Invicta
HOLDINGS LIMITED

2019 SUMMARISED AUDITED CONSOLIDATED RESULTS AND NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 MARCH 2019

Letter to shareholders

Dear shareholder

This summary of our results for the year to 31 March 2019 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, annual consolidated financial statements and social and governance report will be available on our website **www.invictaholdings.co.za** on or about Friday 19 July 2019. 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 2019 results disclosed below represent the total continuing operations:

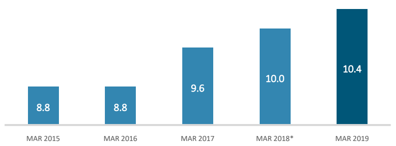
Revenue*
R10.4 billion
↑ 5%

Profit attributable to ordinary shareholders**
R135 million
↑ 61%

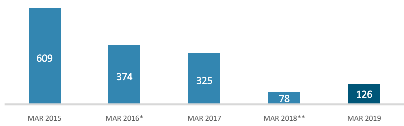
Profit for the year**
R229 million
↑ 21%

Headline earnings per share**
112 cents
↑ 93%

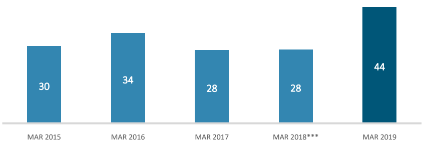
Revenue
(R billion)



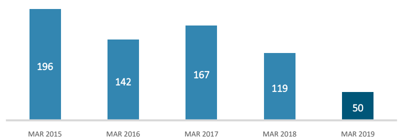
Basic earnings per share
(cents)



Net interest-bearing debt : equity
(%)



Ordinary dividends paid
(cents)



**Re-presented*
*** Re-presented and restated*
****Restated*

Executive review of our performance

Overview of the year

This has been one of the toughest years on record for the Group. Almost every sector served by the Group in South Africa (from which the Group derives about 76% of its revenue), has been under severe economic pressure. The generally poor economic conditions in South Africa, and months of uncertainty leading up to a general election in May 2019, contributed to a general decline in demand for products across our product range.

It is therefore most pleasing to report that revenue for the Group increased by 5% to R10.450 billion. A number of acquisitions were made during the year, which contributed R254 million to revenue. The challenging trading conditions resulted in a decline in gross margin, whilst overheads increased due to take-on and rationalisation costs of acquisitions and once-off costs of right sizing some existing underperforming businesses. As a result, operating profit declined from R839 million to R690 million.

The tax dispute with SARS was settled for R750 million during the year and has been fully provided for in the accounts, of which R550 million was provided in prior years and R200 million in this year. R450 million of the settlement has been paid to SARS to date and the balance is payable over the next 4 years.

Group performance

The operations comprise:

- ESG (Engineering Solutions Group) – distributor of engineering products (bearings, belts, tools, electric motors, hydraulics), 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.

Profit for the year grew by 21% to R229 million with basic earnings per share up 62% and headline earnings per share up 93%.

The interest received/paid and dividends received from financial investments have reduced substantially in the year under review due to the settlement of financial transactions.

The Group has reassessed the accounting treatment of the repurchase of agency distribution rights agreements within the ESG operations and the amortization of intangible assets primarily related to these rights. This has resulted in the restatement of financial information in the prior periods. The comparative financial information has accordingly been restated and is detailed in the relevant notes to the financial statements.

ESG

Revenue grew by 15% to R5.238 billion, of which R254 million came from acquisitions during the year. Trading conditions were challenging, with the significant sectors which are serviced by ESG (mining, manufacturing, agriculture, general industry, construction) all experiencing headwinds during the year. These market conditions presented good acquisition opportunities, which ESG took advantage of. The acquisition of the Forge Industrial Group, which operates mainly in the Tool and Belting sectors of the economy, and the Driveshafts Parts business, operating in South Africa and Poland in the replacement drive shaft parts sectors, were concluded during the year. A total investment of R331 million was made in these businesses. The tool business was amalgamated with ESG's Mandirk (tool) business, but major restructuring was required to turn the business around. The turnaround strategy has, unfortunately, taken longer than expected to implement, but the combined tool business is expected to be profitable during the first quarter of the new financial year. The other core businesses in ESG have grown and the first phase of the consolidation and rationalisation of the logistics operations at BMG World are finally being completed and bedded down.

CEG

CEG revenue declined by 5% to R4.831 billion largely due to an overall decline in demand. The sectors serviced by CEG - agricultural machinery, construction machinery and the forklift sector – all experienced a significant decline in unit sales and gross margin in South Africa, due to the prevailing market conditions. CEG's focus on annuity type business gave it protection and the improved contribution from Kian Ann Engineering Group (based in Singapore) helped CEG to limit its decline in segment operating profit before interest on financing transactions and foreign exchange movements to 17%. CEG has managed to maintain its market shares in South Africa and has once again managed to contain costs and generate cash.

Strategic focus and prospects

Trading conditions have settled since the elections in May 2019, but they still remain challenging. Management expects the coming year to be more positive than the year under review, but anticipates a slow return to growth. Management will focus on bedding down acquisitions, prioritising cash generation and return on equity.

Changes to the Board and Board committees

Ms. N Rajmohamed was appointed as the Group Financial Director effective 1 July 2018. Mr. LR Sherrell was appointed to the audit committee on a temporary basis with effect from 16 November 2018. The board is in the process of appointing a new independent non-executive director to serve on the audit committee, which will bring its composition back in line with the recommendations of King IV. Ms. R Naidoo resigned effective 25 September 2018 as an independent non-executive director. There have been no further changes to the Board or the membership of its committees.

Dividend policy

In light of the tax settlement and the resultant higher gearing in the group, the Board has resolved not to declare a final dividend. It is anticipated that 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) will be resumed once cash flows and gearing permit.

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.

