</b>
<b>Net increase in cash and cash equivalents</b>	<b>176 576</b>	<b>170 305</b>
Cash and cash equivalents at the beginning of the year	701 081	556 134
Effect of foreign exchange rate movement on cash balance	(19 555)	(25 358)
<b>Cash and cash equivalents at the end of the year</b>	<b>858 102</b>	<b>701 081</b>
<b>Cash and cash equivalents</b>		
Bank and cash balances	1 017 335	1 052 517
Bank overdrafts	(170 417)	(206 451)
Cash and cash equivalents of continuing operations	846 918	846 066
Cash and cash equivalents classified as available for sale	11 184	(144 985)
<b>Total</b>	<b>858 102</b>	<b>701 081</b>

# Other information

	31 March	
	2018	2017
Net interest-bearing debt:equity ratio (excluding long-term debt secured by investments and loans) (%)	27%	28%
Depreciation and amortisation (R'000)	141 137	138 138
Net asset value per share (cents)	4 691	4 715
Tangible net asset value per share (cents)	3 921	4 000
Capital expenditure (R'000)	258 938	435 201
Capital commitment (R'000)	20 568	189 640

# Segment information

	31 March					
	Engineering Solutions	Capital Equipment	Other	Total continuing operations	Discontinued Operations	Total operations
	R'000	R'000	R'000	R'000	R'000	R'000
<b>2018</b>						
Segment revenue	4 558 638	5 073 506	7 663	9 639 807	1 103 730	10 743 537
Segment operating profit before foreign exchange movements	478 700	451 746	9 829	940 275	19 898	960 173
Segment assets	3 135 526	3 846 958	3 174 383	10 156 867	157 978	10 314 845
Segment liabilities	814 839	1 437 370	2 855 173	5 107 382	117 692	5 225 074
<b>2017</b>						
Segment revenue	4 665 157	4 954 925	11 729	9 631 811	1 896 062	11 527 873
Segment operating profit before foreign exchange movements	479 762	469 813	101 603	1 051 178	108 264	1 159 442
Segment assets	2 758 272	4 085 804	8 347 849	15 191 925	1 073 053	16 264 978
Segment liabilities	719 727	1 779 389	7 825 629	10 324 745	672 122	10 996 867

\*Other includes all group, financing and other operations.

# Notes to the preliminary audited summarised consolidated results

## Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements.

Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the unmodified ISA 810 and ISA 700 audit reports together with the consolidated financial statements and financial information from the Company's registered office.

## Prepared by

These audited summarised consolidated financial statements have been prepared under the supervision of Mr Craig Barnard CA(SA), the Financial and Commercial Director.

## Reconciliation of profit before taxation to cash generated from operations

	31 March	
	2018	2017
	R'000	R'000
Profit before taxation	767 650	980 964
Adjusted for:		
Depreciation and amortisation	141 137	138 138
Impairment of assets	4 767	6 606
Net profit on disposal of assets	(37 707)	(6 300)
Loss on realisation of financial transaction	20 002	–
Finance costs	977 487	879 612
Interest and dividend received	(841 799)	(736 798)
Net share of profits of associate	(13 657)	(7 242)
Other non-cash items	(4 957)	(4 538)
Cash generated before movements in working capital	1 012 923	1 250 442
Working capital changes:	(585 392)	97 515
(Increase) / decrease in inventories	(266 303)	5 404
(Increase) / decrease in trade and other receivables	(146 943)	72 580
(Decrease) / increase in trade and other payables and provisions	(172 146)	19 531
<b>Cash generated from operations</b>	<b>427 531</b>	<b>1 347 957</b>

# Notes to the preliminary audited summarised consolidated results

## Acquisitions of subsidiaries and businesses

The significant acquisitions undertaken in the current year consist of the long-term distribution agreement with Fenner and ECS service operations and related assets ("Fenner business") on 1 February 2018 and 100% acquisition of Shamrock Handling Concepts Proprietary Limited ("Shamrock") on 2 January 2018. The Group acquired control of the Fenner business and control over Shamrock by purchasing all of its issued share capital.

	31 March	
	2018	2017
	R'000	R'000
<b>A summary of the financial impact of the acquisitions is disclosed below:</b>		
<b>Fair value of net assets acquired:</b>		
Non-current assets	38 763	44 696
Current assets	29 736	100 149
Non-current liabilities	(14 800)	(24 673)
Current liabilities	(6 914)	(55 866)
Net tangible asset value	46 785	64 306
Non-controlling interest *	–	(25 797)
Fair value of net assets acquired	46 785	38 509
Bank and cash	187	1 162
Net fair value of net assets acquired	46 972	39 671
Cash outflow on acquisitions	99 484	42 020
Fair value of associate investment previously held	–	20 943
Fair value of net assets acquired	(46 972)	(39 671)
Total goodwill	52 512	23 527
Total gain from bargain purchase price	–	(235)

\* Measured based on the net asset value of the acquiree at the acquisition date.

