

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 3 of this Circular apply to this entire document, including the cover page, except where the context indicates a contrary intention.

Action required by Certificated and Dematerialised Shareholders

This document should be read in its entirety with particular attention to the section entitled "Action Required by Shareholders in relation to the Offer", which commences on page 7 of this Circular.

If you are in any doubt as to what action you should take, please consult your Broker, banker, legal adviser, CSDP or other professional adviser immediately. If you have disposed of all your Torre Shares on or before Friday, 22 July 2016, this Circular should be handed to the purchaser of such Torre Shares or to the Broker, banker, CSDP or other agent through whom the disposal was effected.

Torre does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Torre Shares to notify such beneficial owner of the details set out in this Circular.



Torre Industries Limited

(Incorporated in the Republic of South Africa)
(Registration number 2012/144604/06)
Share code: TOR ISIN: ZAE000188629
("Torre" or "the Company")



Stellar Capital Partners Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
Share code: SCP ISIN: ZAE000198586
("Stellar Capital")

COMBINED CIRCULAR TO SHAREHOLDERS

Regarding

- the mandatory offer by Stellar Capital to Torre Shareholders to acquire all the Torre Shares, not already owned by Stellar Capital, for the Offer Consideration of 1.25 new Stellar Capital Shares for each Torre Share held as at the Offer Record Date, in terms of section 123 of the Companies Act;

and enclosing

- a form of acceptance, surrender and transfer (*pink*) (for use by Certificated Shareholders only); and
- the report of the Independent Expert on the terms and conditions of the Offer.

The Offer opens on Thursday, 28 July 2016 and provisionally closes on Friday, 7 October 2016.

**Financial Adviser to Stellar Capital
and Sponsor to Torre and
Stellar Capital**



Independent Expert



**Auditor to Torre and Independent
Reporting Accountant to Torre
and Stellar Capital**



Legal Adviser to Torre



Legal Adviser to Stellar Capital



Date of issue: 27 July 2016

This Circular is only available in English. A copy hereof may be obtained from the registered offices of Torre and the offices of the Transfer Secretaries, the addresses of which appear in the "Torre Corporate Information and Advisers" section on the inside front cover of this Circular, from 27 July 2016 until the Offer Closing Date. This Circular is also available on Torre's website (www.torreindustries.com) and on Stellar Capital's website (www.stellarcapitalpartners.co.za).

TORRE CORPORATE INFORMATION AND ADVISERS

Company Secretary

Sean Graham

Registered office

11 Avalon Road, West Lake View Ext 11
Modderfontein, 1609

Independent Reporting Accountants and Auditors

Deloitte & Touche
Registered Auditors
Deloitte Place, The Woodlands
20 Woodlands Drive
Woodmead, Sandton, 2191
(Private Bag X6, Gallo Manor, 2052)

Sponsor

Rand Merchant Bank (A division of
Firststrand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Transfer Secretaries

Link Market Services South Africa Proprietary
Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Legal Adviser

Edward Nathan Sonnenbergs Incorporated
(Registration number: 2006/018200/21)
150 West Street
Sandton
Johannesburg, 2196
(PO Box 783347, Sandton, 2146)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2195
(Private Bag X60500, Houghton, 2041)

STELLAR CAPITAL CORPORATE INFORMATION AND ADVISERS

Company Secretary

The Secretarial Company
c/o Caroline du Preez

Registered office

Third Floor, The Terraces
25 Protea Road, Claremont
Cape Town, 7708
(Suite 54 Dixon Street, Greenpoint
Cape Town, 8001)

Independent Reporting Accountant

Deloitte & Touche
Registered Auditors
Deloitte Place, The Woodlands
20 Woodlands Drive
Woodmead, Sandton, 2191
(Private Bag X6, Gallo Manor, 2052)

Financial Adviser and Sponsor

Rand Merchant Bank (A division of Firststrand Bank
Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton 2196
(PO Box 786273, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Legal Adviser

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

Independent Auditor

Grant Thornton Cape Incorporated
(Registration number 2010/016204/21)
119 Hertzog Boulevard Foreshore
Cape Town, 8001
(PO Box 7483/7498, Roggebaai, 8012)
(Suite 54, Dixon Street, Cape Town, 8001)

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SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 3 of this Circular shall apply, *mutatis mutandis*, to this section.

Item	2016
Record date in order to be eligible to receive this Circular on	Friday, 22 July
Circular posted to Shareholders and announced on SENS on	Wednesday, 27 July
Offer Opening Date on	Thursday, 28 July
Offer becomes wholly unconditional and announcement thereof on SENS (in the press the following Business Day) on	Friday, 30 September
Announcement of amended Offer Closing Date, if applicable, on	Monday, 3 October
Last day to trade in Torre Shares in order to be eligible to accept the Offer on	Tuesday, 4 October
Torre Shares trade ex the entitlement to accept the Offer on	Wednesday, 5 October
Offer Record Date on	Friday, 7 October
Offer Closing Date at 12:00 on	Friday, 7 October
Discharge Date expected to be on	Monday, 10 October
Results of the Offer to be announced on SENS on	Monday, 10 October
Results of the Offer to be announced in the press on	Tuesday, 11 October

Notes

1. All times indicated in this Circular are local times in South Africa.
2. The dates and times indicated in the table above are subject to change. Any changes will be released on SENS and published in the press.
3. Share certificates in the name of Torre will not be able to be dematerialised or rematerialised between Wednesday, 5 October 2016 and Friday, 7 October 2016 both days inclusive.
4. Depending on the level of acceptances of the Offer the approval of the Competition Authorities will be required. In addition, in terms of the Takeover Regulations, the Offer must remain open for at least 10 Business Days after the date that it is announced that the Offer is unconditional. Accordingly, Stellar Capital reserves the right to change the Offer Closing Date to a later Business Day, which shall be announced by Stellar Capital and which date shall (a) be a Friday (b) not be earlier than 10 (ten) Business Days after the date of the announcement that the Offer is unconditional and (c) not be earlier than 30 Business Days from the Opening Date. Any such change will affect other dates, including the Offer Record Date and Discharge Date.
5. Certificated Shareholders who accept the Offer will have the Offer Consideration posted to them (at their own risk) by no later than the Discharge Date, being within six Business Days after the later of the Offer being declared wholly unconditional and the acceptance of the Offer by the Shareholder with final discharge expected to be made on the first Business Day after the closing of the Offer. CSDP/Broker accounts will be credited as applicable for Dematerialised Shareholders by no later than the Discharge Date, being within six Business Days after the later of the Offer being declared wholly unconditional and the date on which the CSDPs or Brokers of such Shareholders notify the Transfer Secretaries of their acceptance of the Offer with final discharge expected to be made on the first Business Day after the closing of the Offer.

DEFINITIONS AND INTERPRETATIONS

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

“Acquired Shares”	means the additional 8 368 102 Torre Shares acquired by Stellar Capital in terms of the Acquisition;
“Acquisition”	means Stellar Capital’s acquisition of the Acquired Shares from the Inhimwe Trust (Masters Reference No. IT6715/99) and the Creeky Glen Trust (Masters Reference No. IT2479/98) in exchange for 1.25 Stellar Capital Shares for each Acquired Share as announced on SENS on 23 June 2016 and in the press on 24 June 2016;
“Acting in Concert”	will bear the meaning assigned to this term in the Takeover Regulations;
“Associate”	will bear the meaning assigned to this term in the Listings Requirements;
“BDO”	means BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company incorporated in accordance with the laws of South Africa and the appointed independent expert in respect of the Offer;
“Beneficial Owner”	means a person on whose behalf any Dematerialised Share (not held in “own name” form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement;
“BSP”	means the Torre Bonus Share Plan, in terms whereof, <i>inter alia</i> , Torre employees may be granted conditional rights to receive Torre Shares at specified future vesting dates, subject to them having remained in the employ of Torre until such dates, as approved by Torre Shareholders on 30 September 2014;
“Broker”	means any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	means any day other than a Saturday, Sunday or official public holiday in South Africa;
“Cents”	means South African cents, in the official currency of South Africa;
“Certificated Shares”	means Shares that have not been Dematerialised, the title to which is evidenced by a share certificate or other Document of Title;
“Certificated Shareholders”	means Shareholders who hold Certificated Shares;
“Circular”	means this bound document dated 27 July 2016 together with the annexures hereto and Offer Form;
“Common Monetary Area”	means South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	means the Companies Act, No. 71 of 2008, as amended, and, where appropriate, includes a reference to the Companies Regulations;
“Competition Authorities”	the Competition Commission and/or the Competition Tribunal and/or the Competition Appeal Court, of South Africa created in terms of the Competition Act, No. 89 of 1998, as amended from time to time, and the competition authorities in other relevant jurisdictions in which Torre operates;
“Companies Regulations”	means the Companies Regulations 2011, promulgated in terms of section 223 of the Companies Act (which include the Takeover Regulations);
“Conditions Precedent”	means the conditions precedent to which the Offer is subject, as set out in paragraph 4.2 of this Circular;

“Consideration Shares”	means the 1.25 new Stellar Capital Shares offered to be issued for each Offer Share held;
“CSDP”	means a Central Securities Depository Participant registered as a participant in terms of the Financial Markets Act;
“Custody Agreement”	means a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Torre’s uncertificated securities register administered by a CSDP or Broker on behalf of that person;
“Deloitte & Touche”	means Deloitte & Touche South Africa, a professional partnership established in terms of South African law and the appointed reporting accountants to both Torre and Stellar Capital;
“Dematerialised”	means the process whereby paper share certificates or other Documents of Title are replaced with electronic records of ownership of Shares or securities, with a CSDP or Broker, as contemplated in section 49(5) of the Companies Act and under the Strate system;
“Dematerialised Shares”	means Shares that have been Dematerialised or have been issued in Dematerialised form, and which are held in electronic form on Torre’s uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	means Shareholders who hold Dematerialised Shares;
“Discharge Date”	means the date of discharge of the Offer Consideration which will be within six Business Days after the later of the Offer being declared wholly unconditional and the acceptance of the Offer by a Shareholder, which for Certificated Shareholders will be date of the receipt of the Offer Form together with the relevant Document(s) of Title (in negotiable form) and for Dematerialised Shareholders will be the date on which the CSDPs or Brokers of such Torre Shareholders notify the Transfer Secretaries of their acceptance of the Offer, with final discharge expected to be made on the first Business Day after the closing of the Offer, provisionally being Monday, 10 October 2016 which date may be amended to a later Business Day in the event that the Offer Closing Date changes to a date other than Friday, 7 October 2016, which date shall be announced by Stellar Capital;
“Documents of Title”	means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Torre Shares, reasonably acceptable to Torre;
“Exchange Control Regulations”	means the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended;
“Financial Markets Act”	means the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“Firm Intention Announcement”	means the joint firm intention announcement relating to the Offer as announced on SENS on 23 June 2016 and in the press on 24 June 2016;
“IFRS”	means International Financial Reporting Standards;
“Independent Board”	means those members of the Torre Board who are independent and have been appointed by the Torre Board to consider the terms of the Offer in accordance with Regulation 108(8) of the Takeover Regulations, namely LE Bakoro (Chairperson), MM Ngoasheng and CS Seabrooke;
“Independent Expert”	means BDO;
“Independent Reporting Accountant to Torre”	means Deloitte & Touche;
“Independent Reporting Accountant to Stellar Capital”	means Deloitte & Touche;
“JSE”	means the JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;