Approval

The Directors take full responsibility for the preparation of the Summarized Audited Consolidated Results, and confirm that the financial information has been correctly extracted from the underlying Audited Annual Consolidated Financial Statements.

Auditors

Ernst & young Inc. are the Group's auditors and have issued an unmodified opinion on the Audited Annual Consolidated Financial Statements. This summarised report is extracted from the audited information, but is not itself audited.

On behalf of the Board

Arnold Goldstone
Chief Executive Officer

Nazlee Rajmohamed
Group Financial Director

Summarised consolidated statement of profit or loss and other comprehensive income

	% change	31 March 2019 R'000	2018* R'000
Continuing operations			
Revenue	5	**10,449,704**	9,994,103
Gross profit		**2,987,824**	3,041,222
Operating profit before interest on financing transactions and foreign exchange movements	(23)	**699,364**	905,220
Interest received from financing transactions		**16,158**	11,335
Finance costs on financing transactions		**(8,315)**	(6,502)
Net foreign exchange cost		**(17,317)**	(140,093)
Operating profit	(10)	**689,890**	769,960
Interest received and dividends received from financial investments		**128,572**	813,253
Finance costs		**(242,811)**	(941,267)
Equity accounted earning from investment in associates		**27,171**	13,593
Equity accounted earning from investment in joint ventures		**11,630**	–
Profit before taxation from continuing operations	(6)	**614,452**	655,539
Taxation		**(385,838)**	(535,623)
Profit for the year from continuing operations	91	**228,614**	119,916
Discontinued operations			
Profit for the year from discontinued operations	-	**–**	–
Profit for the year		**228,614**	119,916
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of equity loans**		**3,979**	(2,923)
Exchange differences on translation of foreign operations		**238,455**	(65,122)
Changes in the fair value of financial investments		**5,927**	–
Total comprehensive income for the year		**476,975**	51,871
Profit attributable to:			
Owners of the Company		**134,555**	83,538
Non-controlling interest		**11,195**	20,993
Preference shareholders		**82,864**	84,057
		228,614	119,916
Total comprehensive income attributable to:			
Owners of the Company		**377,982**	17,092
Non-controlling interest		**16,129**	19,394
Preference shareholders		**82,864**	84,057
		476,975	51,871

* Restated and re-presented, refer to note 8 note 9.

** The equity loans form part of the net investment in foreign subsidiaries.

	% change	2019	2018*
Basic earnings per share (cents)	62	**126**	78
Diluted earnings per share (cents)	62	**126**	78

Summarised consolidated headline earnings and earnings per share

Earnings per share (cents)	31 March 2019	2018*
Basic earnings per share	**126**	78
Diluted basic earnings per share	**126**	78
Headline earnings per share	**112**	58
Diluted headline earnings per share	**112**	58
Ordinary shares ('000)		
In issue	**108,495**	108,495
Weighted average	**106,953**	106,953
Diluted weighted average	**106,953**	106,953

The 1 517 704 share options issued to executive directors have been assessed and are considered to be non-dilutive, as the options are currently 'out of the money'.

Headline earning per share	31 March 2019 R'000	2018* R'000
Earnings		
Profit from continuing operations attributable to owners of the Company	**134,555**	83,538
Adjusted for: Profit/(loss) for the year from discontinued operations	**–**	–
Profit for the year attributable to owners of the Company	**134,555**	83,538
Headline adjustments		
Adjustments for:		
Gain from bargain purchase price recognised	**(10,377)**	–
Net profit on disposal of property, plant and equipment	**(7,286)**	(13,335)
Taxation on disposal of property, plant and equipment	**1,786**	3,239
Profit on disposal of investment	**(2,270)**	(24,440)
Taxation on disposal of investment	**–**	8,202
Impairment of investment in associate	**2,849**	–
Profit on disposal of other assets	**–**	(326)
Taxation on disposal of other assets	**–**	91
Impairment of goodwill	**–**	4,767
Headline earnings from continuing operations	**119,257**	61,736
Headline adjustments from discontinued operations	**–**	–
Headline earnings	**119,257**	61,736

*Restated and re-presented , refer to note 8 and note 9.

Summarised consolidated statement of financial position

	31 March		
	2019	2018*	2017*
	R'000	R'000	R'000
ASSETS			
Non-current assets	**3,193,159**	2,807,755	8,067,817
Property, plant and equipment	**1,942,332**	1,720,797	1,640,530
Investment in associates and joint ventures	**216,167**	119,180	103,448
Financial investments	**958**	4	1,981,805
Goodwill	**662,927**	660,844	615,354
Other intangible assets	**62,241**	54,082	61,306
Other financial assets	**99,506**	52,979	3,484,113
Deferred taxation	**209,028**	199,869	181,261
Current assets	**8,079,043**	7,213,859	7,010,138
Inventories	**4,543,864**	3,917,689	3,662,856
Trade and other receivables	**1,890,432**	1,605,461	1,527,405
Current portion of financial assets	**679,699**	648,138	751,247
Taxation	**29,333**	25,236	16,113
Bank and cash balances	**935,715**	1,017,335	1,052,517
Assets classified as held for sale	**–**	157,978	1,073,053
Total assets	**11,272,202**	10,179,592	16,151,008
EQUITY AND LIABILITIES			
Capital and reserves	**5,182,056**	4,877,699	5,094,780
Equity attributable to the equity holders	**5,060,541**	4,778,226	4,942,696
Non-controlling interest	**121,515**	99,473	152,084
Non-current liabilities	**2,620,353**	1,685,318	6,892,355
Long-term borrowings and financial liabilities	**2,271,858**	1,609,811	6,813,650
Finance lease liabilities	**95,377**	37,420	43,663
Long-term taxation liabilities	**200,000**	–	–
Deferred taxation	**53,118**	38,087	35,042
Current liabilities	**3,469,793**	3,498,883	3,491,751
Trade, other payables and provisions	**2,119,751**	1,862,731	2,136,640
Share appreciation rights liability	**–**	851	5,443
Taxation liabilities	**158,621**	583,170	170,052
Shareholders for dividends	**47,263**	48,995	49,593
Current portion of long-term borrowings	**812,241**	709,777	813,964
Current portion of finance lease liabilities	**68,787**	46,123	50,247
Other financial liabilities	**79,890**	76,819	59,361
Bank overdrafts	**183,240**	170,417	206,451
Liabilities associated with assets held for sale	**–**	117,692	672,122
Total liabilities	**6,090,146**	5,301,893	11,056,228
Total equity and liabilities	**11,272,202**	10,179,592	16,151,008

* Restated, refer to note 8.