## Disposal of subsidiaries

On 30 September 2017, the Group disposed of the Building Supply Group Proprietary Limited and its subsidiaries ("BSG") to Steinhoff Doors and Building Materials Proprietary Limited, which is considered a related party in terms of IAS 24 - Related party disclosures.

	31 March	
	2018	2017
	R'000	R'000
<b>A summary of the financial impact of the disposal is disclosed below:</b>		
<b>Fair value of net assets disposed of:</b>		
Non-current assets	182 398	
Current assets	819 645	
Non-current Liabilities	(66 910)	
Current Liabilities	(551 500)	
Non-controlling interest	(81 567)	
Fair value of net assets disposed of	302 066	
Bank and cash	177 270	
Fair value of net assets disposed of excluding bank and cash	479 336	
Cash inflow from disposals	503 776	
<b>Total profit on disposal of subsidiary</b>	<b>24 440</b>	

The proceeds are based on an enterprise value of R645 million, with a potential further adjustment to the proceeds of up to 60% of R84 million, up or down, based on the EBITDA of BSG for the financial year ending 30 September 2018.

# Notes to the preliminary audited summarised consolidated results

## Fair value disclosure

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities

Level 2 – fair value is determined using directly observable inputs other than Level 1 inputs

Level 3 – fair value is determined on inputs not based on observable market data

	31 March		Level 1	Level 2	Level 3
	2018	Valuation technique(s) and key inputs			
<i>Financial assets at fair value</i>					
FirstRand Bank Bonds	588 241	2	588 241	–	–
Forward exchange contract asset	144	1	144	–	–
<i>Financial liabilities at fair value</i>					
Foreign trade payables	998 139	3	–	998 139	–
Foreign exchange contract liability	31 112	1	31 112	–	–

	31 March		Level 1	Level 2	Level 3
	2017	Valuation technique(s) and key inputs			
<i>Financial assets at fair value</i>					
FirstRand Bank Bonds	709 094	2	709 094	–	–
Forward exchange contract asset	677	1	677	–	–
<i>Financial liabilities at fair value</i>					
Foreign trade payables	1 089 685	3	–	1 089 685	–
Foreign exchange contract liability	18 625	1	18 625	–	–

Valuation technique(s) and key inputs:

1. Discounted contractual stream of payments using the zero swap curve at the valuation date.
2. Expected settlement value.
3. Determined by the spot rate at year-end.

There have been no transfers between the levels during the financial year disclosed.

## Events after the reporting date

There were no events to report on after the reporting period to the date of this report.

# Preference share cash dividend

Notice is hereby given that the Directors of the Company have declared a gross cash dividend on 4 June 2018 of 634.06798 cents (12 June 2017:698.35) per preference share for the period from Tuesday, 7 November 2017 to Monday, 4 June 2018. Dividends are to be paid out of distributable reserves.

- Dividends tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from the DT;
- Accordingly, shareholders who are not exempt from DT will receive a net dividend of 507.25438 cents per preference share;
- Invicta Holdings Limited has 7 500 000 preference shares in issue; and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/6.

## The salient dates for the preference share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 26 June 2018
Shares commence trading "ex" dividend	Wednesday, 27 June 2018
Record date	Friday, 29 June 2018
Payment date	Monday, 2 July 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 27 June 2018 and Friday, 29 June 2018, both days inclusive.

# Ordinary share cash dividend

Notice is hereby given that the Directors of the Company have declared a gross cash dividend of 50 cents per ordinary share for the year ended 31 March 2018. Dividends are to be paid out of distributable reserves. Dividend tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from DT. In accordance with paragraphs 11.17(1)(i) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The gross local dividend amount is 50 cents per ordinary share for shareholders exempt from the Dividend Tax;
- The net local dividend amount is 40 cents per ordinary share for shareholders liable to pay the Dividend Tax;
- Invicta Holdings Limited has 108 494 738 ordinary shares in issue (which includes 1 541 823 treasury shares); and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/06.

## The salient dates for the ordinary share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 24 July 2018
Shares commence trading "ex" dividend	Wednesday, 25 July 2018
Record date	Friday, 27 July 2018
Payment date	Monday, 30 July 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 July 2018 and Friday, 27 July 2018, both days inclusive.

By order of the board



**L Dubery**  
Group company secretary

Cape Town  
14 June 2018

# Notice of annual general meeting

Invicta Holdings Limited  
Registration number 1966/002182/06  
Incorporated in the Republic of South Africa  
Share code: IVT Ordinary Share • ISIN: ZAE000029773  
IVTP Preference Share • ISIN: ZAE000173399  
(“Invicta” or “the Company” or “the Group”)

## Notice of annual general meeting (“AGM”) of shareholders for the year ended 31 March 2018 (“Notice”)

Notice is hereby given that the AGM of Invicta’s ordinary shareholders will be held at Invicta’s registered office on the 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, Cape Town on Thursday, 6 September 2018 at 10:00am.