“Last Practicable Date”	means Tuesday, 19 July 2016, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	means the Listings Requirements of the JSE in force as at the Last Practicable Date;
“MIC”	means MIC Investment Holdings Proprietary Limited (Registration number 1999/007850/07), a private company incorporated in accordance with the laws of South Africa;
“Offer”	means Stellar Capital’s mandatory offer to Torre Shareholders in terms of Chapter 5 of the Companies Act to acquire all the Torre Shares not already owned by Stellar Capital, the consideration for which will be discharged through the issue of the Consideration Shares;
“Offer Closing Date”	means the closing date of the Offer, provisionally being Friday, 7 October 2016, which date may be amended to a later Business Day, which shall be announced by Stellar Capital and which date shall (a) be a Friday (b) not be earlier than 10 (ten) Business Days after the date of the announcement that the Offer is unconditional and (c) not be earlier than 30 Business Days from the Offer Opening Date. It is recorded that the Offer Closing Date will change to a later Business day in the event that the approval from the Competition Authorities is required, for instance;
“Offer Consideration”	means the 1.25 new Stellar Capital Shares offered to be issued for each Offer Share held;
“Offer Form”	means the form of acceptance, surrender and transfer (<i>pink</i>) (for use by Certificated Shareholders only) attached at the end of this Circular;
“Offer Opening Date”	means the opening date of the Offer, being Thursday, 28 July 2016;
“Offer Period”	means the period beginning on the Offer Opening Date and ending on the Offer Closing Date;
“Offer Record Date”	means the record date to be recorded in the Register in order to be eligible to accept the Offer, provisionally being Friday, 7 October 2016, which date may be amended to a later Business Day in the event that the Offer Closing Date changes to a date other than Friday, 7 October 2016, which date shall be announced by Stellar Capital;
“Offer Shares”	means all the issued Shares as at the Offer Record Date not already held by Stellar Capital;
“Offeree Torre Shareholders”	means all Torre Shareholders, other than Stellar Capital;
“Own Name Dematerialised Shareholders”	means Dematerialised Shareholders who/which have elected to have “own name” registration;
“Rand” or “R”	means South African rand, the official currency of South Africa;
“Register”	means Torre’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including Torre’s uncertificated securities register;
“RMB”	means Rand Merchant Bank, a division of FirstRand Bank Limited (Registration number 1929/001225/06), a public company duly incorporated in accordance with the laws of South Africa;
“Sabvest”	means Sabvest Finance and Guarantee Corporation Proprietary Limited (Registration number 1992/004722/07) and Sabvest Investments Proprietary Limited (Registration number 1988/006250/07), private companies incorporated in accordance with the laws of South Africa;
“SAR Scheme”	means the Torre Share Appreciation Rights Plan, in terms whereof, <i>inter alia</i> , Torre employees may be granted conditional rights to, upon vesting of such rights, participate in the appreciation in value of Torre Shares between the date of award of such rights and the date of exercise thereof, provided that certain performance conditions have been met, and such Torre Shareholders having remained in the employ of Torre, in accordance with the SAR Scheme rules as approved by Torre Shareholders on 30 September 2014;

“SENS”	means the Stock Exchange News Service, operated by the JSE;
“South Africa”	means the Republic of South Africa;
“Stellar Capital”	means Stellar Capital Partners Limited (Registration number 1998/015580/06), a public company incorporated in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE;
“Stellar Capital Board” or “Stellar Capital Directors”	means the directors of Stellar Capital as at the Last Practicable Date, whose names are set out on page 8 of this Circular;
“Stellar Capital Shares”	means ordinary shares of no par value in the share capital of Stellar Capital;
“Strate”	means Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, a registered central securities depository which is responsible for the electronic settlement system used by the JSE;
“Subsidiary”	means a subsidiary company, as defined in section 3 of the Companies Act;
“Takeover Regulations”	means Chapter 5 of the Companies Regulations;
“Torre” or “the Company”	means Torre Industries Limited (Registration number 2012/144604/06), a public company incorporated in accordance with the laws of South Africa on 13 August 2012, the Shares of which are listed on the Main Board of the JSE;
“Torre Board” or “Torre Directors”	means the directors of Torre as at the Last Practicable Date, whose names are set out on page 8 of this Circular;
“Torre Remuneration Committee”	means the remuneration sub-committee of the board of directors of Torre comprising of PJ van Zyl (Chairman), MM Ngoasheng, CS Seabrooke, MS Bomela and N Khaole;
“Torre Shares” or “Shares”	means ordinary shares of no par value in the share capital of Torre;
“Torre Shareholders” or “Shareholders”	means Certificated and Dematerialised registered holders of Torre Shares;
“Transfer Secretaries” or “Link”	means Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated in accordance with the laws of South Africa and the Transfer Secretaries of Torre;
“VAT”	means Value Added Tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended from time to time; and
“VWAP”	means volume weighted average price.

ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE OFFER

The definitions and interpretations commencing on page 3 of this Circular shall apply, *mutatis mutandis*, to this section.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, banker, legal adviser, CSDP, accountant, attorney or other professional adviser. If you have disposed of all your Torre Shares on or before Friday, 22 July 2016, this Circular should be handed to the purchaser of such Torre Shares or the Broker, banker, CSDP or other agent through whom the disposal was effected.

Please take careful note of the following provisions regarding the action to be taken by Shareholders. If you are in any doubt as to what action you should take, please consult your Broker, banker, legal adviser, CSDP or other professional adviser immediately.

If you are a Certificated Shareholder

Acceptance of Offer, surrender of Documents of Title and Offer Consideration

1. If you are a Certificated Shareholder and you wish to accept the Offer, you may accept the Offer in respect of all or part of your Shares by completing the attached Offer Form and return it, together with the relevant Documents of Title to the Transfer Secretaries by no later than 12:00 on the Offer Record Date.
2. If you have accepted the Offer, by no later than 12:00 on the Offer Record Date, in respect of some or all of your Shares and surrendered your Documents of Title to the Transfer Secretaries, discharge of the Offer Consideration will be made to you by no later than the Discharge Date. Certificated Shareholders who accept the Offer will have the Offer Consideration posted to them by registered post (at their risk) by no later than the Discharge Date, being within six Business Days after the later of the Offer being declared wholly unconditional and the acceptance of the Offer by the Shareholder with final discharge expected to be made on the first Business Day after the closing of the Offer.
3. If you do not wish to accept the Offer, you need not take any action.
4. Certificated Shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing Form B: Direct Credit – Bank Account Details attached to the Offer Form and return same to the Transfer Secretaries for the cash payment of the fraction portion.

Certificated Shareholders are required to indicate on the Offer Form their acceptance of the Offer. Should there be any doubt or dispute as to whether the offeree has accepted the Offer or not, then you will be deemed not to have accepted the Offer.

If you are a Dematerialised Shareholder with or without “own name” registration

Acceptance of Offer

1. Your CSDP or Broker should contact you to ascertain if you wish to accept the Offer and, if so, in respect of how many of your Torre Shares.
2. If your CSDP or Broker has not contacted you, it would be advisable for you to contact your CSDP or Broker and furnish it with your instructions.
3. If your CSDP or Broker does not obtain instructions from you, it will be obliged to act in accordance with the instructions in the Custody Agreement concluded between you and your CSDP or Broker.
4. The CSDP or Broker of a Dematerialised Shareholder who wishes to accept the Offer must notify the Transfer Secretaries of such acceptance of the Offer by no later than 12:00 on the Offer Record Date.

Should the Custody Agreement (as referred to in point 3 above) concluded between you and your CSDP or Broker not be clear in this regard, then you will be deemed not to have accepted the Offer.

Surrender of Documents of Title

5. You must not complete the attached Offer Form.

Offer Consideration

6. Dematerialised Shareholders who accept the Offer will have their account at the CSDP or Broker updated by no later than the Discharge Date, being within six business days after the later of the Offer being declared wholly unconditional and the date on which the CSDPs or Brokers of such Torre Shareholders notify the Transfer Secretaries of their acceptance of the Offer with final discharge expected to be made on the first business day after the closing of the Offer.
7. If you do not wish to accept the Offer, you need not take any action.



Torre Industries Limited

(Incorporated in the Republic of South Africa)
(Registration number 2012/144604/06)
Share code: TOR ISIN: ZAE000188629
("Torre" or "the Company")



Stellar Capital Partners Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
Share code: SCP ISIN: ZAE000198586
("Stellar Capital")

Directors of Torre

CS Seabrooke (*Chairman*)*#
CE Pettit (*Chief Executive Officer*)
SR Midlane (*Chief Financial Officer*)
MM Ngoasheng*#
PJ van Zyl*#
LE Bakoro*#
MS Bomela*
N Khaole*

Directors of Stellar Capital

DD Tabata (*Chairman*)*#
CE Pettit (*Chief Executive Officer*)
CB de Villiers (*Chief Financial Officer*)
PJ van Zyl*
L Mangope*#
CJ Roodt*#
J de Bruyn*#
CC Wiese*#
M Wentzel*#^

*Non-executive *Independent ^Alternate

COMBINED CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

Torre Shareholders are referred to the joint Firm Intention Announcement released on SENS by Stellar Capital and Torre on 23 June 2016 regarding Stellar Capital's acquisition of the Acquired Shares in exchange for the issue of 1.25 new Stellar Capital Shares for each Acquired Share.

As a consequence of the Acquisition, which was concluded in equal part with two parties unrelated to Stellar Capital namely the Inhimwe Trust (Masters Reference No. IT6715/99) and the Creeky Glen Trust (Masters Reference No. IT2479/98), Stellar Capital's interest in Torre has increased from 177 654 276 Torre Shares or 33.84% immediately prior to the Acquisition to 186 022 378 Torre Shares, representing approximately 35.43% of the issued ordinary share capital of Torre immediately after the Acquisition. The beneficiaries of the Inhimwe Trust are the Cunningham family and the beneficiaries of the Creeky Glen Trust are the Scott family.

Stellar Capital is therefore obliged to make a mandatory offer, as contemplated in section 123 of the Companies Act and the Takeover Regulations, to Torre Shareholders to acquire all the Torre Shares not already owned by Stellar Capital.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to furnish the Torre Shareholders with information relating to the Offer, including the terms of the Offer and the manner in which it will be implemented.

3. OVERVIEW OF STELLAR CAPITAL

3.1 Information about Stellar Capital

Stellar Capital is a JSE listed investment holding company that invests permanent capital into strategic or controlling stakes in companies that operate predominantly in the industrial and financial services sectors. Stellar Capital applies a hands-on investment approach in order to assist management teams and to provide strategic input, without assuming direct operational responsibility for the companies in which it invests.

3.2 Rationale for the Offer

Stellar Capital purchased the Acquired Shares in order to increase its holding in Torre at a relatively attractive valuation. As a result Stellar Capital's shareholding in Torre has increased to more than 35% and Stellar Capital is therefore required, in terms of the Companies Act and the Takeover

Regulations, to make a mandatory offer to Offeree Torre Shareholders for the Offer Shares at the same price as the price at which the Acquisition was implemented.

Stellar Capital does not anticipate any change to the nature of Torre's business nor its board of directors following implementation of the Offer. Stellar Capital anticipates that Torre will remain listed on the JSE following the completion of the Offer, subject to Torre continuing to meet the public shareholder spread and related requirements of the Listings Requirements.

4. ACQUISITION, OFFER AND MECHANISM

4.1 Acquisition, Offer details and consideration

The Acquisition consideration was discharged by the transfer of 10 460 127 existing Stellar Capital Shares, representing 1.25 Stellar Capital Shares per Acquired Share.

In terms of the Takeover Regulations, Stellar Capital is obliged to offer to acquire all of the Offer Shares by the issue of 1.25 new Stellar Capital Shares for each Offer Share held, effectively valuing each Offer Share at R2.25 at the date of the Firm Intention Announcement. It is anticipated the Offer will close and be settled after the record date for participation in any final dividend declared for the year ended 30 June 2016, such that the Offer Shares are acquired ex-such final dividend, if any.

Torre Shareholders may elect to accept the Offer in whole or in part.

The Offer Consideration represents a premium of 2.3% to Torre's closing share price at 21 June 2016.

Stellar Capital is not obliged to make a comparable offer (and accordingly will not make an offer) for the existing awards made in terms of SAR Scheme and the BSP. These awards will continue to be governed under their existing plans. Further details in this regard are included in paragraph 4.4 below.

Stellar Capital confirms that it has sufficient authorised share capital to fulfil its obligations in terms of the Offer.

The Offer shall not constitute an offer to purchase or the solicitation of an offer to sell any Torre Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the laws of such jurisdiction.

4.2 Conditions precedent

The Offer is subject to the fulfilment of the following conditions precedent on or before 30 September 2016 (or such later date as required and extended by Stellar Capital in writing):

4.2.1 The approval of the Takeover Regulation Panel and, to the extent required, the Competition Authorities, the costs for which will be borne by Stellar Capital.

As disclosed above, the Offer is subject to the approval of the Competition Authorities, to the extent that such approval is required. In this regard, Torre Shareholders are advised of the following process:

- If, on the Business Day immediately preceding the provisional Offer Closing Date, being Friday, 7 October 2016, the number of acceptances of the Offer is such that the approval of the Competition Authorities is not required, the Offer will be declared unconditional (assuming all other conditions to the Offer have been fulfilled) and the Offer will be implemented to the extent of such acceptances.
- If, at any time before the provisional Offer Closing Date, being Friday, 7 October 2016, it becomes apparent that the approval of the Competition Authorities is required, an announcement will be made, on SENS and in the press that the Offer is so subject to such approval being obtained and that the Offer Closing Date and all other relevant dates will be extended in order to allow for the requisite application to be made to the Competition Authorities.
- If, at any time before the extended Offer Closing Date, the approval of the Competition Authorities is received, or Torre Shareholder acceptances of the Offer are withdrawn such that the approval of the Competition Authorities is no longer required, the Offer will be declared unconditional and, after remaining open for a further 10 Business Days, will be implemented to the extent of such acceptances.
- If, at any time before the extended Offer Closing Date, the approval of the Competition Authorities is declined or not obtained, the Offer will not be implemented.