Summarised consolidated statement of changes in equity

	31 March	
	2019	2018
	R'000	R'000
Share capital, share premium and preference share capital		
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)**	(68,057)
Treasury shares - Movement for the year	**18,651**	–
Treasury shares - Balance at the end of the year	**(49,406)**	(68,057)
Preference shares	**750,000**	750,000
Retained earnings		
Balance at the beginning of the year*	**1,419,989**	1,556,942
Total comprehensive income*	**223,346**	167,595
Transfers between reserves and other reserve movements	**(15,112)**	(42,269)
Effect of adoption of new accounting standards (IFRS 9)	**(5,589)**	–
Ordinary and preference dividends paid	**(192,384)**	(262,279)
Balance at the end of the year*	**1,430,250**	1,419,989
Foreign currency translation reserve		
Balance at the beginning of the year*	**117,114**	183,560
Total comprehensive income*	**237,500**	(66,446)
Balance at the end of the year*	**354,614**	117,114
Other reserves		
Balance at the beginning of the year	**(99,395)**	(138,324)
Share appreciation rights issued	**4,342**	2,031
Non-controlling interest arising on issue of additional share capital and purchases of non-controlling interests	**330**	(5,976)
Transfers between reserves and other reserve movements	**11,231**	42,874
Balance at the end of the year	**(83,492)**	(99,395)
Attributable to equity shareholders	**5,060,541**	4,778,226
Non-controlling interest		
Balance at the beginning of the year	**99,473**	152,084
Total comprehensive income	**16,129**	19,394
Transfers between reserves and other reserve movements	**3,881**	–
Non-controlling interest arising on issue of additional share capital and purchases of non-controlling interests	**4,277**	10,232
Disposal of subsidiary	**–**	(81,567)
Ordinary dividend paid	**(2,245)**	(670)
Balance at the end of the year	**121,515**	99,473
Total equity	**5,182,056**	4,877,699

* Restated, refer to note 8.

Summarised consolidated statement of cash flows

		31 March	
		2019	2018*
	Notes	**R'000**	R'000
Cash flows from operating activities			
Cash generated from operations	5	**545,062**	427,974
Finance costs		**(251,126)**	(977,487)
Dividends paid to Group shareholders and non-controlling interest		**(196,361)**	(263,547)
Taxation paid	6	**(612,977)**	(163,206)
Interest and dividends received		**144,730**	841,799
Net cash outflow from operating activities		**(370,672)**	(134,467)
Cash flows from investing activities			
Proceeds on sale of property, plant and equipment and other intangible assets		**66,553**	51,265
Additions to property, plant and equipment		**(209,727)**	(258,938)
Additions to intangible assets		**(23,158)**	(44,518)
Acquisition of subsidiaries		**(314,818)**	(99,484)
Acquisition of associate and joint venture		**(36,918)**	–
Cash (outflow)/inflow on sale on subsidiaries		**(3,231)**	503,776
Increase in long-term receivables		**(5,911)**	(421,924)
Settlement of loans		**6,394**	–
Increase in financial investments		**(954)**	(212,731)
Decrease in current portion of financial investments and other receivables		**964**	103,109
Net cash outflow from investing activities		**(520,806)**	(379,445)
Cash flows from financing activities			
Increase in long-term borrowings		**635,218**	844,594
Cash outflow on financial transaction		**–**	(5,129)
Non-controlling interest arising on issue of shares		**6,236**	12,201
Increase/(decrease) in current portion of long-term borrowings and financial liabilities		**105,558**	(154,725)
Acquisition of non-controlling interest		**(1,629)**	(6,453)
Net cash inflow from financing activities		**745,383**	690,488
Net (decrease)/increase in cash and cash equivalents		**(146,095)**	176,576
Cash and cash equivalents at the beginning of the year		**858,102**	701,081
Effect of foreign exchange rate movement on cash balance		**40,468**	(19,555)
Cash and cash equivalents at the end of the year		**752,475**	858,102

Cash and cash equivalents			
Bank and Cash balances		**935,715**	1,017,335
Bank overdrafts		**(183,240)**	(170,417)
Cash and cash equivalents of continuing operations		**752,475**	846,918
Cash and cash equivalents classified as held for sale		**–**	11,184
Total		**752,475**	858,102

*Restated, refer to note 8.

Other information

	31 March	
		Restated
	2019	2018
Net interest-bearing debt:equity ratio (excluding long-term debt secured by investments and loans) (%)	**44%**	28%
Depreciation and amortisation (R'000)	**139,480**	184,256
Net asset value per ordinary share (cents)	**4,085**	3,805
Tangible net asset value per ordinary share (cents)	**3,417**	3,146
Capital expenditure (R'000)	**(209,727)**	(258,938)
Capital commitment (R'000)	**45,182**	20,568

Segment information

	31 March					
	Engineering Solutions R'000	Capital Equipment R'000	Corporate and inter-segment eliminations * R'000	Total continuing operations R'000	Discontinued Operations R'000	Total operations R'000
2019						
Segment revenue	**5,238,443**	**4,830,981**	**380,280**	**10,449,704**	**–**	**10,449,704**
Segment operating profit before interest on financing transactions and foreign exchange movements	**342,061**	**373,581**	**(16,278)**	**699,364**	**–**	**699,364**
Segment assets	**3,694,574**	**4,419,505**	**3,158,123**	**11,272,202**	**–**	**11,272,202**
Segment liabilities	**1,439,742**	**1,650,763**	**2,999,641**	**6,090,146**	**–**	**6,090,146**
2018						
Segment revenue^	4,558,638	5,073,506	361,959	9,994,103	749,434	10,743,537
Segment operating profit before interest on financing transactions and foreign exchange movements**	478,700	451,746	(25,226)	905,220	12,276	917,496
Segment assets***	3,072,211	3,775,020	3,174,383	10,021,614	157,978	10,179,592
Segment liabilities***	891,658	1,437,370	2,855,173	5,184,201	117,692	5,301,893

*The corporate segment is comprised of MacNeil Plastics and all the Group financing, investment, property and support service operations.