Please refer to page 20 of this Notice for the record dates as well as important information on participation and voting at the meeting.

The purpose of the meeting is to transact the business set out herein and to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.

For ordinary resolutions numbers 1 to 10 to be adopted, the support of more than 50% of the total number of votes exercised by shareholders, present in person or by proxy, is required. For ordinary resolution 11 and special resolutions 1 to 5 to be adopted, the support of at least 75% of the total number of votes exercised by shareholders, present in person or by proxy, is required.

References are made in this Notice to Invicta’s 2018 annual consolidated financial statements (“AFS”) and integrated annual report (“IAR”). These documents are available on [www.invictaholdings.co.za](http://www.invictaholdings.co.za) or from the Group company secretary from 30 June 2018.

## Item 1: Presentation of annual financial statements and reports

The audited annual consolidated financial statements of the Group for the year ended 31 March 2018, together with the Audit Committee report and directors’ report, will be presented to shareholders.

## Item 2: Confirmation of appointment of directors

**Ordinary Resolution 1: “Resolved that the appointment of Mr Gavin Pelser as director of the Company, effective from 7 September 2017, be and is hereby confirmed.”**

**Ordinary Resolution 2: “Resolved that the appointment of Ms Nazlee Rajmohamed as director of the Company, effective from 1 July 2018, be and is hereby confirmed.”**

Explanatory Note: Since the 2017 AGM, the board appointed two new executive directors, being Mr Gavin Pelser (effective 7 September 2017) and Ms Nazlee Rajmohamed (effective 1 July 2018). Their appointments are being referred to shareholders for confirmation, as required in terms of the Company’s Memorandum of Incorporation (“MOI”) and the Companies Act No. 71 of 2008 (“Companies Act (2008)”).

A description of the directors’ qualifications and experience is contained in the attachment to this Notice.

## Item 3: Re-election of directors retiring by rotation

**Ordinary Resolution 3: “Resolved that Mr Byron Nichles be and is hereby re-elected as director of the Company.”**

**Ordinary Resolution 4: “Resolved that Ms Ramani Naidoo be and is hereby re-elected as director of the Company.”**

**Ordinary Resolution 5: “Resolved that Mr Rashid Wally be and is hereby re-elected as director of the Company.”**

Explanatory Note: The Company’s MOI provides that at least one third of non-executive directors must retire by rotation at each AGM, and may be re-elected if eligible. The directors retiring at this AGM are Mr Byron Nichles, Ms Ramani Naidoo and Mr Rashid Wally. The board considered the performance and contribution made by each director, and fully support the re-election of each of the directors. Each of these directors have offered themselves for re-election at the AGM.

A description of the directors’ qualifications and experience is contained in the attachment to this Notice.

# Notice of annual general meeting

## Item 4: Election of Audit Committee members

**Ordinary Resolution 6:** *“Resolved that Mr David Samuels be elected as a member of the Audit Committee until the conclusion of the Company’s next AGM.”*

**Ordinary Resolution 7:** *“Resolved, subject to the adoption of Ordinary Resolution 4, that Ms Ramani Naidoo be elected as a member of the Audit Committee until the conclusion of the Company’s next AGM.”*

**Ordinary Resolution 8:** *“Resolved, subject to the adoption of Ordinary Resolution 5, that Mr Rashid Wally be elected as a member of the Audit Committee until the conclusion of the Company’s next AGM.”*

Explanatory Note: The Companies Act (2008) requires the shareholders of a company to elect the members of the Audit Committee every year. The board has considered, and are satisfied with the performance and independence of the members of the Audit Committee. The board proposes that the membership of the Audit Committee, being Mr David Samuels, Ms Ramani Naidoo and Mr Rashid Wally remain the same until the next AGM.

A description of the directors’ qualifications and experience is contained in the attachment to this Notice.

## Item 5: Reappointment of independent auditors for the 2019 financial year

**Ordinary Resolution 9:** *“Resolved to reappointment Deloitte & Touche as the independent registered auditors of the Company for the ensuing financial year, and to note Mr T Marrayday as the designated audit partner.”*

Explanatory Note: Shareholders are required to appoint auditors every year at the AGM. The Audit Committee has recommended the reappointment of Deloitte & Touche as independent auditors for the 2019 Financial Year. The report of the Audit Committee, including its assessment of the auditors, can be found in the audited annual financial statements.