4.3 Irrevocable Undertakings

The following Torre Shareholders which collectively hold 126 464 571 of the Torre Shares have provided irrevocable undertakings not to accept the Offer:

Shareholder	Number of Torre Shares	% of Torre Shares ⁽¹⁾
MIC Investment Holdings (Pty) Limited ⁽²⁾	66 464 571	12.66
Sabvest Finance and Guarantee Corporation (Pty) Limited and Sabvest Investments (Pty) Limited	60 000 000	11.43

⁽¹⁾ Based on an outstanding number of Torre Shares in issue of 525 058 445

⁽²⁾ MIC was established by the Mineworkers Investment Trust (MIT) to create a sustainable asset base for the benefit of mine, energy and construction workers and their dependants

4.4 BSP and SAR Scheme

In terms of section 125(2) of the Companies Act read with Regulation 87 of the Takeover Regulations, a comparable offer is required for all classes of issued securities that have voting rights or could have voting rights in the future, including options. A comparable offer is not required for the BSP or the SAR based on the following:

- 4.4.1 In terms of the SAR Scheme, participants identified by the Torre Remuneration Committee are annually awarded share appreciation rights (“**SARs**”), subject to them remaining in the employment of Torre for a specified period. The number of SARs which vest are determined with reference to certain objective performance conditions. Upon vesting, the participant has a 12-month period within which to exercise the vested SARs, the participant is then settled with Torre Shares, based upon the appreciation in the value of the Torre Shares between the date of the award and the date of exercise of the SARs. If there had been no appreciation in the value of the Torre Shares, no Torre Shares will be issued pursuant to the SARs exercised.
- 4.4.2 In terms of the BSP, participants receive conditional rights to receive Torre Shares at a future vesting date, provided that the participant had remained in the employment of Torre until the vesting date. These rights are awarded based on a pre-determined multiple of the actual (post-tax) annual short-term incentive awarded to the participant in respect of the previous financial year.
- 4.4.3 None of the rights under the SAR Scheme or BSP have vested as at the Last Practicable Date, and all rights remain conditional upon the participants remaining in the employment of Torre until the first vesting date. The first tranche will vest on 31 October 2017, provided that the aforementioned employment condition is fulfilled at that point in time.
- 4.4.4 There is also no acceleration of vesting in terms of the SAR Scheme and the BSP pursuant to the Acquisition.
- 4.4.5 All rights of participants under the SAR Scheme and the BSP accordingly remain conditional upon them remaining in the employment of Torre until at least 31 October 2017 (in respect of the first tranches of rights awarded under the SAR Scheme and the BSP).
- 4.4.6 Regulation 87(2) of the Takeover Regulations requires comparable offers for all classes of issued security that have voting rights, or could have voting rights in the future, including options. Given that none of the rights to subscribe for securities under the SAR Scheme or BSP have arisen as yet, the awards made to participants under the SAR Scheme and BSP do not yet amount to any form of option or security.
- 4.4.7 In light of the above, Torre Shareholders are advised that no comparable offer will be made to participants under either the SAR Scheme or the BSP, and the rights of participants thereunder will continue in accordance with their terms.

5. PROCEDURE FOR THE ACCEPTANCE OF THE OFFER

All Offeree Torre Shareholders recorded in the Register on the Offer Record Date will be eligible to participate in the Offer.

For Certificated Shareholders, if the Transfer Secretaries do not receive your completed Offer Form by 12:00 on the Offer Record Date, you will be deemed to have elected not to accept the Offer.

If the CSDP or Broker of a Dematerialised Shareholder have not notified the Transfer Secretaries of acceptance of the Offer by 12:00 on the Offer Record Date you will be deemed to have elected not to accept the Offer.

5.1 To accept the Offer

If you are a Certificated Shareholder and wish to accept the Offer in respect of all or part of your Torre Shares you need to complete the attached Offer Form in accordance with the instructions contained therein and return the Offer Form, as well as the Document(s) of Title, to the Transfer Secretaries to be received by no later than 12:00 on the Offer Record Date.

If you are a Dematerialised Shareholder with or without “own name” registration and you wish to accept the Offer, your CSDP or Broker should contact you in the manner stipulated in the Custody Agreement concluded between you and your CSDP or Broker in order to obtain your instructions.

If your CSDP or Broker does not contact you, you are advised to contact your CSDP or Broker. If your CSDP or Broker does not obtain instructions from you, it will be obliged to act in accordance with the instructions in the Custody Agreement between you and your CSDP Broker.

The CSDP or Broker of a Dematerialised Shareholder who wishes to accept the Offer must notify the Transfer Secretaries of such acceptance of the Offer by no later than 12:00 on the Offer Record Date.

If you are a Dematerialised Shareholder, you must not complete the attached Offer Form.

5.2 Validity of Offer Forms

In respect of Certificated Shares, Stellar Capital reserves the right, in its sole and absolute discretion, to:

- 5.2.1 treat as invalid Offer Forms not accompanied by valid Document(s) of Title;
- 5.2.2 require proof of the authority of the person signing the Offer Form where such proof has not yet been lodged with, or recorded by, the Transfer Secretaries.

5.3 Acceptances irrevocable

Subject to Regulation 105(2) of the Takeover Regulations, all acceptances of the Offer received by the Transfer Secretaries and treated as valid by them, shall be irrevocable.

5.4 Certificated transfers

Where Document(s) of Title have been surrendered, no receipts will be issued to accepting Offeree Torre Shareholders for the Offer Form and the Document(s) of Title lodged with the Transfer Secretaries, unless specifically requested by such Offeree Torre Shareholders. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Document(s) of Title lodged.

5.5 Lost or destroyed Document(s) of Title in respect of Certificated Shareholders

If Document(s) of Title relating to the Torre Shares have been lost or destroyed, Offeree Torre Shareholders who wish to accept the Offer should nevertheless return the Offer Form duly signed and completed. Provided that the properly completed Offer Form and evidence has been received on or before the Offer Record Date and such evidence is satisfactory to Stellar Capital or the Transfer Secretaries in their sole and absolute discretion, indicating that they have been lost or destroyed, the Transfer Secretaries shall issue a suitable indemnity form to such Offeree Torre Shareholder. Such indemnity shall be in a form and substance acceptable to Stellar Capital in its sole and absolute discretion. Stellar Capital shall consider the Offer to have been validly accepted upon receipt of such indemnity form duly completed and signed by such Offeree Torre Shareholder.

5.6 Settlement of the Offer Consideration

5.6.1 The Consideration Shares due to Dematerialised Shareholders will not be posted to such Offeree Torre Shareholders, but the CSDP/Broker account will be credited/updated as applicable within six Business Days after the later of receipt of a valid acceptance and the Offer being declared wholly unconditional, provided that such acceptances have been received by the Transfer Secretaries before 12:00 on the Offer Record Date and dealt with in terms of the Custody Agreement entered into between the Offeree Torre Shareholder and his/her/its CSDP or Broker.

5.6.2 The Consideration Shares due to Certificated Shareholders will be posted by registered mail, to such Offeree Torre Shareholders, at such Offeree Torre Shareholders' risk, to his/her/its address reflected on the attached Offer Form, or if there is no address on the Offer Form, to the address reflected in the Register of Shareholders. This will take place within six Business Days after the later of the receipt of the Offer Form together with the relevant Document(s) of Title (in negotiable form) and the Offer being declared wholly unconditional, provided that such acceptances have been received before 12:00 on the Offer Record Date.

- 5.6.3 If the Consideration Shares are not sent to Offeree Torre Shareholders entitled thereto because the relevant Document(s) of Title have not been properly surrendered or if the Consideration Shares are returned undelivered to the Transfer Secretaries, the Consideration Shares will be held by the Transfer Secretaries for the benefit of the Certificated Shareholders concerned, pending receipt of the necessary information or instructions.

5.7 Fractions

Where a Shareholders entitlement to Stellar Capital Shares calculated in accordance with the prescribed share ratio gives rise to a fraction of a Stellar Capital Shares, such fraction of a new ordinary share will be rounded down to the nearest whole number, resulting in allocations of whole Stellar Capital Shares and cash payment for the fraction.

The applicable cash payment will be determined with reference to the VWAP of Stellar Capital Shares traded on the JSE on Wednesday, 5 October 2016, discounted by 10%.

The applicable cash payment will be announced on SENS on Thursday, 6 October 2016.

6. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations insofar as they have application to Offeree Torre Shareholders. In the event of any doubts, Offeree Torre Shareholders are advised to consult their professional advisers as soon as possible.

6.1 Residents of the Common Monetary Area

In the case of:

- 6.1.1 Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Document(s) of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Consideration Shares will be posted to such Offeree Torre Shareholders, in accordance with the "Action required by Shareholders in relation to the Offer" section of this document as set out on page 7; or
- 6.1.2 Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively endorsed in terms of the Exchange Control Regulations, the Consideration Shares will be transferred directly to the accounts nominated for the relevant Offeree Torre Shareholders by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

6.2 Emigrants from the Common Monetary Area

In the case of Torre Shareholders who are emigrants from the Common Monetary Area, the Consideration Shares will:

- 6.2.1 in the case of Certificated Shareholders whose Document(s) of Title will be restrictively endorsed under the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Certificated Shareholders' blocked assets in terms of the Exchange Control Regulations. The attached Offer Form makes provision for details of the authorised dealer concerned to be given; or
- 6.2.2 in the case of Dematerialised Shareholders, be transferred to the emigrant account of the Offeree Torre Shareholders' held at the CSDP of the Authorised Dealer controlling the particular emigrant's blocked assets, or the CSDP contracted by such an Authorised Dealer, under the auspices of the controlling Authorised Dealer.

6.3 All other non-residents of the Common Monetary Area

The Consideration Shares accruing to non-resident Offeree Torre Shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will:

- 6.3.1 in the case of Certificated Shareholders, whose Document(s) of Title will be restrictively endorsed under the Exchange Control Regulations, be posted to the registered addresses of the non-resident Offeree Torre Shareholders concerned, unless written instructions to the contrary are received and an address provided. The attached Offer Form and transfer makes provision for a substitute address; or
- 6.3.2 in the case of Dematerialised Shareholders, be credited by their duly appointed CSDP or Broker directly to the accounts nominated by the Offeree Torre Shareholders in terms of the provisions of the Custody Agreement with his/her/its CSDP or Broker.

6.4 Information not provided

If the information regarding the authorised dealer is not given or instructions are not given as required, the Consideration Shares will be held by the Transfer Secretaries for the benefit of those Torre Shareholders concerned, pending receipt of the necessary information or instructions.

7. INTERESTS AND DEALINGS IN SECURITIES

7.1 Torre's interests in Stellar Capital

As at the Last Practicable Date, Torre had no interest in any Stellar Capital Shares.

7.2 Torre's dealings in Stellar Capital

In the six months preceding the Offer Opening Date, Torre has not dealt in any Stellar Capital Shares.

7.3 Stellar Capital's interests in Torre

As at the Last Practicable Date, Stellar Capital's interest in Torre amounted to 186 022 378 Torre Shares, representing approximately 35.43% of Torre's issued ordinary shares.

7.4 Stellar Capital's dealings in Torre

Other than the Acquisition, Stellar Capital has not dealt in any Torre Shares in the six months preceding the Offer Opening Date.

7.5 Interests in Torre and Stellar Capital by MIC and Sabvest as providers of irrevocable undertakings

As at the Last Practicable Date,

- MIC's interest in Torre amounted to 66 464 571 Torre Shares, equivalent to 12.66% of Torre's issued ordinary shares;
- Sabvest's interest in Torre amounted to 61 816 355 Torre Shares, equivalent to 11.77% of Torre's issued ordinary shares.

MIC and Sabvest held no interest in Stellar Capital as at the Last Practicable Date.

7.6 MIC and Sabvest dealings in Torre as providers of irrevocable undertakings

MIC and Sabvest did not deal in Torre Shares in the period beginning six months before the Offer Opening Date.