** Prior year restated and re-presented to account for discontinued operations, refer to the restatement note 8 and representation of discontinued operations note 9 disclosed.

***Restated, refer to note 8.

^Re-presented, refer to note 9.

Notes to the summarised audited consolidated results

1. 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.

2. Prepared by

These summarised consolidated results have been prepared under the supervision of Ms. Nazlee Rajmohamed CA (SA), the Group Financial Director.

3. Changes in accounting policies

The Group has applied both IFRS 9 'Financial instruments' and IFRS 15 'Revenue from contracts with customers' using the modified retrospective approach, by recognising the cumulative effect of initially applying IFRS 9 and IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. Therefore, the comparative financial information has not been restated and continues to be reported under IAS 18 'Revenue' and IAS 39 'Financial instruments'.

IFRS 9 Financial instruments

Impact of adopting new standard

The most significant impact of IFRS 9 has been the change to the group's policies regarding the measurement of the impairment of trade debtors. The impairment for trade receivables is now measured using an expected credit loss ('ECL') model using the simplified approach instead of an incurred loss model. ECLs are calculated using a provision matrix, which applies a historic loss ratio to the aged balance of trade receivables at each reporting date. In instances where there was no evidence of historical write-offs, management's judgement is applied to assess potential write-offs. The historic loss ratio is also adjusted for forward-looking information to determine the lifetime ECL for the portfolio of trade receivables, this includes taking into account factors such as inflation, the debtors' reputation, the market the debtors' operates in. Furthermore, financial investments (FirstRand Bank listed bonds) previously measured at fair value through profit and loss are now measured at fair value through other comprehensive income, the classification of the remaining financial assets and liabilities has remained unchanged.

The table below is a summary the impact of the transition to IFRS 9 on the opening balance of retained earnings as at 1 April 2018. The adjustment to retained income is due to the change in the accounting policy for impairing financial assets.

Impact of adopting IFRS 9 at 1 April 2018 (R'000)

Increase in expected credit loss on trade receivables	(6 733)
Taxation effect	1 144
Decrease in retained earnings	(5 589)

Notes to the summarised audited consolidated results

3.Changes in accounting policies (continued)

IFRS 15 Revenue from contracts with customers

Impact of adopting new standard

The adoption of IFRS 15 has had an insignificant impact on the Group, as the Group does not sell products based on multiple-element arrangements or on a provisional or variable pricing basis.

The impact of applying IFRS 15 in the current year has resulted in the following:

Impact of adopting IFRS 15 as at 31 March 2019 (R'000)

Right of return assets (included in inventory)	4 121
Refund liabilities (included in trade and other payables)	(5 271)

IFRS 16 Leases

The Group anticipates a material change as a result of the adoption of IFRS 16 'Leases' from 1 April 2019 using the modified retrospective approach. We will provide full disclosure in the publication of our 2020 annual financial statements

Impact of adopting new standard

Management has extensively reviewed and abstracted all lease information using a systems implementation approach and currently is finalising the validation process of the information being produced. Management has assessed the key areas of impact on the Group's financial statements and has identified that the following will be affected, based on the current lease commitments as at 31 March 2019:

- Lease smoothing liability derecognised R13 million
- Lease liability to increase between R634 million and R701 million
- Right-of-use (ROU) Asset recognition to increase between R580 million and R641 million.
- Retained earnings to decrease between R41 million and R47 million
- Operating profit to increase between R19 million and R21 million, due to the exclusion of operating lease expense being greater than the inclusion of additional depreciation on right of use assets.

Whilst the impact on our numbers is material, the leasing of property and motor vehicles will continue as part of our business operations. There is no impact on overall cash flow and the net cash position will remain neutral.

4. Events after the reporting date

The disposal of the Building Supply Group Proprietary Limited ("BSG") and its subsidiaries during the year ended 31 March 2018 for proceeds of R645 million contained a potential further adjustment to the proceeds of up to 60% of R84 million, up or down, based on the EBITDA of BSG from its audited annual consolidated financial statements for the year ended 30 September 2018. At 31 March 2019 the Group recognised a provision of R48 million based on the estimated EBITDA shortfall. This liability was confirmed in a signed settlement agreement on 28 June 2019..

Notes to the summarised audited consolidated results

5. Reconciliation of profit before taxation to cash generated from operations

	31 March	
	2019	2018 *
	R'000	R'000
Profit before taxation	**614,452**	724,973
Adjusted for:		
Depreciation and amortisation	**139,480**	184,256
Impairment of assets	**2,849**	4,767
Exchange differences on translating capitalised loans	**3,979**	(2,923)
Value recognised as a result of the derecognition of the put option on directors' loans	**18,351**	–
Net profit on disposal of assets	**(9,555)**	(37,707)
Loss on realisation of financial transaction	**–**	20,002
Gain on bargain purchase price recognised	**(10,377)**	–
Finance costs	**251,126**	977,487
Interest and dividend received	**(144,730)**	(841,799)
Net share of profits of associates and joint ventures	**(32,132)**	(13,657)
Share appreciation rights movement	**(851)**	(4,592)
Share appreciation rights issued	**4,342**	2,558
Cash generated before movements in working capital	**836,934**	1,013,365
Working capital changes:	**(291,872)**	(585,391)
Increase in inventories	**(298,211)**	(266,303)
Increase in trade and other receivables	**(101,418)**	(135,970)
Increase/(decrease) in trade and other payables and provisions	**100,744**	(161,779)
Increase in finance lease receivables	**(73,608)**	(10,972)
Increase/(decrease) in financial lease liabilities	**80,621**	(10,367)
Cash generated from operations	**545,062**	427,974