## Item 6: Placing the authorised but unissued shares under the control of the directors and authorising directors to issue shares for cash

**Ordinary Resolution 10:** *“Resolved that the authorised but unissued shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors of the Company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors of the Company may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act (2008), the MOI of the Company and the JSE Listings Requirements, where applicable (each as presently constituted and amended from time to time), such authority to remain in force until the Company’s next AGM.”*

**Ordinary Resolution 11:** *“Resolved that the directors of the Company be and are hereby authorised by way of a general authority, to issue all or any of the authorised but unissued ordinary shares in the capital of the Company, or to allot, issue and grant options to subscribe for, all or any of the authorised but unissued ordinary shares in the capital of the Company, for cash, as and when they in their discretion deem fit, subject to the provisions of the Companies Act (2008), the MOI of the Company, the JSE Listings Requirements, where applicable (each as presently constituted and amended from time to time).”*

Explanatory Note: It is recorded that, as at the date of this Notice, the JSE Listings Requirements (“Listings Requirements”) provide, inter alia, that the Company may only undertake a general issue for cash subject to the following:

- the equity 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;
- any such issue will only be made to “public shareholders” as defined in the Listings Requirements and not to related parties;
- the securities which are the subject of a general issue for cash may not exceed 30% of the number of listed securities excluding treasury shares as at the date of this Notice, being 32,085,874 shares. The total amount of authorised, but not issued Invicta ordinary shares at the date of this Notice is 25,505,262 ordinary shares. Any securities issued under this authorisation during the authorisation period will be deducted from the aforementioned 25,505,262 listed securities. In the event of a consolidation during the authorisation period, the authority will be adjusted to represent the same allocation ratio.
- this authority shall be valid until the Company’s next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;

# Notice of annual general meeting

- after the Company issues a cumulative 5% or more of its issued equity securities in terms hereof within the approval period, the Company shall publish an announcement containing full details of the issue, including the number of securities issued; the average discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed in writing between the issuer and the subscribers; an explanation, including supporting information (if any), of the intended use of the funds and if options or convertible securities are issued, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share
- the maximum discount at which equity securities may be issued is 10% of the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed between the issuer and the subscriber(s).

## Item 7: Remuneration

**Ordinary Resolution 12:** “Resolved to endorse, through a non-binding advisory vote, the Company’s remuneration policy. The Company’s remuneration policy is summarised on page 38 of the integrated annual report.”

**Ordinary Resolution 13:** “Resolved to endorse through a non-binding advisory vote, the Company’s remuneration implementation report, the Company’s remuneration implementation report is set out on page 39 of the integrated annual report.”

**Special Resolutions 1.1 to 1.6:** “Resolved that, the remuneration of the Company’s non-executive directors for the 2019 financial year, be approved each by way of a separate vote:

1.1 Chairman of the Invicta Board	R787 857 per annum, in addition to board meeting fees
1.2 Chairman of the Invicta Audit Committee	R78 786 per annum, in addition to Audit Committee meeting fees
1.3 Members of the Invicta Board	R36 267 per meeting
1.4 Members of the Invicta Audit Committee	R32 514 per meeting
1.5 Members of the Invicta Remuneration Committee	R30 014 annually
1.6 Members of the Invicta Social and Ethics Committee	R30 014 annually
1.7 Members of the Invicta South Africa Holdings Proprietary Limited board	R17 508 per meeting

Explanatory Note: King IV recommends that a Company’s remuneration policy and implementation report be referred to shareholders by way of a non-binding advisory vote.

The Companies Act (2008) requires that the remuneration of directors for their services as directors be approved by way of special resolution. The executive directors are not paid an additional fee for their services as directors and their remuneration is determined in their employment contracts.

## Item 8: General authority to repurchase shares

**Special Resolution 2:** “Resolved that, the Company and/or any subsidiary of the Company be and is hereby authorised by way of a general approval as contemplated in section 48 of the Companies Act (2008) as amended, to acquire from time to time any of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI of the Company, the provisions of the Companies Act (2008) and the JSE Listings Requirements, where applicable (each as presently constituted and amended from time to time).”

**Special Resolution 3:** “Resolved that, the Company and/or any subsidiary of the Company be and is hereby authorised by way of a general approval as contemplated in section 48 of the Companies Act (2008) as amended, to acquire from time to time any of the issued preference shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI of the Company, the provisions of the Companies Act (2008) and the JSE Listings Requirements, where applicable (each as presently constituted and amended from time to time).”

Explanatory Note: As at the date of this Notice, the Listings Requirements provide, *inter alia*, that the Company or any subsidiary of the Company may only make a general repurchase of the shares of the Company subject to the following:

- the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- authorisation thereto being given by the MOI of the Company;

# Notice of annual general meeting

- this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company;
- the acquisitions of ordinary shares in the aggregate in any one financial year do not exceed 20% (twenty percent) of the Company's issued ordinary share capital from the date of the grant of this general authority;
- a resolution by the board of directors authorising the repurchase, stating that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group;
- the Company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements;
- when the Company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made; and
- the Company only appoints one agent to effect any repurchase(s) on its behalf.

Additional disclosure in terms of the Listings Requirements section 11.26 and 11.27.