Detail of receipts of Torre Shares by MIC and Sabvest in lieu of cash dividends in the period beginning six months before the Offer Opening Date are shown below:

Ordinary shares				
	Nature	Scrip dividend date	Scrip dividend price	Number of shares received
MIC	Scrip dividend	15 April 2016	R2.95	856 241
Sabvest	Scrip dividend	15 April 2016	R2.95	796 360

8. STATEMENT OF DIRECTORS' INTERESTS

8.1 Stellar Capital Directors' interests in Stellar Capital

The direct and indirect beneficial interests of the Stellar Capital Directors and their Associates in Stellar Capital Shares, including directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below.

Ordinary shares				
Director	Direct	Beneficial		Total %
		Indirect	Total	
Executive directors				
CE Pettit ¹	–	–	–	–
CB de Villiers	146 475	–	146 475	0.02
Non-executive Directors				
PJ van Zyl ¹	–	–	–	–
DD Tabata ²	–	1 082 658	1 082 658	0.12
L Mangope	–	–	–	–
J de Bruyn	–	–	–	–
CC Wiese [#]	–	17 239 711	17 239 711	1.85
CH Wiese*	–	17 239 711	17 239 711	1.85
CJ Roodt	–	–	–	–
M Wentzel	–	–	–	–
Total	146 475	35 562 080	35 708 555	3.84

¹ CE Pettit changed his role to CEO and PJ Van Zyl changed his role to non-executive director with effect from 5 October 2015

² Reflects the effective shareholding held through Green Tree Investments 306 Proprietary Limited

[#] Reflects the effective shareholding held through Metcap 14 Proprietary Limited

* Resigned on 11 April 2016. Reflects the effective shareholding held through Cream Magenta 140 Proprietary Limited

Preference shares				
Director	Direct	Beneficial		Total %
		Indirect	Total	
Executive directors				
CE Pettit	–	–	–	–
CB de Villiers	–	–	–	–
Non-executive Directors				
PJ van Zyl	–	–	–	–
DD Tabata	–	–	–	–
L Mangope	–	–	–	–
J de Bruyn	–	–	–	–
CC Wiese [#]	–	94	94	15.67
CH Wiese*	–	94	94	15.67
CJ Roodt	15	–	15	2.50
M Wentzel	–	–	–	–
Total	15	188	203	33.84

8.2 Stellar Capital Directors' dealings in Stellar Capital

No Stellar Capital Directors dealt in Stellar Capital Shares in the period beginning six months before the Offer Opening Date.

No Stellar Capital Directors dealt in Stellar Capital preference shares in the period beginning six months before the Offer Opening Date.

8.3 Stellar Capital Directors' interests in Torre

The direct and indirect beneficial interests of the Stellar Capital Directors and their Associates in Torre Shares, including Directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below.

Director	Beneficial			Total %
	Direct	Indirect	Total	
Executive directors				
CE Pettit	1 101 663	–	1 101 663	0.21
CB de Villiers	40 522	–	40 522	0.01
Non-executive Directors				
PJ van Zyl	96 240	–	96 240	0.02
DD Tabata	–	–	–	–
L Mangope	–	–	–	–
J de Bruyn	–	20 261	20 261	0.00
CC Wiese	–	–	–	–
CH Wiese	–	–	–	–
CJ Roodt	–	–	–	–
M Wentzel	–	–	–	–
Total	1 238 425	20 261	1 258 686	0.24

8.4 Stellar Capital Directors' dealings in Torre

No Stellar Capital Directors dealt in Torre Shares in the period beginning six months before the Offer Opening Date.

Detail of receipts of Torre Shares by Stellar Capital's Directors in lieu of cash dividends in the period beginning six months before the Offer Opening Date are shown below:

Ordinary Shares				
Director	Nature	Scrip dividend date	Scrip dividend price	Number of shares received
CE Pettit	Scrip dividend	15 April 2016	R2.95	14 192
PJ van Zyl	Scrip dividend	15 April 2016	R2.95	1 240
J de Bruyn	Scrip dividend	15 April 2016	R2.95	261
CB de Villiers	Scrip dividend	15 April 2016	R2.95	522

8.5 Torre's Directors' interests in Torre

The direct and indirect beneficial interests of the Torre Directors and their Associates in Torre Shares, including Directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below.

Director	Beneficial			Total %
	Direct	Indirect	Total	
Executive directors				
CE Pettit	1 101 663	–	1 101 663	0.21
SR Midlane ⁴	50 653	11 004 500	11 055 153	2.11
Non-executive directors				
CS Seabrooke ¹	–	61 816 355	61 816 355	11.77
MM Ngoasheng ²	–	56 359 325	56 359 325	10.73
PJ van Zyl	96 240	–	–	–
LE Bakoro	–	–	–	–
MS Bomela	–	–	–	–
N Khaole	–	–	–	–
CWJ Lyons ³	5 072 851	–	5 072 851	0.97
JWLM Fizelle ³	–	–	–	–
Total	6 321 407	129 180 180	135 405 347	25.79

¹ 61 816 355 shares held by subsidiaries of Sabvest Limited in which the Seabrooke Family Trust has a 69.531% voting and 32.6% economic interest

² 55 954 105 shares held by Safika Holdings Proprietary Limited in which MM Ngoasheng holds a 28.4% economic interest and 405 220 shares held in Modidima Ventures (Pty) Limited

³ Resigned 30 April 2015

⁴ 186 022 378 Torre shares held by Stellar Capital in which SR Midlane holds a 3.49% economic interest

8.6 Torre's Directors' dealings in Torre

No Torre Directors dealt in Torre Shares in the period beginning six months before the Offer Opening Date.

Detail of receipts of Torre Shares by Torre's Directors in lieu of cash dividends in the period beginning six months before the Offer Opening Date:

Ordinary Shares				
Director	Nature	Scrip dividend date	Scrip dividend price	Number of shares received
CE Pettit	Scrip dividend	15 April 2016	R2.95	14 192
PJ van Zyl	Scrip dividend	15 April 2016	R2.95	1 240
SR Midlane	Scrip dividend	15 April 2016	R2.95	653
Associate of CS Seabrooke	Scrip dividend	15 April 2016	R2.95	482 783
Associate of CS Seabrooke	Scrip dividend	15 April 2016	R2.95	313 577
Associate of MM Ngoasheng	Scrip dividend	15 April 2016	R2.95	5 220

8.7 Torre Directors' interests in Stellar Capital

The direct and indirect beneficial interests of the Torre Directors and their Associates in Stellar Capital Shares, including Directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below.

Ordinary Shares				
Director	Beneficial		Total	Total %
	Direct	Indirect		
Executive directors				
CE Pettit	–	–	–	–
SR Midlane	19 500 000	13 000 000	32 500 000	3.49
Non-executive directors				
CS Seabrooke	–	–	–	–
MM Ngoasheng	–	–	–	–
PJ van Zyl	–	–	–	–
LE Bakoro	–	–	–	–
MS Bomela	–	–	–	–
N Khaole	–	–	–	–
Total	19 500 000	13 000 000	32 500 000	3.49

8.8 Torre Directors' dealings in Stellar Capital

Torre Directors dealings in Stellar Capital Shares in the period beginning six months before the Offer Opening Date are shown below:

Director	Date	Price	Number of shares sold
SR Midlane	28 June 2016	R1.70	20 000

No Torre Directors dealt in Stellar Capital preference shares in the period beginning six months before the Offer Opening Date.

9. REMUNERATION OF DIRECTORS

9.1 Remuneration of Stellar Capital Directors

The remuneration of the Stellar Capital Directors in their capacity as Stellar Capital Directors will in no way be affected as a result of the Offer.

9.2 Remuneration of Torre Directors

The remuneration of Torre Directors in their capacity as Torre Directors will in no way be affected as a result of the Offer.

10. AGREEMENTS IN RELATION TO THE OFFER

Other than the irrevocable undertakings as detailed in paragraph 4.3 of this Circular, no agreements have been entered into between Stellar Capital and/or any party/ies Acting in Concert with it and Torre and/or the Torre Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) and/or Torre Shareholders (as at the Last Practicable Date or who were Torre Shareholders in the preceding 12 months) in relation to the Offer.

Other than the irrevocable undertakings as detailed in paragraph 4.3 of this Circular, no agreements have been entered into between Torre and Stellar Capital and/or any parties Acting in Concert with it and/or the Stellar Capital Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) and/or Stellar Capital shareholders (as at the Last Practicable Date or who were Stellar Capital shareholders in the preceding 12 months) in relation to the Offer.

11. SERVICE AGREEMENTS

There are no service contracts in place between any Torre Director and/or proposed Torre Director on the one hand and Torre or with any of its Subsidiaries on the other hand. There are no service contracts entered into or amended within six months before the Offer Opening Date.

12. FINANCIAL INFORMATION OF TORRE

12.1 Historical financial information

Extracts from the audited financial information of Torre for the years ended 30 June 2015, 30 June 2014 and 30 June 2013 and unaudited interim financial information for the six months ended 31 December 2015 are included in Annexure 4 to this Circular.

12.2 *Pro forma* financial effects of the Offer

12.2.1 The table below sets out the *pro forma* financial effects of the Offer. *Pro forma* financial effects are presented both in respect of the year ended 30 June 2015 for purposes of the Companies Act, Regulation 106 requirements and in respect of the latest published financial information being six months ended 31 December 2015 for the purposes of the JSE Listings Requirements.

12.2.2 The *pro forma* consolidated statement of comprehensive income for the year ended 30 June 2015 and for the six months ended 31 December 2015 and *pro forma* consolidated statement of financial position at 30 June 2015 and 31 December 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Offer on the financial position of Torre. Due to its nature, the *pro forma* financial information may not fairly present Torre's financial position, changes in equity and results of operations or cash flows after the Offer, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share for the year ended 30 June 2015, the Offer was implemented on 1 July 2014;
- for the purpose of calculating earnings per share and headline earnings per share for the six months ended 31 December 2015, the Offer was implemented on 1 July 2015;
- for the purpose of calculating net asset value per share and net tangible asset value per share at 30 June 2015, the Offer was implemented on 30 June 2015; and
- for the purpose of calculating net asset value per share and tangible asset value per share at 31 December 2015, the Offer was implemented on 31 December 2015.

12.2.3 The *pro forma* financial information has been prepared using the most recent published annual financial statements of Torre for the year ended 30 June 2015 in accordance with Companies Act and using the most recent published interim results for the six months

ended 31 December 2015 in accordance with the JSE Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

- 12.2.4 The accounting policies of Torre have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Torre for its latest annual financial statements for the year ended 30 June 2015 and the accounting policies herein have been applied on the same basis.
- 12.2.5 The directors of Torre are responsible for the preparation of the *pro forma* financial information contained in this Circular.
- 12.2.6 The detailed *pro forma* financial information and notes thereto as a result of the Offer is contained in Annexure 2 to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in Annexure 3 to this Circular.

	Year ended 30 June 2015			Six months ended 31 December 2015		
	Before the Offer	After the Offer	% change	Before the Offer	After the Offer	% change
Profit for the period (R'000)	102 407	101 522	(0.86)	84 606	83 721	(1.05)
Headline earnings (R'000)	106 724	105 839	(0.83)	76 072	75 187	(1.16)
Basic earnings per share (cents)	28.00	27.75	(0.90)	15.06	14.89	(1.13)
Diluted basic earnings per share (cents)	27.63	27.38	(0.90)	14.92	14.74	(1.21)
Headline earnings per share (cents)	30.26	30.01	(0.83)	15.12	14.94	(1.19)
Diluted headline earnings per share (cents)	29.86	29.61	(0.83)	14.97	14.80	(1.14)
Net asset value per share (cents)	264.95	264.77	(0.07)	295.28	295.10	(0.06)
Net tangible asset value per share (cents)	125.98	125.81	(0.14)	142.62	142.45	(0.12)
Weighted average number of shares in issue ('000)	352 712	352 712	–	503 239	503 239	–
Shares in issue at the end of the period ('000)	506 490	506 490	–	506 490	506 490	–

- 12.2.7 Shareholders are referred to the Firm Intention Announcement for the initial headline earnings per share and earnings per share comparison *pro formas*.

13. FINANCIAL INFORMATION OF STELLAR CAPITAL

13.1 Historical financial information

Extracts from the audited financial information of Stellar Capital for the year ended 30 November 2015, the 15 months ended 30 November 2014 and year ended 31 August 2013, are included in Annexure 7 to this Circular.