* Restated, refer note 8

6. Taxation paid

	31 March	
	2019	2018
	R'000	R'000
Amounts unpaid at the beginning of the year	**(557,934)**	(155,270)
Acquisition of subsidiary	**(2,669)**	(45)
Charged to the statement of comprehensive income	**(381,662)**	(563,477)
Disposal of subsidiary	**–**	(2,348)
Amounts unpaid at the end of the year	**329,288**	557,934
Total	**(612,977)**	(163,206)
Comprising:		
Payment of specific tax expense	**(450,000)**	–
Normal tax paid	**(162,977)**	(163,206)
Total	**(612,977)**	(163,206)

Notes to the summarised audited consolidated results

7. Acquisitions of subsidiaries and businesses

The current year acquisitions detailed below were acquired by the Group, as they are complementary to existing segments in the Group, thus the board identified these operations based on their ability to assist the Group with its expansion and growth. The goodwill recognised is based on the final fair values of the assets and liabilities, including identifiable intangible assets at acquisition date. Goodwill arose on these acquisitions because the cost of these combinations included a control premium. In addition, the consideration paid for these combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Subsidiary/business	Acquisition type	Acquisition date	Purchase consideration
7.1 Forge Industrial Group	Acquisition of business assets	3 September 2018	R175 million
7.2 Rustenburg Engineering Group (Rustenburg Engineers and Foundry (Pty) Ltd and Joerg Foundry (Pty) Ltd)	100% of issued share capital	1 July 2018	R10 million
7.3 Propshaft Rebuilders Group (Propshaft Rebuilders (Pty) Ltd)	100% of issued share capital	1 December 2018	R146 million

	31 March			
	Propshaft Rebuliders Group	Rustenburg Engineering Group	Forge Industrial Group	Total
2019 **A summary of the financial impact of the acquisitions is disclosed below:**	**R'000**	**R'000**	**R'000**	**R'000**
Fair value of net assets acquired:				
Property, plant and equipment	**3,554**	**8,748**	**8,541**	**20,843**
Intangible assets	**264**	**–**	**–**	**264**
Bank and cash balances	**4,414**	**1,157**	**10,783**	**16,354**
Inventories	**109,363**	**7,490**	**149,770**	**266,623**
Trade and other receivables	**51,467**	**19,680**	**49,673**	**120,820**
Deferred taxation	**240**	**515**	**300**	**1,055**
Long-term borrowings	**(1,230)**	**(932)**	**–**	**(2,162)**
Trade, other payables and provisions	**(21,991)**	**(16,399)**	**(43,272)**	**(81,662)**
Taxation liabilities	**(2,487)**	**(182)**	**–**	**(2,669)**
Fair value of net assets acquired	**143,594**	**20,077**	**175,795**	**339,466**
Purchase price	**145,677**	**10,000**	**175,495**	**331,172**
Fair value of net assets acquired	**(143,594)**	**(20,077)**	**(175,795)**	**(339,466)**
Total goodwill	**2,083**	**–**	**–**	**2,083**
Total gain on bargain purchase price	**–**	**(10,077)**	**(300)**	**(10,377)**
Purchase price	**145,677**	**10,000**	**175,495**	**331,172**
Bank and cash balances acquired	**(4,414)**	**(1,157)**	**(10,783)**	**(16,354)**
Cash outflow on acquisitions of subsidiaries and businesses	**141,263**	**8,843**	**164,712**	**314,818**

Notes to the summarised audited consolidated results

8. Restatement

We have reconsidered our accounting with respect to the reacquired agency rights and related contracts, as well as the amortisation period of other intangible assets. The reassessed accounting for the contracts resulted in the recognition of current liabilities which were previously considered to be discretionary and partly net accounted in receivables. Previously the reacquired agency rights were amortised over a period of 15 years, whilst certain distribution agreements, trademarks and brands and contractual and non-contractual customer relationships were amortised over a period of 10 – 27 years. The Group's accounting policy prescribes that the reacquired agency rights should be amortised over the remaining contract period and distribution agreements, trademarks and brands and contractual and non-contractual customer relationships over a period of 5 -7 years.

We have amended the application of the amortisation period for the Group's other intangible assets in line with management's estimation of expected useful lives of the intangible assets and the Group's accounting policy. The errors have been corrected in accordance with "IAS 8: Accounting policies, changes in accounting estimates and errors". There were no deferred taxation implications. The correction to the accounting treatment is effective for the year ended 31 March 2019 and has been applied retrospectively. This has therefore resulted in a restatement of the comparative 2018 and 2017 periods. The aggregate effect of the restatement for these periods is as follows:

The correction of the above results in adjustments as follows:

	31 March		
	As previously reported	Restatement adjustments	As restated
2018	**R'000**	**R'000**	**R'000**
Statement of financial position			
Non-current assets			
Other intangible assets	174,780	(120,698)	54,082
Current assets			
Trade and other receivables	1,620,016	(14,555)	1,605,461
Capital and reserves			
Retained earnings	1,635,776	(215,787)	1,419,989
Foreign currency translation reserve	113,399	3,715	117,114
Current liabilities			
Other financial liabilities	–	76,819	76,819
Statement of profit or loss			
Selling, administration and distribution costs*	(2,093,325)	(42,677)	(2,136,002)
Other note disclosure			
Basic earnings per share (cents)	118	(40)	78
Diluted earnings per share (cents)	118	(40)	78
Business segment information			
Operating profit before interest on financing transactions and foreign exchange movements			
Corporate	17,451	(42,677)	(25,226)
Segment assets			
Engineering Solutions	3,135,526	(63,315)	3,072,211
Capital Equipment	3,846,958	(71,938)	3,775,020
Segment liabilities			
Engineering Solutions	814,839	76,819	891,658