The Listings Requirements require the following disclosure:

- Directors and management – refer to pages 5 to 8 of the AFS;
- Major beneficial shareholders – refer to pages 56 to 57 of the AFS;
- Directors' interests in ordinary shares – refer to page 7 and 51 of the AFS; and
- Share capital of the Company – page 7 and 40 of the AFS.

## Directors' responsibility statement

The directors, whose names are given on the annexure to this Notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the Listings Requirements.

## Material changes

Other than the facts and developments reported on in the audited annual consolidated financial statements and integrated annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this Notice.

## Statement of board's intention

The board, at the date of this Notice, has no definite intention of repurchasing shares in Invicta on the open market of the JSE. It is, however proposed, and the board believes it to be in the best interest of the Company, that shareholders pass a special resolution granting the board a general authority to acquire its own shares and permit subsidiary companies of Invicta to acquire shares in the Company.

Pursuant to a general repurchase other than shares repurchased by one or more of the subsidiary companies to be held as treasury shares, application will be made to the JSE for the cancellation and delisting of the shares in question. The cancellation of the shares will be effected by way of a reduction of the ordinary share capital.

## Statement of directors

The Company's directors undertake that after considering the effect of such maximum repurchase, for a period of 12 (twelve) months following the date of this Notice of AGM:

- a. the Company and the Group will be in a position to repay their debts in the ordinary course of business;
- b. the assets of the Company and the Group, being fairly valued in accordance with IFRS, will be in excess of the liabilities of the Company and the Group;
- c. the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;
- d. the working capital will be adequate to continue the ordinary business purposes of the Company and the Group.

# Notice of annual general meeting

## Item 9: Financial assistance

**Special Resolution 4: "Resolved that in terms of section 44(3)(a)(ii) of the Companies Act (2008), the provision from time to time of financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) by the Company to any related or inter-related company, for the purposes of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company of the Company, or for the purchase of any securities of the Company or a related or inter-related company of the Company, be and is hereby approved."**

Explanatory Note: Such approval shall be in place for a period of 2 (two) years from the date of adoption of this special resolution number 4 and be subject further to section 44(3)(b) of the Companies Act (2008) which states that the board may not authorise such financial assistance unless the board is satisfied that (i) immediately after providing such financial assistance, the Company would satisfy the solvency and liquidity test contemplated in section 4 of the Companies Act (2008); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

**Special Resolution 5: "Resolved that in terms of section 45(3)(a)(ii) of the Companies Act (2008), the provision from time to time of financial assistance (including lending money, guaranteeing a loan or other obligation and securing any debt or obligation) by the Company to any related or inter-related company of the Company, be and is hereby approved."**

Explanatory Note: Such approval shall be in place for a period of 2 (two) years from the date of adoption of this special resolution number 5 and be subject further to section 45(3)(b) of the Companies Act (2008) which states that the board may not authorise such financial assistance unless the board is satisfied that (i) immediately after providing such financial assistance, the Company would satisfy the solvency and liquidity test contemplated in section 4 of the Companies Act (2008); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

## Important information regarding attendance, participation and voting at the AGM

### Electronic participation

Shareholders' or their proxies entitled to attend, participate and vote at the AGM that wish to make use of the electronic communication should contact the Company secretary for further information by no later than Monday, 3 September 2018. Shareholders will be required to provide proof of their identity and shareholding to the satisfaction of the Company prior to the meeting.

The use of electronic communication facilities will be at the shareholders' own cost.

### Record dates

The board of directors has set the record date on which shareholders must be recorded in the share register in order to be entitled to receive this Notice is Friday, 22 June 2018.

The record date in respect of participation and voting at the AGM is Friday, 31 August 2018, and the last date to trade is Tuesday, 28 August 2018.

All meeting participants (including proxies) will be required to provide identification. Acceptable forms of identification include valid identity documents, drivers' licences and passports.

### Voting instructions – for shareholders whose shares are held in a nominee account

If your Invicta shares have been dematerialised and are held in a nominee account, then your Participant (as defined in the Financial Markets Act 19 of 2012 - previously named Central Securities Depository Participant (CSDP)) or broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the AGM and thereafter cast your vote in accordance with your instructions.

If you have not been contacted it would be advisable for you to contact your Participant or broker, as the case may be, and furnish them with your instructions. If your Participant or broker, as the case may be, does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them, or, if the mandate is silent in this regard, to abstain from voting.

Dematerialised shareholders whose shares are held in a nominee account must not complete the attached form of proxy.

Unless you advise your Participant or broker timeously in terms of the agreement between yourself and your Participant or broker by the cut-off time advised by them that you wish to attend the AGM or send a proxy to represent you, your Participant or broker will assume you do not wish to attend the AGM or send a proxy. If you wish to attend the AGM, your Participant or broker will issue the necessary letter of representation to you to attend the meeting.