13.2 *Pro forma* financial effects of the Offer

13.2.1 The table below sets out the *pro forma* financial effects of the Acquisition and the Offer.

13.2.2 The *pro forma* consolidated statement of comprehensive income for the year ended 30 November 2015 and *pro forma* consolidated statement of financial position at 30 November 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Acquisition and Offer on the financial position of Stellar Capital. Due to its nature, the *pro forma* financial information may not fairly present Stellar Capital's financial position,

changes in equity and results of operations or cash flows after the Acquisition and Offer, and are based on the assumptions that:

- all Offer Shares are acquired by Stellar Capital in terms of the Offer;
- for the purpose of calculating earnings per share and headline earnings per share, the Acquisition and Offer were implemented on 1 December 2014;
- for the purpose of calculating net asset value per share and net tangible asset value per share, the Acquisition and Offer were implemented on 30 November 2015; and
- in preparing the *pro forma* financial information, Stellar Capital has also included the financial effects for other investment transactions that have been announced and/or implemented post 30 November 2015 up to the date of the Acquisition and Offer. These are detailed in Annexure 5 and relate to investments and disposals associated with Tellumat Proprietary Limited and Friedshelf 1678 Limited (being the holding company of Cadiz Holdings Proprietary Limited).

- 13.2.3 The *pro forma* financial information has been prepared using the most recent published annual financial statements of Stellar Capital for the year ended 30 November 2015 in accordance with the JSE Listings Requirements, Companies Act and guidelines issued by the South African Institute of Chartered Accountants.
- 13.2.4 The accounting policies of Stellar Capital have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Stellar Capital for its latest annual financial statements for the year ended 30 November 2015 and the accounting policies herein have been applied on the same basis.
- 13.2.5 The directors of Stellar Capital are responsible for the preparation of the *pro forma* financial information contained in this Circular.
- 13.2.6 The detailed *pro forma* financial information and notes thereto as a result of the Acquisition and Offer is contained in Annexure 5 to this Circular. The Independent Reporting Accountants to Stellar Capital's limited assurance report on the *pro forma* financial information is set out in Annexure 6 to this Circular

	Year ended 30 November 2015 Before	At 30 November 2015 after adjustment for events after reporting date	Change %	After Acquisition and Offer	Change %
Basic loss per ordinary share from continuing operations (cents)	(9.36)	(10.93)	(17)	(2.5)	77
Diluted basic loss per ordinary share from continuing operations (cents)	(9.36)	(10.93)	(17)	(2.5)	77
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(4.69)	(6.35)	(35)	(0.0)	99
Diluted headline loss per ordinary share from continuing operations (cents)	(4.69)	(6.35)	(35)	(0.0)	99
Basic loss per ordinary share from discontinued operations (cents)	(2.93)	(2.88)	2	(1.5)	47
Diluted basic loss per ordinary share from discontinued operations (cents)	(2.93)	(2.88)	2	(1.5)	47
Headline loss per ordinary share from discontinued operations (cents)	(1.28)	(1.26)	2	(0.7)	47
Diluted headline loss per ordinary share from discontinued operations (cents)	(1.28)	(1.26)	2	(0.7)	47

	Year ended 30 November 2015 Before	At 30 November 2015 after adjustment for events after reporting date	Change %	After Acquisition and Offer	Change %
Weighted average number of shares	298 534 243	304 165 250	1.89	569 879 620	87.36
Diluted weighted average number of shares	298 534 243	304 165 250	1.89	569 879 620	87.36
Total asset value per share (Rands)	2.67	2.73	1.97	2.83	4.00
Net asset value per share (Rands)	2.03	2.04	0.08	2.30	13.11
Tangible net asset value per share (Rands)	2.03	2.03	0.08	2.30	13.24

13.2.7 As not all the Offer Shares may be acquired by Stellar Capital, *pro forma* financial effects for three scenarios (being 75%, 50% and 25% election take-up of the Offer Shares) has been presented in Annexure 5 to this Circular.

13.2.8 Shareholders are referred to the Firm Intention Announcement for the initial headline earnings per share and earnings per share comparison *pro formas*.

14. INDEPENDENT EXPERT OPINION

14.1 In accordance with section 114(3) of the Companies Act and regulations 90(1) and (2) of the Takeover Regulations, the Independent Board appointed BDO as the Independent Expert (which meets the requirements set out in section 114(2) of the Companies Act and Regulation 90) for the purposes of providing external advice in regard to, among other things, the Offer and to make appropriate recommendations to the Independent Board for the benefit of Shareholders in respect of the Offer.

14.2 The Independent Expert performed a valuation on the Torre Shares and Stellar Shares for the purposes of the Offer. Taking into consideration the terms and conditions of the Offer, the Independent Expert is of the opinion, based on the assumptions and other considerations set forth in its opinion included in Annexure 1 of the Circular, that the terms and conditions of the Offer are reasonable but not fair to Torre Shareholders. The full text of such opinion from the Independent Expert is set out in Annexure 1 of the Circular.

15. RECOMMENDATIONS AND UNDERTAKINGS

15.1 The Independent Board has been tasked to consider whether the terms and conditions of the Offer are fair and/or reasonable to Offeree Torre Shareholders. In discharging its obligations, the Independent Board undertook an independent assessment of the terms and conditions of the Offer and engaged the Independent Expert to provide a fair and reasonable opinion in this regard.

15.2 BDO, acting as Independent Expert to the Independent Board, has advised the Independent Board that it has considered the terms and conditions of the Offer and is of the opinion that these terms and conditions are reasonable but not fair to Offeree Torre Shareholders (as further envisaged in Annexure 1 to this circular). The text of the letter from BDO is included in Annexure 1 to this Circular and such letter has not been withdrawn prior to the Last Practicable Date.

15.3 The Independent Board, taking into account the reasonable but not fair opinion of the Independent Expert, has considered the terms and conditions of the Offer and is of the opinion that the terms and conditions thereof are reasonable but not fair to Offeree Torre Shareholders. In particular, the Independent Board has considered the fair value ranges determined by the Independent Expert and is in agreement with the fair value ranges so determined and has placed reliance on the valuation performed by the Independent Expert. There were no factors considered to be too difficult to quantify or unquantifiable by the Independent Board when formulating its opinion. Accordingly, the Independent Board recommends that:

15.3.1 Offeree Torre Shareholders who wish to diversify from an industrial asset to a spread of industrial and financial assets should accept the Offer; or

15.3.2 Offeree Torre Shareholders who wish to remain invested in a focused industrial group should decline the Offer.

15.4 In terms of regulation 106(6)(b) of the Takeover Regulations, the Stellar Capital Board is of the opinion that the Offer is fair and reasonable to Offeree Torre Shareholders.

15.5 CE Pettit has confirmed that he will be accepting the Offer.

15.6 PJ van Zyl has confirmed that he will be accepting the Offer.

16. **NO SET-OFF OF OFFER CONSIDERATION**

Delivery of the Consideration Shares to Offeree Torre Shareholders will be effected in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Stellar Capital may otherwise be, or claim to be, entitled.

17. **RESPONSIBILITY STATEMENTS**

17.1 **Independent Board**

The Independent Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular which relates to the Offer as well as the extracts of information relating to Torre and certifies that, to the best of their knowledge and belief, such information is true and this Circular does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Independent Board has made all reasonable enquiries to ascertain that no facts have been omitted and this Circular contains all information required by law.

17.2 **Stellar Capital**

The Stellar Capital Board, individually and collectively, accepts full responsibility for the accuracy of the information contained in this Circular which relates to Stellar Capital and certifies that, to the best of its knowledge and belief, such information that relates to Stellar Capital is true and this Circular does not omit any facts which would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Stellar Capital Board has made all reasonable enquiries to ascertain that no facts have been omitted and this Circular contains all information required by law.

18. **TAX IMPLICATIONS**

The tax implications of the Offer on the Offeree Torre Shareholders will depend on the individual circumstances of each Independent Torre Shareholder. Accordingly, Offeree Torre Shareholders are advised to obtain independent tax advice in relation to the tax implications of the Offer. Offeree Torre Shareholders are referred to section 42 of the Income Tax Act.

19. **MATERIAL CHANGES**

Shareholders are referred to the trading statement announced on 8 June 2016 in which Torre Directors informed Shareholders that the financial results for the year ended 30 June 2016 will vary by 20% or more compared to those of the previous corresponding reporting period.

There have been no material changes in the affairs or financial position of Stellar Capital from its financial year ended 30 November 2015 to the Last Practicable Date save for specific investment transactions that are detailed in Annexure 5 and which relate to investments and disposals associated with Tellumat Proprietary Limited and Friedshelf 1678 Limited (being the holding company of Cadiz Holdings Proprietary Limited).

Shareholders are reminded that Stellar Capital is an investment entity that accounts for investments on a fair value basis at reporting date. As such the financial position is impacted by day to day movements in the fair values of investments held.

20. **COSTS**

All costs pertaining to the Offer and its implementation shall be borne and paid for by Stellar Capital.

The cost pertaining to the fair and reasonable opinion by the Independent Expert and legal advice provided to the Independent Board shall be borne and paid for by Torre.

21. ADVISERS' CONSENTS

The advisers whose names appear in the sections "Corporate Information and Advisers" have all consented in writing to act in the capacities stated in this Circular and to their names being stated in this Circular and, in the case of the Independent Expert and Independent Reporting Accountants, reference to their report in the form and context in which they appear, and have not withdrawn their consent prior to the publication of this Circular.

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders at Torre's registered office and the offices of the Transfer Secretaries of Torre and Stellar Capital (the addresses of which appear in the sections "Corporate Information and Advisers") during normal office hours from the date of posting of this Circular until the Offer Closing Date:

- 22.1 a signed copy of this Circular;
- 22.2 a signed copy of the report of the Independent Expert;
- 22.3 the MOI of Stellar Capital;
- 22.4 the MOI of Torre;
- 22.5 the irrevocable undertakings from Torre Shareholders;
- 22.6 the TRP approval letter;
- 22.7 the audited financial information of Stellar Capital for the year ended 30 November 2015, 15 months ended 30 November 2014 and year ended 31 August 2013;
- 22.8 the audited financial information of Torre for the three years ended 30 June 2015, 30 June 2014 and 30 June 2013 and unaudited interim financial information for the six months ended 31 December 2015;
- 22.9 the report of the Independent Reporting Accountant to Torre on the *pro forma* financial information of Torre;
- 22.10 the report of the Independent Reporting Accountant to Stellar Capital on the *pro forma* financial information of Stellar Capital; and
- 22.11 the written consents by the advisers.

SIGNED AT CAPE TOWN AND AT JOHANNESBURG ON BEHALF OF THE STELLAR CAPITAL BOARD AND THE TORRE BOARD ON 20 JULY 2016 AND 21 JULY 2016 RESPECTIVELY IN TERMS OF RESOLUTIONS PASSED BY THE BOARDS.

By order of the Boards

STELLAR CAPITAL PARTNERS LIMITED AND TORRE INDUSTRIES LIMITED

CE Pettit

Chief Executive Officer

Wednesday, 27 July 2016

REPORT OF THE INDEPENDENT EXPERT

The Directors
Torre Industries Limited
11 Avalon Road
West Lake View Ext 11
Modderfontein
1609

18 July 2016

Dear Sirs

Independent expert report regarding the offer by Stellar Capital Partners Limited (“Stellar Capital”) to acquire all the ordinary shares in Torre Industries Limited (“Torre” or the “Company”) not already held by Stellar Capital by means of a mandatory offer in terms of the Companies Act, No. 71 of 2008, as amended (the “Companies Act”)

Introduction

In the joint firm intention announcement published by Stellar Capital and Torre on 23 June 2016 (“Announcement”), shareholders were advised that Torre’s largest shareholder, Stellar Capital, has increased its shareholding in Torre from 33.86% to 35.46% through the acquisition, on 22 June 2016 of a further 8 368 102 ordinary shares of no par value in the issued share capital of Torre (“Torre Shares”) (“Acquired Shares”). Stellar Capital issued an aggregate of 10 460 127 new ordinary shares of no par value in the issued share capital of Stellar Capital (“Stellar Capital Shares”) as consideration for the Acquired Shares, representing 1.25 Stellar Capital Shares for each Acquired Share, and now holds 186 022 378 Torre Shares.

Consequently, in terms of section 123 of the Companies Act, read with the Takeover Regulations promulgated in terms of sections 120 and 223 of the Companies Act (the “Takeover Regulations”), Stellar Capital (the “Offeror”), is obligated to make an offer to holders of Torre Shares (“Torre Shareholders”) to acquire all the Torre Shares not already held by Stellar Capital for an offer consideration of 1.25 Stellar Capital Shares for each Torre Share (“Offer Consideration”) by means of a mandatory offer in accordance with the Companies Act (“the Offer”).