8. Restatement (continued)

	As previously reported	Restatement adjustments	As restated
2017			
Statement of financial position			
Non-current assets			
Other intangible assets	160,721	(99,415)	61,306
Current assets			
Trade and other receivables	1,541,960	(14,555)	1,527,405
Capital and reserves			
Retained earnings	1,730,052	(173,110)	1,556,942
Foreign currency translation reserve	183,781	(221)	183,560
Current liabilities			
Current portion of financial liabilities	–	59,361	59,361

* The previously reported results are presented after the re-presentation of the discontinued operation, refer to re-presentation of discontinued operations in note 9 for further detail.

Notes to the summarised audited consolidated results

9. Re-presentation of discontinued operations

The Building Supply Group Proprietary Limited and its subsidiaries was disposed of on 30 September 2017, the MacNeil Plastics business ("the business") was classified and accounted for as held for sale for the year ended 31 March 2018. The sale of the business is subsequently no longer viewed as highly probable and as a result, the business is no longer classified as a disposal company held for sale for the year ended 31 March 2019.

The results of the business previously presented in discontinued operations have been re-presented in accordance with IFRS 5 (par 36) and the impact on the reported financial results has been disclosed below:

	31 March		
	As previously reported	Re-presented amount	As re-presented
2018			
Consolidated statement of profit or loss	R'000	R'000	R'000
Revenue	9,639,807	354,296	9,994,103
Cost of sales	(6,660,734)	(292,147)	(6,952,881)
Gross profit	2,979,073	62,149	3,041,222
Selling, administration and distribution cost	(2,038,798)	(54,527)	(2,093,325)
Operating profit before interest on financing transactions and foreign exchange movements	940,275	7,622	947,897
Interest received from financing transactions	11,335	–	11,335
Interest paid on financing transactions	(6,175)	(327)	(6,502)
Net foreign exchange cost	(71,421)	–	(71,421)
Operating profit	874,014	7,295	881,309
Finance costs	(940,916)	(351)	(941,267)
Dividends received from financial investments	332,099	–	332,099
Share of profits of associates	13,593	–	13,593
Interest received	481,129	25	481,154
Profit before taxation	759,919	6,969	766,888
Taxation	(536,351)	728	(535,623)
Profit for the year from continuing operations	223,568	7,697	231,265
Discontinued operations			
Profit for the year from discontinued operations	7,697	(7,697)	–
Profit for the year	231,265	–	231,265
Business segment information			
Segment revenue			
Corporate	48,581	354,296	402,877
Total continuing	9,639,807	354,296	9,994,103
Discontinued operations	1,103,730	(354,296)	749,434
Total	10,743,537	–	10,743,537
Operating profit before interest on financing transactions and foreign exchange movements			
Corporate	9,829	7,622	17,451
Total continuing	940,275	7,622	947,897
Discontinued operations	19,898	(7,622)	12,276
Total	960,173	–	960,173

Notes to the summarised audited consolidated results

10. 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

2019	**31 March**	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
Financial assets at fair value					
FirstRand Bank Bonds	**593,208**	**2**	**–**	**593,208**	**–**
Forward exchange contract asset	**8,127**	**2**	**–**	**8,127**	**–**
Financial liabilities at fair value					
Other financial liabilities	**79,890**	**3**	**–**	**–**	**79,890**
Foreign exchange contract liability	**9**	**2**	**–**	**9**	**–**

2018	**31 March**	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
Financial assets at fair value					
FirstRand Bank Bonds	588,241	2	–	588,241	–
Forward exchange contract asset	144	2	–	144	–
Financial liabilities at fair value					
Other financial liabilities	76,819	3	–	–	76,819
Foreign exchange contract liability	31,112	2	–	31,112	–

Valuation technique(s) and key inputs:

1 . Quoted prices.

2. Expected settlement value.

3. Discounted cash flow

There have been transfers from level 1 to 2 during the financial year disclosed.

Preference share cash dividend

As announced on SENS on 3 June 2019 the directors of the Company have declared a gross cash dividend of 617,06943 cents per preference share for the period from Tuesday, 13 November 2018 to Monday, 3 June 2019. 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 493,65554 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:

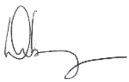
Last day of trade to receive a dividend	Tuesday, 18 June 2019
Shares commence trading “ex” dividend	Wednesday, 19 June 2019
Record date	Friday, 21 June 2019
Payment date	Monday, 24 June 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 June 2019 and Friday, 21 June 2019, both days inclusive.

Ordinary share cash dividend

In light of the tax settlement and the resultant higher gearing in the group, the board has resolved not to declare a final dividend. It is anticipated that 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) will be resumed once cash flow and gearing permit.

By order of the Board



L Dubery
Group company secretary

Cape Town
16 July 2019

Date of publication 17 July 2019

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 2019 ("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, 26 September 2019 at 09:30.

Please refer to page 23 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 7 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 8 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. Ordinary resolutions 9 and 10 are non-binding advisory votes in terms of King IV, and the Company will engage with shareholders should these resolutions not receive the support of at least 75% of votes exercised by shareholders.

References are made in this Notice to Invicta's 2019 annual consolidated financial statements ("AFS") and integrated annual report ("IAR"). These documents are available on www.invictaholdings.co.za or from the Group Company Secretary.

Item 1: Presentation of annual financial statements and reports

The audited annual consolidated financial statements of the Group for the year ended 31 March 2019, together with the Audit Committee report and directors' report, will be presented to shareholders.

Item 2: Re-election of directors retiring by rotation

Ordinary Resolution 1: "Resolved that Lance Sherrell be and is hereby re-elected as a director of the Company."