# Notice of annual general meeting

Shareholders who have dematerialised their shares through a Participant or broker, other than “own name” registered dematerialised shareholders, who wish to attend the AGM, must request their Participant or broker to issue them with a letter of representation, or they must provide the Participant or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the Participant or broker.

## Proxies – for shareholders holding shares in their own name

In terms of the Companies Act (2008), any member entitled to attend and vote at the AGM may appoint one or more persons as proxy, to attend and speak and vote in his stead. A proxy need not be a member of the Company. Forms of proxy must be deposited at the office of the transfer secretaries not later than 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays) or alternatively should be given to the Company Secretary prior to the start of the meeting.

Section 58 of the Companies Act (2008) provides the following:

1. At any time, a shareholder of the Company may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:
  - participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
  - give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60;
  - provided that the shareholder may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.
2. A proxy appointment:
  - must be in writing, dated and signed by the shareholder; and
  - remains valid for the duration of the AGM for which it was signed; or
  - any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
3. Except to the extent that the MOI of the Company provides otherwise:
  - a shareholder of the Company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
  - a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
  - a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
  - the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
  - the appointment is revocable unless the proxy appointment expressly states otherwise; and
  - if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - delivering a copy of the revocation instrument to the proxy, and to the Company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
6. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act (2008) or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to:
  - the shareholder; or
  - the proxy or proxies, if the shareholder has directed the Company to do so, in writing; and paid any reasonable fee charged by the Company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy, provides otherwise.

---

# Notice of annual general meeting

8. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy:
  - the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;
  - the invitation, or form of instrument supplied by the Company for the purpose of appointing a proxy, must:
    - bear a reasonably prominent summary of the rights established by this section;
    - contain adequate blank space,
    - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
  - the Company must not require that the proxy appointment be made irrevocable; and
  - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.
9. Subsection (8)(b) and (d) do not apply if the Company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

By order of the board



**Lize Dubery**  
*Group company secretary*  
Cape Town  
29 June 2018

# Annexure

## **Dr Christo Wiese (76)**

*Non-executive chairman*

*Years of service as director: 20*

*BA, LLB, DCom(h.c.)*

Dr Christo Wiese was appointed as a non-executive director of Invicta in October 1997 and served as chairman from October 1997 to April 2000. He was re-appointed as non-executive chairman of Invicta in January 2006. He is currently also the chairman of Tradehold Limited and Shoprite Holdings Limited and steers the board through his wealth of experience in business. Dr Wiese, as a large shareholder of Invicta, further contributes to ensuring that management's interests are aligned with that of shareholders.

## **Arnold Goldstone (57)**

*Executive director*

*Years of service as director: 28*

*BSc (Mech Eng), BCom (Hons), CA(SA)*

Arnold was employed as a management consultant at KPMG prior to joining Invicta in January 1990 as financial manager. He was appointed financial director of Invicta in August 1991 and CEO in April 2000. Arnold acted as deputy chairman from May 2015 to January 2017 during the tenure of Charles Walters as CEO, and returned to the position of CEO in February 2017.

## **Craig Barnard (54)**

*Executive director*

*Years of service as director: 11*

*CA(SA), MBA, ACIS*

Craig previously held positions with Sappi and Group Five, before joining Invicta as financial manager in 1998. He was appointed as director of CSE Equipment Company in 1999, as Invicta's company secretary in 2002, and as an executive director of Invicta in June 2007. Craig resigned as company secretary in January 2014 when he was appointed as financial and commercial director. From 1 July 2018 Craig will hand the responsibilities of financial director over to Nazlee Rajmohamed, but will remain on the board as commercial director.

## **Tony Sinclair (63)**

*Executive director*

*Years of service as director: 11*

Tony joined JI Case in 1982 and was appointed as branch manager in 1986. He joined CSE Equipment Company in 1989 and was promoted to divisional managing director in 1993. Tony was appointed as managing director of CEG in 1998, a position which he still holds. He was appointed as an alternate director of Invicta in September 2006, and as an executive director in June 2007.

## **Gavin Pelsler (55)**

*Executive director*

*Years of service as director: <1*

*NTC 5 and various diplomas*

Gavin has over 30 years' experience in the engineering sector and holds various diplomas including a technical NTC 5 qualification. He has gained experience through various managerial roles as well as running his own business, Oscillating Systems Technology ("OST"), which was acquired by Invicta in 2005. Gavin was appointed as a divisional director of Bearing Man Group ("BMG") in 2008, forming part of their mergers and acquisitions team. He also played a lead role in BMG's Simplify for Success ("S4S") strategy. Gavin was appointed as the managing director of BMG in September 2016, and as an executive director of Invicta in September 2017.