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

- Authorised ordinary share capital comprising:
 - 1 000 000 000 ordinary shares of no par value;
- Issued ordinary share capital comprising:
 - 525 058 445 ordinary shares of no par value.

The Company holds no Torre Shares as treasury shares.

Full details of the Offer are contained in the circular to Torre Shareholders (the “Circular”) to be dated on or about 27 July 2016, which will include a copy of this letter.

The material interests of the directors of Torre and the effect of the transaction on those interests and persons are set out in sections 8.5 and 12.2 of the Circular.

Scope

The Offer is an affected transaction as defined in section 117(1)(c)(vi) of the Companies Act and, accordingly, will be regulated by the Companies Act, the Takeover Regulations and the Takeover Regulation Panel (“TRP”). Regulation 90(1) provides that the Company must retain an independent expert to compile a report to the members of the board of directors of Torre (“Torre Board”) who are independent and have been appointed by the Torre Board to consider the terms of the Offer (“Independent Board”), concerning the proposed Offer, which meets the requirements of Regulation 90(5) (“Fair and Reasonable Opinion”).

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance” or the “Independent Expert”) has been appointed by the Independent Board to advise on whether the terms and conditions of the Offer are fair and reasonable to the remaining shareholders of Torre.

Responsibility

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

We confirm that our Fair and Reasonable Opinion has been provided to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Torre Shareholders.

Definition of the terms “fair” and “reasonable”

An offer will generally be considered fair to a company’s shareholders if the benefits received by the shareholders, as a result of the offer, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. The Offer may be considered fair if the Offer Consideration is considered to be equal to or greater than the value of a Torre Share.

The assessment of reasonableness of the Offer Consideration is based on the Offer Consideration in relation to the prevailing trading price of a Torre Share as at the time of the Offer as well as qualitative issues.

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

Information utilised and procedures performed

Key fairness considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Offer:

- Obtained an understanding of the terms and conditions of the Offer;
- Reviewed the audited financial statements of Torre for the financial year ended 30 June 2015 and of Stellar Capital for the financial year ended 30 November 2015;
- Reviewed the unaudited financial information of Torre and Stellar Capital for the year-to-date period ended 31 May 2016;
- Reviewed and obtained an understanding from management as to the forecast financial information of Torre for the financial years ending 30 June 2016 – 2021 prepared by management of Torre. Considered the forecast cash flows and the basis of the assumptions therein including the prospects of the business of Torre. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management and an assessment of the achievability thereof by considering historic information as well as macro-economic and sector-specific data;
- Compiled forecast free cash flows for Torre by using the historic and forecast financial information as detailed above. Applied BDO Corporate Finance’s assumptions of cost of capital to the forecast free cash flows to produce a discounted cash flow valuation of Torre;
- Compiled a capitalisation of maintainable earnings valuation for Torre by using adjusted consolidated historical and forecast financial information and applied BDO Corporate Finance’s calculated earnings multiples based on market comparables, adjusted for factors specific to Torre relative to listed peers to revenue, earnings before interest and tax (“EBIT”), earnings before interest, taxation, depreciation and amortisation (“EBITDA”) and profit after tax (“PAT”);
- The net asset value (“NAV”) method of valuation is normally most appropriate for the valuation of pure investment companies. This valuation approach would be used to value an investment holding company, where the value attributable to such holding company would be determined on a “sum of the parts” (“SOTP”) basis. As such, a net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. BDO Corporate Finance performed a desktop SOTP valuation of Stellar Capital. The valuations were based on the principal valuation methodologies outlined further in the “Valuation” section;
- Performed a sensitivity analysis on key assumptions included in the discounted cash flow valuation of Torre, specifically related to cost of capital and growth in the Company;
- Held discussions with senior management of Torre and Stellar Capital regarding the past and current business operations, regulatory requirements, financial condition and future prospects of each company and such other matters as we have deemed relevant to our inquiry;
- Assessed the long-term potential of Torre and Stellar Capital;
- Evaluated the relative risks associated with Torre and the industrial equipment and parts industry;
- Evaluated the risks and expected returns associated with Torre and Stellar Capital;
- Reviewed certain publicly available information relating to Torre and Stellar Capital, including company announcements, analyst reports and media articles;

- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industries in which Torre and Stellar Capital operate, and to analyse external factors that could influence the businesses;
- Compared the 12-month historical share price movement of Torre Shares and Stellar Capital Shares to shares of comparable companies in order to assess the relative trading activities, liquidity and volatility of Torre Shares and Stellar Capital Shares; and
- Considered any further material adjustments to value based on matters arising in the period from 30 June 2015 for Torre and from 30 November 2015 for Stellar Capital to the date of this opinion.

Valuation

BDO performed a valuation of Torre and Stellar Capital to determine whether the Offer Consideration represents fair value to the minority shareholders of Torre.

Torre

Torre is a diversified industrial group that provides equipment, parts, financing solutions and support services to customers in selected high growth markets.

The valuation of Torre was performed by applying the discounted cash flow methodology. In addition, we considered the market approach (based on financial data for comparable publicly traded companies) as a secondary methodology to support the results of the discounted cash flow valuation. The valuation of Torre was performed on a consolidated basis, using consolidated cash flow forecasts for Torre.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Torre.

Key internal value drivers to the discounted cash flow valuations of Torre included the discount rate, revenue growth, gross profit margins, growth in operating expenses, investment in working capital and capital expenditure requirements.

External value drivers include key macro-economic parameters such as, GDP growth, interest rates, exchange rates, headline inflation rates, and prevailing market and industry conditions in the sectors in which Torre operate were also considered in assessing the forecast cash flows and risk profile of Torre.

In addition sensitivity analyses were performed in respect of revenue growth and the weighted average cost of capital by increasing and decreasing the revenue growth by a maximum of 1% and the WACC range by a maximum of 1%. The revenue growth rate and WACC sensitivity analysis did not indicate a sufficient effect on the valuation of Torre to alter our opinion in respect of the Offer.

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

Stellar Capital

BDO Corporate Finance performed a valuation of Stellar Capital on a SOTP basis. Stellar Capital is an investment holding company with its principal investments comprising:

Description	Nature of investment	Type of investment	Valuation approach
Industrials			
Torre Industries	186 022 378 Torre Shares (35.46%)	Listed investment	DCF (as above)
Tellumat Proprietary Limited	100% interest	Unlisted investment	Market approach
Financial Services			
Cadiz Holdings Limited	100% interest	Unlisted investment	NAV
Stellar Credit Proprietary Limited	100% interest	Unlisted investment	Market approach
Other financial assets and financial liabilities			
Loan portfolio	Loans receivable	Financial assets	Carrying value
Cash and cash equivalents	Bank balances	Financial assets	Carrying value
Other receivables	Deferred proceeds	Financial assets	Carrying value
Net working capital	Trade and other payables and other assets	Financial liabilities/ assets	Carrying value
Preference shares	Convertible redeemable preference shares	Financial liabilities	Carrying value

The valuation was performed taking cognisance of risk and other market and industry factors affecting Stellar Capital and its underlying investment.

In undertaking the primary valuation exercise above, we determined a valuation range for:

- Torre Shares of R2.34 to R2.66 per Torre Share with a most likely value of R2.49 per Torre Share; and
- Stellar Capital Shares of R1.45 to R1.59 per Stellar Capital Share with a most likely value of R1.52 per Stellar Capital Share.

Based on the above value ranges the minimum number of Stellar Shares to be issued as consideration for each Torre Share would be 1.47 Stellar Capital Shares for each Torre Share. The Offer consideration of 1.25 Stellar Capital Shares for each Torre Share falls below the lower end of the suggested range calculated from our valuation.

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

Reasonableness of the Offer

The Offer Consideration represents the following ratio of Torre Shares to Stellar Capital Shares:

	Torre Shares	Stellar Capital Shares	Implied number of Stellar Capital Shares for each Torre Share
• The volume weighted average price (“VWAP”) per ordinary share on the Main Board of the exchange operated by the JSE Limited (“JSE”) from 23 June 2016 to the date of this opinion;	2.02	1.65	1.22
• the closing price per ordinary share on the JSE as at 22 June 2016, being the last business day immediately prior to the date of publication of the Announcement on 23 June 2016;	2.20	1.75	1.26
• the VWAP of ordinary shares on the JSE for the 30 days up to the date of publication of the Announcement;	2.52	1.89	1.33
• the VWAP of ordinary shares on the JSE for the 60 days up to the date of publication of the Announcement; and	2.66	1.89	1.40
• the VWAP of ordinary shares on the JSE for the 90 days up to the date of publication of the Announcement of R1.34.	3.03	1.98	1.53

Opinion

BDO has considered the terms and conditions of the Offer and, based upon and subject to the conditions set out herein, is of the opinion that the Offer is not fair to Torre Shareholders.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Offer are reasonable in the circumstances.

Our opinion is necessarily based upon the information available to us up to 15 July 2016, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This opinion is provided to the Independent Board in connection with and for the purposes of the transaction for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Torre Shareholders. This opinion is prepared solely for the Independent Board for use in the indicated manner and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder’s perspective, but rather that of the general body of Torre Shareholders. Should a Torre Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Torre Shareholder's decision as to whether to accept the Offer may be influenced by his particular circumstances. The assessment as to whether or not the Independent Board decides to recommend the Offer is a decision that can only be taken by the Independent Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Torre and Stellar Capital, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of Torre relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Torre will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of Torre. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Offer will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Torre and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the transaction will be legally enforceable.

Independence, competence and fees

We confirm that we have no direct or indirect interest in Torre Shares or the Offer. We also confirm that we have the necessary qualifications and competence to provide the Fair and Reasonable Opinion on the Offer.

Furthermore, we confirm that our professional fees of R200 000 are not contingent upon the success of the Offer.

Consent

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

Yours faithfully

BDO Corporate Finance Proprietary Limited

Wellington Road
Parktown
2193

Nick Lazanakis
CA(SA)

PRO FORMA FINANCIAL EFFECTS OF THE OFFER (TORRE)

The table below sets out the *pro forma* financial effects of the Offer. *Pro forma* financial effects are presented both in respect of the year ended 30 June 2015 for purposes of the Companies Act Regulation 106 requirements and in respect of the latest published financial information being 6 months ended 31 December 2015 for the purposes of the JSE Listings Requirements.

The *pro forma* consolidated statement of comprehensive income for the year ended 30 June 2015 and for the six months ended 31 December 2015 and *pro forma* consolidated statement of financial position at 30 June 2015 and 31 December 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Offer on the financial position of Torre. Due to its nature, the *pro forma* financial information may not fairly present Torre's financial position, changes in equity and results of operations or cash flows after the Offer, and are based on the assumptions that:

- for the purpose of calculating earnings per share and headline earnings per share for the year ended 30 June 2015, the Offer was implemented on 1 July 2014;
- for the purpose of calculating earnings per share and headline earnings per share for the six months ended 31 December 2015, the Offer was implemented on 1 July 2015;
- for the purpose of calculating net asset value per share and net tangible asset value per share at 30 June 2015, the Offer was implemented on 30 June 2015; and
- for the purpose of calculating net asset value per share and tangible asset value per share at 31 December 2015, the Offer was implemented on 31 December 2015.

The *pro forma* financial information has been prepared using the most recent published annual financial statements of Torre for the year ended 30 June 2015 in accordance with the Companies Act and using the most recent published unaudited interim results for the six months ended 31 December 2015 in accordance with the JSE Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

The accounting policies of Torre have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Torre for its latest annual financial statements for the year ended 30 June 2015 and the accounting policies herein have been applied on the same basis.

The directors of Torre are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 3** to this Circular.

PRO FORMA STATEMENT OF FINANCIAL POSITION OF TORRE AT 30 JUNE 2015 AND 31 DECEMBER 2015

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of Torre as at 30 June 2015 and 31 December 2015 based on the assumption that the Offer became effective on 30 June 2015 and 31 December 2015 respectively.