Ordinary Resolution 2: "Resolved that David Samuels be and is hereby re-elected as a 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 Lance Sherrell and David Samuels. The Board considered the performance and contribution made by each director, and fully support the re-election of each of the directors. Being eligible, each of these directors have offered themselves for re-election at the AGM.

A description of the directors' qualifications and experience is contained under Item 3 below.

Item 3: Election of Audit Committee members

Ordinary Resolution 3: "Resolved, subject to the adoption of Ordinary Resolution 2, that David Samuels be elected as a member of the Audit Committee until the conclusion of the Company's next AGM."

Ordinary Resolution 4: "Resolved, subject to the adoption of Ordinary Resolution 1, that Lance Sherrell be elected as a member of the Audit Committee until the conclusion of the Company's next AGM."

Ordinary Resolution 5: "Resolved that Rashid Wally be elected as a member of the Audit Committee until the conclusion of the Company's next AGM."

A description of the directors' qualifications and experience can be found below.

The Companies Act (2008) requires the shareholders of a Company to elect the members of the Audit Committee every year. The Board recognizes that the constitution of the Audit Committee falls short of the King IV recommendation (being only independent non-executive directors), as Sherrell is not considered to be an independent non-executive director due to his shareholding in the Company. The Board is considering the appointment of another independent non-executive director to remedy the situation. The Board has nevertheless considered, and are satisfied with the performance and independence thinking of the members of the Audit Committee as currently constituted.

David Samuels CA(SA) (79)

Independent non-executive director

Years as a director: 21

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. David was a non-executive director and chairman of Bearing Man Limited from 2001 to 2006, when that company was de-listed from the JSE. In 1996 David was appointed as non-executive director of Invicta and served as lead independent director from 1 April 2014.

Rashid Wally (75)

Independent non-executive director

Years as a director: 5

Rashid 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 company listed on the London Stock Exchange AIM Section, and also serves on that company's audit and risk committee. Rashid was appointed as an independent non-executive director of Invicta on 30 July 2013.

Lance Sherrell (53)

Non-executive director

Years as a director: 8

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. Lance 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 non-executive director of Invicta on 29 July 2010, upon the retirement of Reg Sherrell.

Item 4: Reappointment of independent auditors for the 2020 financial year

Ordinary Resolution 6: "Resolved to reappoint Ernst & Young Incorporated as the independent registered auditors of the Company for the ensuing financial year, and to note Amelia Young 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 Ernst & Young Incorporated as independent auditors for the 2020 Financial Year and to note Young as the designated audit partner. The report of the Audit Committee, including its assessment of the auditors, can be found in the consolidated annual financial statements.

Item 5: Placing the authorised but unissued shares under the control of the directors and authorising directors to issue shares for cash

Ordinary Resolution 7: "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 8: "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), provided that the securities which are the subject to such issue shall not exceed 5% of the Company's listed ordinary shares, excluding treasury shares, being 5 347 645 shares as at the date of this Notice"

Explanatory Note: It is recorded that, as at the date of this Report, the JSE 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 JSE 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 ordinary shares. The total amount of authorised, but not issued Invicta 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 numbers. 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;
- 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; and
- 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 6: Remuneration

Ordinary Resolution 9: "Resolved to endorse, through a non-binding advisory vote, the Company's remuneration policy. The Company's remuneration policy is set out in the Social and Governance Report."

Shareholders are reminded that in terms of King IV, the passing of this ordinary resolution is by way of a non-binding vote. Should 25% or more of the votes cast vote against this ordinary resolution, the Company undertakes to engage with shareholders as to the reasons therefore.

Ordinary Resolution 10: "Resolved to endorse through a non-binding advisory vote, the Company's Remuneration Implementation Report. The Company's remuneration implementation report is set out in the Social and Governance Report."

Shareholders are reminded that in terms of King IV, the passing of this ordinary resolution is by way of a non-binding vote. Should 25% or more of the votes cast vote against this ordinary resolution, the Company undertakes to engage with shareholders as to the reasons therefore.

Special Resolutions 1.1 to 1.14: "Resolved that, the remuneration of the Company's non-executive directors for the 2020 financial year, be approved each by way of a separate vote, as a special resolution in terms of section 66 of the Companies Act (2008):

1.1 Chairman of the Invicta Board (in addition to Board meeting fees)	**R900 000 annually**
1.2 Chairman of the Invicta Audit Committee (in addition to Audit Committee meeting fees)	**R300 000 annually**
1.3 Members of the Invicta Board – routine meetings	**R38 030 per meeting**
1.4 Members of the Invicta Board – ad hoc meetings	**R3 173 per hour**
1.5 Members of the Invicta Audit Committee – routine meetings	**R34 140 per meeting**
1.6 Members of the Invicta Audit Committee – ad hoc meetings	**R2 846 per hour**
1.7 Chairman of the Invicta Remuneration Committee (in addition to Remuneration Committee Meeting Fees)	**R100 000 annually**
1.8 Members of the Invicta Remuneration Committee – routine meetings	**R25 000 per meeting**
1.9 Members of the Invicta Remuneration Committee – ad hoc meetings	**R2 083 per hour**
1.10 Chairman of the Invicta Social and Ethics Committee (in addition to Social and Ethics Committee Meeting Fees)	**R80 000 annually**
1.11 Members of the Invicta Social and Ethics Committee – routine meetings	**R31 515 annually**

1.12 Members of the Invicta Social and Ethics Committee – ad hoc meetings	**R2 626 per hour**
1.13 Members of the Invicta South Africa Holdings (Pty) Ltd board – routine meetings	**R18 383 per meeting**
1.14 Members of the Invicta South Africa Holdings (Pty) Ltd board – ad hoc meetings	**R1 532 per hour**

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 terms of their employment contracts.