## **David Samuels (78)**

*Lead independent non-executive director*

*Years of service as director: 20*

*CA(SA)*

David joined Trade and Industry Acceptance Corporation Limited in 1971 where he served as a director from 1980 to 1984. From 1989 to 2000 he was managing director of Stenham Proprietary Limited. In 1996 David was appointed as non-executive director, and served as lead independent director from 1 April 2014. He was a non-executive director and chairman of Bearing Man Limited from 2001 to 2006, when that company was de-listed from the JSE.

---

# Annexure

## **Rashid Wally (74)**

*Independent non-executive director*

*Years of service as director: 4*

Rashid was appointed as an independent non-executive director of Invicta on 30 July 2013. He has held various senior executive positions with IBM in Africa, Europe, the Middle East and South East Asia, including Lenovo in Africa. Rashid has over 38 years' of experience in the Information Technology sector and was chairman of the board and member of the audit committee of Mango Airlines (SOC) Limited. Rashid is currently chairman of Fastjet PLC, a listed company on the London Stock Exchange AIM Section, and also serves on that company's audit and risk committee.

## **Ramani Naidoo (56)**

*Independent non-executive director*

*Years of service as director: 4*

*BA, LLB, Certificate Mergers & Acquisitions*

Ramani was admitted to practice as an attorney, notary public and conveyancer in 1998. She has over 15 years of experience as a director of companies, having served as a non-executive director on the boards of a number of private and public companies. In a private capacity, Ramani has been involved in various business ventures and commercial property developments and also has a particular interest and expertise in corporate governance and is a published author in the field. Ramani was appointed as an independent non-executive director of Invicta in February 2014.

## **Lance Sherrell (52)**

*Non-executive director*

*Years of service as director: 7*

Lance is a director and shareholder of the SMG Group (BMW). Lance studied commerce at the University of Cape Town and has been involved in the hospitality and motor trade industries for the past 15 years. He represented South Africa as a rugby player in the national team in 1994. Lance was appointed as alternate director to Reg Sherrell on 27 May 2009 and was nominated as a non-executive director of on 29 July 2010, upon the retirement of Reg Sherrell.

## **Adv. Jacob Wiese (37)**

*Non-executive director*

*Years of service as director: 3*

*BA (Value and Policy Studies), LLB, MIEM (Bocconi, Italy)*

Adv. Jacob Wiese was appointed as non-executive director of Invicta in July 2010. He obtained his BA degree, after which he worked at Lourensford Wine Estate, assisting in initiating events partnerships. Jacob subsequently completed his master's degree in International Economics and Management as a participant in the MBA program. After returning to Lourensford for a brief period, he graduated with an LLB degree in 2008. During 2009, he completed his pupillage at the Cape Bar and was admitted as an advocate of the High Court.

## **Byron Nichles (46)**

*Non-executive director*

*Years of service as director: 3*

*CA(SA), CGMA*

Byron gained 14 years' financial services and advisory experience with Deloitte & Touche and Bridge Capital. Byron was appointed as CEO of ARB Holdings in February 2009, tasked with driving the group's growth strategy. He was previously the group CFO of Amalgamated Appliance Holdings Limited and a founding shareholder and director of Bridge Capital Group Limited. Byron was appointed as CEO of BMG and director of Invicta in November 2014. Byron resigned as CEO of BMG in October 2016 but remained on Invicta's board as a non-executive director.

## **Nazlee Rajmohamed (52)**

*Financial Director (as of 1 July 2018)*

*B.Comm, Post Graduate Diploma in Accounting, CA(SA)*

Nazlee is a chartered accountant, holding a bachelor of commerce degree and a post-graduate diploma in accountancy. Nazlee has over 24 years' experience, having held senior positions within the TOTAL Société Anonyme Group in South Africa, Nigeria and France. Nazlee joins Invicta from MTN Group Limited where she currently served as the Executive Group Finance Operations.

# Form of proxy

## Invicta Holdings Limited

Registration number 1966/002182/06  
 Incorporated in the Republic of South Africa  
 Share code: IVT Ordinary Share • ISIN: ZAE000029773  
 IVTP Preference Share • ISIN: ZAE000173399  
 (“Invicta” or “the Company” or “the Group”)



For use by shareholders who are:

1. Registered as such and who have not dematerialised their Invicta ordinary shares; or
2. Hold dematerialised Invicta ordinary shares in their own name;

at the Invicta Annual General Meeting (“AGM”) to be held in the boardroom at Invicta’s registered office on the 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, Cape Town on Thursday, 6 September 2018 at 10:00am.

Dematerialised shareholders holding shares other than with “own name” registration, must inform their Participant (as defined in the Financial Markets Act 19 of 2012 - previously named Central Securities Depository Participant (CSDP)) or broker of their intention to attend the AGM and request their Participant or broker to issue them with the necessary letter of representation to attend the AGM in person and vote, or provide their Participant or broker with their voting instructions should they not wish to attend the AGM in person. These shareholders must not use this form of proxy.