Torre Industries Limited
Consolidated Statement of Financial Position

as at 30 June	Before	Adjustment	After
R'000	2015	2015	2015
ASSETS			
Non-current assets			
Property, plant and equipment	155 984	–	155 984
Rental assets	200 233	–	200 233
Intangible assets	175 889	–	175 889
Goodwill	527 953	–	527 953
Deferred tax	30 923	–	30 923
Finance leases	26 115	–	26 115
Investment in associates	4 870	–	4 870
Other financial assets	1 853	–	1 853
	1 123 820	–	1 123 820
Current assets			
Inventories	413 886	–	413 886
Trade and other receivables	311 918	–	311 918
Cash and cash equivalents	90 343	(885)	89 458
Other financial assets	32 105	–	32 105
	848 252	(885)	847 367
Total assets	1 972 072	(885)	1 971 187
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the Company	1 308 523	(885)	1 307 638
Non-controlling interest	33 401	–	33 401
Total equity	1 341 924	(885)	1 341 039
Stated capital	1 223 177	–	1 223 177
Foreign currency translation reserve	5 313	–	5 313
Other reserves	11 119	–	11 119
Retained income	68 914	(885)	68 029
	1 308 523	(885)	1 307 638
Non-current liabilities			
Interest-bearing borrowings	11 541	–	11 541
Deferred purchase consideration	21 935	–	21 935
Deferred tax	67 081	–	67 081
Other financial liabilities	2 668	–	2 668
	103 225	–	103 225
Current liabilities			
Interest-bearing borrowings	30 057	–	30 057
Bank overdraft	14 665	–	14 665
Deferred purchase consideration	47 655	–	47 655
Taxation payable	1 122	–	1 122
Trade and other payables	430 334	–	430 334
Other financial liabilities	3 090	–	3 090
	526 923	–	526 923
Total equity and liabilities	1 972 072	(885)	1 971 187
Number of shares in issue ('000)	506 490	–	506 490
Net asset value per share (cents)	264.95	(0.17)	264.77
Net tangible asset value per share (cents)	125.98	(0.17)	125.81

Torre Industries Limited
Consolidated Statement of Financial Position

as at 31 December	Before	Adjustment	After
R'000	2015	2015	2015
ASSETS			
Non-current assets			
Property, plant and equipment	155 951	–	155 951
Rental assets	281 379	–	281 379
Intangible assets	170 075	–	170 075
Goodwill	603 120	–	603 120
Deferred tax	21 604	–	21 604
Finance leases	22 615	–	22 615
Investment in associates	47 223	–	47 223
Other financial assets	1 687	–	1 687
	1 303 654	–	1 303 654
Current assets			
Inventories	451 585	–	451 585
Trade and other receivables	381 021	–	381 021
Cash and cash equivalents	62 304	(885)	61 419
Other financial assets	24 185	–	24 185
	919 095	(885)	918 210
Non-current assets held for sale	46 836	–	46 836
Total assets	2 269 585	(885)	2 268 700
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the Company	1 434 237	(885)	1 433 352
Non-controlling interest	61 314	–	61 314
Total equity	1 495 551	(885)	1 494 666
Stated capital	1 245 826	–	1 245 826
Foreign currency translation reserve	50 115	–	50 115
Other reserves	13 840	–	13 840
Retained income	124 456	(885)	123 571
	1 434 237	(885)	1 433 352
Non-current liabilities			
Interest-bearing borrowings	126 368	–	126 368
Deferred purchase consideration	30 248	–	30 248
Deferred tax	66 881	–	66 881
Other financial liabilities	5 353	–	5 353
	228 850	–	228 850
Current liabilities			
Interest-bearing borrowings	19 269	–	19 269
Bank overdraft	113 325	–	113 325
Deferred purchase consideration	45 328	–	45 328
Taxation payable	4 254	–	4 254
Trade and other payables	361 596	–	361 596
Other financial liabilities	1 412	–	1 412
	545 184	–	545 184
Total equity and liabilities	2 269 585	(885)	2 268 700
Number of shares in issue ('000)	506 490	–	506 490
Net asset value per share (cents)	295.28	(0.17)	295.10
Net tangible asset value per share (cents)	142.62	(0.17)	142.45

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF TORRE FOR THE YEAR ENDED 30 JUNE 2015 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2015

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects of the audited results of Torre for the year ended 30 June 2015 and the unaudited results of Torre for the six months ended 31 December 2015 based on the assumption that the Offer became effective on 1 July 2014 and 1 July 2015 respectively.

Torre Industries Limited
Condensed Consolidated Statement of Comprehensive Income

For the year ended 30 June	Before	Adjustment	After
R'000	2015	2015	2015
Revenue	1 332 407	–	1 332 407
Cost of sales	(869 536)	–	(869 536)
Gross profit	462 871	–	462 871
Other income	14 608	–	14 608
Operating expenses	(335 795)	(885)	(336 680)
Operating profit	141 684	(885)	140 799
EBITDA	192 276	(885)	191 391
Depreciation, amortisation and impairments	(50 592)	–	(50 592)
Income from equity accounted investments	1 375	–	1 375
Finance income	7 822	–	7 822
Finance costs	(26 620)	–	(26 620)
Profit before taxation	124 261	(885)	123 376
Taxation	(21 854)	–	(21 854)
Profit after taxation	102 407	(885)	101 522
Other comprehensive income/(loss):			
Items that may be reclassified through profit or loss			
Foreign currency translation movements	7 536	–	7 536
Interest rate hedge fair value adjustment	(421)	–	(421)
Total comprehensive income for the year	109 522	(885)	108 637
Profit attributable to:			
Ordinary shareholders of the group	98 760	(885)	97 875
Non-controlling interests	3 647	–	3 647
	102 407	(885)	101 522
Total comprehensive income attributable to:			
Ordinary shareholders of the group	105 875	(885)	104 990
Non-controlling interests	3 647	–	3 647
	109 522	(885)	108 637
Reconciliation of attributable profit to headline earnings			
Profit attributable to ordinary shareholders	98 760	(885)	97 875
Gain on bargain purchases	–	–	–
Fair value gain on remeasurement of investments	–	–	–
Profit on sale of investment	(1 125)	–	(1 125)
Impairment of rental assets	12 645	–	12 645
(Profit)/loss on the sale of property, plant and equipment	(277)	–	(277)
Taxation	(3 279)	–	(3 279)
Headline earnings attributable to ordinary shareholders	106 724	(885)	105 839
Weighted average number of shares in issue ('000)	352 712	–	352 712
Diluted weighted average number of shares in issue ('000)	357 448	–	357 448
Earnings per share (cents)	28.00	(0.25)	27.75
Diluted earnings per share (cents)	27.63	(0.25)	27.38
Headline earnings per share (cents)	30.26	(0.25)	30.01
Diluted headline earnings per share (cents)	29.86	(0.25)	29.61
Interim dividend per share (cents)	3.5	–	3.50
Final dividend per share (cents) (<i>declared 10 September 2015</i>)	4.0	–	4.00

Torre Industries Limited
Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December	Before	Adjustment	After
R'000	2015	2015	2015
Revenue	1 024 265	–	1 024 265
Cost of sales	(664 765)	–	(664 765)
Gross profit	359 500	–	359 500
Other income	6 542	–	6 542
Operating expenses	(258 794)	(885)	(259 679)
Operating profit	107 248	(885)	106 363
EBITDA	139 920	(885)	139 035
Depreciation, amortisation and impairments	(32 672)	–	(32 672)
Income from equity accounted investments	1 090	–	1 090
Finance income	4 533	–	4 533
Finance costs	(11 657)	–	(11 657)
Profit before taxation	101 214	(885)	100 329
Taxation	(16 608)	–	(16 608)
Profit after taxation	84 606	(885)	83 721
Other comprehensive income/(loss):			
Items that may be reclassified through profit or loss	–	–	–
Foreign currency translation movements	63 911	–	63 911
Interest rate hedge fair value adjustment	–	–	–
Total comprehensive income for the year	148 517	(885)	147 632
Profit attributable to:			
Ordinary shareholders of the group	75 802	(885)	74 917
Non-controlling interests	8 804	–	8 804
	84 606	(885)	83 721
Total comprehensive income attributable to:			
Ordinary shareholders of the group	120 604	(885)	119 719
Non-controlling interests	27 913	–	27 913
	148 517	(885)	147 632
Reconciliation of attributable profit to headline earnings			
Profit attributable to ordinary shareholders	75 802	(885)	74 917
Gain on bargain purchases	–	–	–
Fair value gain on remeasurement of investments	–	–	–
Profit on sale of investment	–	–	–
Impairment of rental assets	–	–	–
(Profit)/loss on the sale of property, plant and equipment	360	–	360
Taxation	(90)	–	(90)
Headline earnings attributable to ordinary shareholders	76 072	(885)	75 187
Weighted average number of shares in issue ('000)	503 329	–	503 329
Diluted weighted average number of shares in issue ('000)	508 185	–	508 185
Earnings per share (cents)	15.06	(0.18)	14.89
Diluted earnings per share (cents)	14.92	(0.17)	14.74
Headline earnings per share (cents)	15.12	(0.18)	14.94
Diluted headline earnings per share (cents)	14.97	(0.17)	14.80
Interim dividend per share (cents) (declared 2 March 2016)	3.50	–	3.50

STATEMENT OF FINANCIAL POSITION AND COMPREHENSIVE INCOME NOTES AND ASSUMPTIONS

1. In respect of the financial effects based on year ended 30 June 2015, the amounts set out in the “Before” column have been extracted from the consolidated audited annual financial statements of Torre as at and for the year ended 30 June 2015.
2. In respect of the financial effects based on the six months ended 31 December 2015, the amounts set out in the “Before” column have been extracted from the condensed consolidated unaudited interim financial information of Torre as at and for the six-month period ended 31 December 2015.
3. There are no subsequent events that require adjustments to the “Before” unadjusted financial information of Torre.
4. The Offer results in additional transaction expenses for Torre. These transaction expenses are assumed to be incurred in cash and amount to an estimate of R885 000. The imputed interest lost on the lower cash and cash equivalents is not considered to be material and no *pro forma* adjustment has been made for this. These transaction expenses are not of a recurring nature.

REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF TORRE

The Board of Directors
Torre Industries Limited
11 Avalon Road
West Lake View
Ext 11
Modderfontein
1609
South Africa

19 July 2016

Dear Sir

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Torre Industries Limited by the directors. The *pro forma* financial information, as set out in **Annexure 2** of the circular ("the circular"), to be dated on or about 26 July 2016, consists of the *Pro forma* statement of comprehensive income, the *pro forma* statement of financial position and related notes. The *Pro Forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and Regulation 106(7)(c)(ii) of the Companies Regulations, 2011.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the mandatory offer to all Torre Industries Limited shareholders in terms of section 123 of the Companies Act, No.71 of 2008, as amended (the "Companies Act") read with Chapter 5 of the Companies Regulations, 2011 (the "Companies Regulations"), described in the circular, on the company's financial position as at 30 June 2015 and 31 December 2015, and the Company's financial performance for the year and six month period then ended respectively, as if the corporate action or event had taken place at 1 July 2014 and 1 July 2015 respectively, being the commencement dates of the financial year and six-month period for the purposes of the statement of comprehensive income and at 30 June 2015 and 31 December 2015, being the last day of the financial year and six-month period respectively for the purposes of the statement of financial position. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 30 June 2015 on which an auditor's report was issued on 19 October 2015 and the unaudited condensed consolidated interim results for the six months ended 31 December 2015.

Directors' responsibility for 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 and the Companies Regulations described in **Annexure 2** of the circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements the Companies Act and the Companies Regulations based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and the Companies Regulations.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and Regulation 106(7)(c)(ii) of the Companies Regulations and described in **Annexure 2** of the circular.

Deloitte & Touche

Registered Auditor

Per: R C Campbell

Partner

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

**EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF
TORRE FOR THE YEARS ENDED 30 JUNE 2013, 30 JUNE 2014, 30 JUNE
2015 AND UNAUDITED HISTORICAL FINANCIAL INFORMATION FOR THE
SIX MONTHS ENDED 31 DECEMBER 2015**

Complete sets of the Financial Statements are available on the Torre website – www.torreindustries.com

ACCOUNTING POLICIES

Torre Industries Limited is a South African registered company. The consolidated annual financial statements of Torre Industries Limited for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 comprises Torre Industries Limited and its subsidiaries (together referred to as the Torre Group) and the Torre Group's interest in associate companies and joint ventures.

Statement of compliance

The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB), the AC 500 standards as issued by the Accounting Practices Board or its successor and the requirements of the Companies Act of South Africa (as amended).