Item 7: 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 Memorandum of Incorporation ("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 Memorandum of Incorporation ("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 it relates to Special resolutions 2 and 3, it is recorded that, as at the date of this Report, the JSE Listings Requirements provide, *inter alia*, that the Company or any subsidiary of the Company may only make a general repurchase of the securities 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;
- 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 securities are acquired by the Company in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% (ten percent) of the weighted average of the market price at which such securities are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such securities by the Company;
- the acquisitions of securities in the aggregate in any one financial year do not exceed 20% (twenty percent) of the Company's issued 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 JSE 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.

The JSE Listings Requirements require the following additional disclosure, some of which are elsewhere in this Report of which this Notice forms part as set out below:

- Directors and management – refer to pages 6 to 9 of the Annual Financial Statements;
- Major beneficial shareholders – refer to pages 68 and 69 of the Annual Financial Statements;
- Directors' interests in shares – refer to page 9 and 61 of the Annual Financial Statements; and
- Share capital of the Company – page 8 and 49 of the Annual Financial Statements.

Directors' responsibility statement

The directors, whose names are given in the Integrated Annual Report, 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 JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the 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 Report, 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; and
e. the working capital will be adequate to continue the ordinary business purposes of the Company and the Group.

Item 8: 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 person, 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 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 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.

Notice of annual general meeting

Important information regarding attendance, participation and voting at the AGM

Electronic participation

Shareholders or their proxies that are entitled to attend, participate and vote at the AGM that wish to make use of the electronic communication facilities should contact the Company Secretary for further information by no later than Monday, 23 September 2019. Shareholders will be required to provide proof of their identity and shareholding to the satisfaction of the Company prior to the meeting.

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 as Friday, 12 July 2019.

The record date in respect of participation and voting at the AGM is Friday, 20 September 2019, and the last date to trade is Tuesday, 17 September 2019.

All meeting participants (including proxies) will be required to provide identification. Acceptable forms of identification include valid identity documents, driver's 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, 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

NB: 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.

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

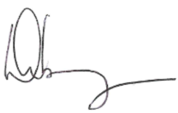
In terms of the Companies Act (2008), any member entitled to attend and vote at the AGM may appoint one or more persons as proxy, to attend, speak and vote in his stead. A proxy need not be a member of the Company. Forms of proxy must be deposited at the office of the transfer secretaries not later than 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.
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. The above does 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
19 July 2019

Form of proxy (as amended)

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, 26 September 2019 at 09:30.

Dematerialised shareholders holding shares other than with "own name" registration, must inform their Participant 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 them

2. ____ or failing them

3. the Chairman of the AGM as my/our proxy to act for me/us at the AGM which will be held on Thursday, 26 September 2019 at 9.30 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).

	Number of votes (one per share)		
	For	Against	Abstain
Ordinary Resolution 1 Re-election of Lance Sherrell			
Ordinary Resolution 2 Re-election of David Samuels			
Ordinary Resolution 3 Election of David Samuels to the Audit Committee			
Ordinary Resolution 4 Election of Lance Sherrell to the Audit Committee			
Ordinary Resolution 5 Election of Rashid Wally to the Audit Committee			
Ordinary Resolution 6 Re-appointment of Ernst & Young Inc. as auditors			
Ordinary Resolution 7 Placing shares under the control of directors			
Ordinary Resolution 8 Authority of directors to issue ordinary shares for cash – limited to 5%			
Ordinary Resolution 9 Endorsement of Remuneration Policy			
Ordinary Resolution 10 Endorsement of Remuneration Implementation Report			

Form of proxy (as amended)

Special Resolution 1.1 Approval of remuneration of Board Chairman (in addition to Board meeting fees) – R900 000 annually			
Special Resolution 1.2 Chairman of the Invicta Audit Committee (in addition to Audit Committee meeting fees) – R300 000 annually			
Special Resolution 1.3 Members of the Invicta Board – routine meetings – R38 030 per meeting			
Special Resolution 1.4 Members of the Invicta Board – ad hoc meetings – R3 173 per hour			
Special Resolution 1.5 Members of the Invicta Audit Committee – routine meetings – R34 140 per meeting			
Special Resolution 1.6 Members of the Invicta Audit Committee – ad hoc meetings – R2 846 per hour			
Special Resolution 1.7 Chairman of the Invicta Remuneration Committee (in addition to Remuneration Committee Meeting Fees) – R100 000 annually			
Special Resolution 1.8 Members of the Invicta Remuneration Committee – routine meetings – R25 000 per meeting			
Special Resolution 1.9 Members of the Invicta Remuneration Committee – ad hoc meetings – R2 083 per hour			
Special Resolution 1.10 Chairman of the Invicta Social and Ethics Committee (in addition to Social and Ethics Committee Meeting Fees) – R80 000 annually			
Special Resolution 1.11 Members of the Invicta Social and Ethics Committee – routine meetings - R31 515 annually			
Special Resolution 1.12 Members of the Invicta Social and Ethics Committee – ad hoc meetings – R2 626 per hour			
Special Resolution 1.13 Members of the Invicta South Africa Holdings (Pty) Ltd board – routine meetings – R18 383 per meeting			
Special Resolution 1.14 Members of the Invicta South Africa Holdings (Pty) Ltd board – ad hoc meetings – R1 532 per hour			
Special Resolution 2 General authority to repurchase ordinary shares			
Special Resolution 3 General authority to repurchase preference shares			
Special Resolution 4 Approval for the provision of financial assistance for the subscription of shares			
Special Resolution 5 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 2019

Signature

Assisted by (where applicable)

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'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.
2. Any alteration or correction made to this form must be initialed by the signatory/ies.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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).
8. 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), 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
info@invictaholdings.co.za | 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

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, N Rajmohamed, B Nichles*, GM Pelser, DI Samuels^, LR Sherrell*, AM Sinclair, RA Wally^, Adv JD Wiese*
** Non-executive ^ Independent non-executive*

Group company secretary: L Dubery

www.bmgworld.net

www.capitalequipment.co.za

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www.invictaholdings.co.za