I/We (please print name in full) \_\_\_\_\_

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

being a shareholder(s) of Invicta and holding \_\_\_\_\_

ordinary shares hereby appoint (name in block letters) \_\_\_\_\_

1. \_\_\_\_\_ or failing him

2. \_\_\_\_\_ or failing him

3. the Chairman of the AGM as my/our proxy to act for me/us at the AGM which will be held on Thursday, 6 September 2018 at 10:00am in the boardroom of Invicta Holdings Limited on 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, Cape Town for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name(s) (as per note 2 above).

	Number of votes (one per share)		
	For	Against	Abstain
<b>Ordinary Resolution 1</b> Confirmation of appointment of Mr Gavin Pelsler			
<b>Ordinary Resolution 2</b> Confirmation of appointment of Ms Nazlee Rajmohamed			
<b>Ordinary Resolution 3</b> Re-election of Mr Byron Nichles			
<b>Ordinary Resolution 4</b> Re-election of Ms Ramani Naidoo			
<b>Ordinary Resolution 5</b> Re-election of Mr Rashid Wally			
<b>Ordinary Resolution 6</b> Election of Mr David Samuels to the Audit Committee			
<b>Ordinary Resolution 7</b> Election of Ms Ramani Naidoo to the Audit Committee			

# Form of proxy

<b>Ordinary Resolution 8</b> Election of Mr Rashid Wally to the Audit Committee			
<b>Ordinary Resolution 9</b> Re-appointment of Deloitte & Touche as auditors			
<b>Ordinary Resolution 10</b> Placing shares under the control of directors			
<b>Ordinary Resolution 11</b> Authority of directors to issue shares for cash			
<b>Ordinary Resolution 12</b> Endorsement of remuneration policy			
<b>Ordinary Resolution 13</b> Endorsement of remuneration implementation report			
<b>Special Resolution 1.1</b> Approval of remuneration of Board Chairman – R787 857 per annum			
<b>Special Resolution 1.2</b> Approval of remuneration of Audit Committee Chairman – R 78 786 per annum			
<b>Special Resolution 1.3</b> Approval of remuneration of Board members – R36 267 per meeting			
<b>Special Resolution 1.4</b> Approval of remuneration of Audit Committee members – R32 514 per meeting			
<b>Special Resolution 1.5</b> Approval of remuneration of Remuneration Committee members – R30 014 per annum			
<b>Special Resolution 1.6</b> Approval of remuneration of Social & Ethics Committee members – R30 014 per annum			
<b>Special Resolution 1.7</b> Approval of remuneration of the Invicta South Africa Holdings Proprietary Limited board members – R17 508 per meeting			
<b>Special Resolution 2</b> General authority to repurchase ordinary shares			
<b>Special Resolution 3</b> General authority to repurchase preference shares			
<b>Special Resolution 4</b> Approval for the provision of financial assistance for the subscription of shares			
<b>Special Resolution 5</b> Approval for the provision of financial assistance to a related or inter-related company			

Please indicate with an “X” in the appropriate spaces above how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2018

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Number of shares \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the AGM.

*Please read the notes below.*

---

# Notes to form of proxy

1. A shareholder may insert the name or names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the AGM" but any such deletion must be initialed by the shareholder.
2. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the AGM as he deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or his proxy, or cast them in the same way.
3. Any alteration or correction made to this form must be initialed by the signatory/ies.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairman of the AGM.
5. The completion and lodging of this form will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.
6. The chairman of the AGM may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
7. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.
8. Where there are joint holders of any shares:
  - any one holder may sign this form of proxy;
  - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
9. Shareholders are requested to deposit forms of proxy at the office of the transfer secretaries in Johannesburg (Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. PO Box 61051, Marshalltown, 2107), 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays) if possible, alternatively before the start of the meeting with the Company secretary.

---

# Administrative and corporate information

**Registered office:** Invicta Holdings Limited, 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, 7493.

PO Box 6077, Parow East, 7501

legal@invictaholdings.co.za | [www.invictaholdings.co.za](http://www.invictaholdings.co.za)

**Transfer secretaries:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. PO Box 61051, Marshalltown, 2107

Tel: 011 370 5000 [www.computershare.com](http://www.computershare.com)

**Sponsor:** Deloitte & Touche Sponsor Services Proprietary Limited, Deloitte Place, Building 8, The Woodlands, 20 Woodlands Drive, Woodmead, Johannesburg, 2196

**Directors:** Dr CH Wiese\* (Chairman), A Goldstone (Chief Executive Officer), C Barnard, R Naidoo^, B Nichles\*, GM Pelsler, DI Samuels^, LR Sherrell\*, AM Sinclair, RA Wally^, Adv JD Wiese\*

*\* Non-executive ^ Independent non-executive*

**Group company secretary:** L Dubery



[www.bmgworld.net](http://www.bmgworld.net)



[www.capitalequipment.co.za](http://www.capitalequipment.co.za)