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013, 30 JUNE 2014 AND 30 JUNE 2015

	Consolidated			Company		
	2015 R'000	2014 R'000	2013 R'000	2015 R'000	2014 R'000	2013 R'000
Assets						
Non-current assets						
Property, plant and equipment	155 984	66 444	8 682	–	–	–
Rental assets	200 233	149 680	107 520	–	–	–
Goodwill	527 953	200 471	67 675	–	–	–
Intangible assets	175 889	61 975	–	–	–	–
Investments in subsidiaries	–	–	–	266 221	96 816	172 238
Investments in associates	4 870	3 631	1 770	–	–	30
Other financial assets	900	1 002	–	–	–	–
Deferred taxation	30 923	25 643	28 531	–	–	–
Finance lease receivables	26 115	11 892	–	–	–	–
Operating lease asset	953	1 156	783	–	–	–
	1 123 820	521 894	214 961	266 221	96 816	172 268
Current assets						
Inventories	413 886	212 072	39 001	–	–	–
Loans to group companies	–	–	–	1 183 139	557 226	32 466
Loans to directors/shareholders	8 838	8 263	8 710	8 838	8 263	7 768
Other financial assets	979	119	3 662	–	–	–
Current tax receivables	5 698	69	–	134	69	–
Finance lease receivables	22 074	2 193	–	–	–	–
Operating lease asset	214	–	187	–	–	–
Trade and other receivables	306 220	113 817	41 194	956	2 347	26
Cash and cash equivalents	90 343	98 404	24 429	308	43 349	22 269
	848 252	434 937	117 183	1 193 375	611 254	62 529
Total assets	1 972 072	956 831	332 144	1 459 596	708 070	234 797

	Consolidated			Company		
	2015 R'000	2014 R'000	2013 R'000	2015 R'000	2014 R'000	2013 R'000
EQUITY AND LIABILITIES						
Equity						
Equity attributable to equity holders of parent						
Stated capital	1 223 177	465 655	178 123	1 272 941	484 855	187 491
Reserves	16 432	7 523	9 746	1 794	-	-
Retained income	68 914	14 002	(13 698)	172 444	177 361	3 542
	1 308 523	487 180	174 171	1 447 179	662 216	191 033
Non-controlling interest	33 401	1 133	(14)	-	-	-
	1 341 924	488 313	174 157	1 447 179	662 216	191 033
LIABILITIES						
Non-current liabilities						
Other financial liabilities	20	3 034	3 321	-	-	-
Interest-bearing borrowings	-	108 512	13 499	-	-	-
Instalment sale agreements	11 541	593	11 797	-	-	-
Deferred purchase consideration	21 935	61 196	40 655	-	21 059	40 655
Deferred taxation	67 081	28 365	25 091	-	-	-
Warranty provision	2 648	2 650	-	-	-	-
	103 225	204 350	94 363	-	21 059	40 655
Current liabilities						
Other financial liabilities	3 090	30 933	8 822	-	-	-
Interest-bearing borrowings	20 232	14 769	3 189	-	-	-
Current tax payable	1 122	3 214	1 038	-	-	129
Instalment sale agreements	9 825	959	10 939	-	-	-
Trade and other payables	430 334	149 918	33 915	940	1 840	1 448
Deferred purchase consideration	47 655	22 955	1 532	11 477	22 955	1 532
Bank overdraft	14 665	41 420	4 189	-	-	-
	526 923	264 168	63 624	12 417	24 795	3 109
Total equity and liabilities	1 972 072	956 831	332 144	1 459 596	708 070	234 797
Number of shares in issue ('000)	506 490	316 726	180 316	506 490	316 726	180 316
Net asset value per hare (cents)	264.95	154.18	96.58	285.73	209.08	105.94
Net tangible asset value per share (cents)	125.98	71.31	59.05	285.73	209.08	105.94

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013, 30 JUNE 2014 AND 30 JUNE 2015

	Consolidated			Company		
	2015 R'000	2014 R'000	2013 R'000	2015 R'000	2014 R'000	2013 R'000
Revenue	1 332 407	433 130	83 076	-	-	-
Cost of sales	(869 536)	(273 681)	(41 415)	-	-	-
Gross profit	462 871	159 449	41 661	-	-	-
Other income	14 608	12 275	8 273	10 188	174 602	4 133
Operating expenses	(335 795)	(131 045)	(45 836)	(5 279)	(3 045)	(715)
Operating profit	141 684	40 679	4 098	4 909	171 557	3 398
Investment revenue	7 822	4 443	488	4 172	5 833	426
Income from equity accounted investments	1 375	1 862	30	-	-	30
Finance costs	(26 620)	(10 006)	(5 911)	(1 731)	(3 359)	(183)
Profit before taxation	124 261	36 978	(1 295)	7 350	174 031	3 671
Taxation	(21 854)	(8 131)	6 294	-	(212)	(129)
Profit for the year	102 407	28 847	4 999	7 350	173 819	3 542
Other comprehensive income						
Items that may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	7 536	(2 223)	-	-	-	-
Interest rate hedge fair value adjustment	(421)	-	-	-	-	-
Total comprehensive income	109 522	26 624	-	-	173 819	-
Profit attributable to:						
Owners of the parent	98 760	27 700	5 013	7 350	173 819	3 542
Non-controlling interest	3 647	1 147	(14)	-	-	-
	102 407	28 847	4 999	7 350	173 819	3 542
Total comprehensive income attributable to:						
Owners of the parent	105 875	25 477	5 013	7 350	173 819	3 542
Non-controlling interest	3 647	1 147	(14)	-	-	-
	109 522	26 624	4 999	7 350	173 819	3 542
Earnings per share						
Basic earnings per share (cents)	28.00	13.13	5.80	-	-	-
Diluted earnings per share (cents)	27.63	13.13	5.80	-	-	-

STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 30 JUNE 2013, 30 JUNE 2014 AND 30 JUNE 2015

Consolidated R'000	Stated capital	Other reserves	Foreign currency translation reserves	Retained income/(loss)	Total attributable to equity holders of parent	Non-controlling interest	Total equity
Balance at 1 July 2012	61 017	9 908	-	(18 873)	52 052	-	52 052
Total comprehensive income for the year	-	-	-	5 013	5 013	(14)	4 999
Reversal of reserve	-	(162)	-	162	-	-	-
Issue of shares	126 818	-	-	-	126 818	-	126 818
Share issue costs	(9 712)	-	-	-	(9 712)	-	(9 712)
Balance at 30 June 2013	178 123	9 746	-	(13 698)	174 171	(14)	174 157
Total comprehensive income for the year	-	-	-	27 700	27 700	1 147	28 847
Foreign currency translation reserve	-	-	(2 223)	-	(2 223)	-	(2 223)
Issue of shares	300 262	-	-	-	300 262	-	300 262
Share issue costs	(12 730)	-	-	-	(12 730)	-	(12 730)
Balance as at 30 June 2014	465 655	9 746	(2 223)	14 002	487 180	1 133	488 313
Issue of shares	789 247	-	-	-	789 247	-	789 247
Share issue costs	(10 431)	-	-	-	(10 431)	-	(10 431)
Treasury shares	(21 294)	-	-	-	(21 294)	-	(21 294)
Share-based payment expense	-	1 794	-	-	1 794	-	1 794
Interest rate hedge fair value adjustment	-	(421)	-	-	(421)	-	(421)
Dividends paid	-	-	-	(12 267)	(12 267)	-	(12 267)
Non-controlling interest acquired through business combinations	-	-	-	-	-	2 211	2 211
Transactions with non-controlling interest	-	-	-	(31 581)	(31 581)	26 410	(5 171)
Total comprehensive income for the year	-	-	-	98 760	98 760	-	98 760
Foreign currency translation reserve	-	-	7 536	-	7 536	3 647	11 183
Balance as at 30 June 2015	1 223 177	11 119	5 313	68 914	1 308 523	33 401	1 341 924

Company R'000	Stated capital	Other reserves	Retained income	Total equity
Balance at 1 July 2012				
Total comprehensive income for the year	-	-	3 542	3 541
Issue of shares	187 491	-	-	187 491
Balance at 30 June 2013				
Total comprehensive income for the year	-	-	173 819	173 819
Issue of shares	297 364	-	-	297 364
Balance as at 30 June 2014				
Total comprehensive income for the year	-	-	7 350	7 350
Issue of shares	789 247	-	-	789 247
Share issue costs	(1 161)	-	-	(1 161)
Dividend paid	-	-	(12 267)	(12 267)
Share-based payment expense	-	1 794	-	1 794
Balance as at 30 June 2015				
	1 272 941	1 794	172 444	1 447 179

STATEMENT OF CHANGES IN CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013, 30 JUNE 2014 AND 30 JUNE 2015

	Consolidated			Company		
	2015 R'000	2014 R'000	2013 R'000	2015 R'000	2014 R'000	2013 R'000
Cash flows from operating activities						
Cash receipts from customers	1 251 981	208 907	79 210	-	-	-
Cash paid to suppliers and employees	(1 111 376)	(182 810)	(75 247)	(4 712)	(2 336)	-
Cash generated from operations	140 605	26 097	3 963	(4 712)	(2 336)	-
Investment revenue	7 822	4 443	488	441	3 017	-
Finance cost	(23 733)	(6 478)	(5 779)	-	-	-
Tax paid	(7 678)	(4 959)	-	(65)	(410)	-
Net cash from operating activities	117 016	19 103	(1 328)	(4 336)	271	-
Cash flows from investing activities						
Purchase of property, plant and equipment	(118 464)	(34 458)	(10 472)	-	-	-
Proceeds on sale of investments	1 125	-	6 561	-	-	-
Proceeds on sale of property, plant and equipment	890	2 010	-	-	-	-
Business acquisitions	(104 349)	(268 618)	(60 278)	-	-	-
Increase in investment in subsidiaries	-	-	-	(108 666)	(1 070)	(55 968)
Settlement of deferred purchase consideration of prior period acquisitions	(17 571)	-	-	(2 500)	-	-
Increase in financial assets	(10 489)	(7 035)	611	-	-	-
Increase in operating lease asset	-	(185)	-	-	-	-
Net cash from investing activities	(248 858)	(308 286)	(63 578)	(111 166)	(1 070)	(55 968)
Cash flows from financing activities						
Proceeds on share issue	352 376	287 533	100 113	361 645	297 364	109 319
Transactions with non-controlling interests	(1 070)	-	-	-	-	-
(Decrease)/increase in interest-bearing borrowings	(120 769)	96 859	-	-	-	-
Decrease in other financial liabilities	(11 504)	(36 027)	(4 788)	-	-	-
Loans advanced to group companies	-	-	-	(276 917)	(275 485)	(32 466)
Instalment sale agreements repayments	(35 270)	(21 917)	(9 020)	-	-	-
Acquisition of treasury shares	(21 294)	-	-	-	-	-
Dividends paid	(12 267)	-	-	(12 267)	-	-
Net cash from financing activities	150 202	326 448	86 305	72 461	21 879	76 853
Total cash movement for the year	18 360	37 265	21 399	(43 041)	21 080	22 269
Cash and cash equivalents at the beginning of the year	56 984	20 240	(1 159)	43 349	22 269	-
Effect of exchange rate movement on cash balances	334	(521)	-	-	-	-
Total cash and cash equivalents at the end of the year	75 678	56 984	20 240	308	43 349	22 269

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Consolidated Unaudited at 31 December 2015 R'000
ASSETS	
Non-current assets	
Property, plant and equipment	155 951
Rental assets	281 379
Goodwill	603 120
Intangible assets	170 075
Investments in associates	47 223
Deferred taxation	21 604
Finance lease receivables	22 615
Other non-current assets	1 687
	1 303 654
Current assets	
Inventories	451 585
Finance lease receivables	24 185
Trade and other receivables	381 021
Cash and cash equivalents	62 304
	46 836
Total assets	2 269 585
Equity and liabilities	
Equity	
Equity attributable to equity holders of parent	
Stated capital	1 245 826
Foreign currency translation reserves	50 115
Reserves	13 840
Retained income	124 456
	1 434 237
Non-controlling interest	61 314
LIABILITIES	
Non-current liabilities	
Other financial liabilities	5 353
Interest-bearing borrowings	126 368
Deferred purchase consideration	30 248
Deferred taxation	66 881
	228 850
Current liabilities	
Other financial liabilities	1 412
Interest-bearing borrowings	19 269
Trade and other payables	361 596
Taxation payable	4 254
Deferred purchase consideration	45 328
Bank overdraft	113 325
	545 184
Total equity and liabilities	2 269 585
Number of shares in issue ('000)	506 490
Net asset value per share (cents)	295.28
Net tangible asset value per share (cents)	142.62

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Consolidated unaudited six-month period ended 31 December 2015 R'000
Revenue	1 024 265
Cost of sales	(664 765)
Gross profit	359 500
Other income	6 542
Operating expenses	(258 794)
Operating profit	107 248
Investment revenue	4 533
Income from equity accounted investments	1 090
Finance costs	(11 657)
Profit before taxation	101 214
Taxation	(16 608)
Profit for the period	84 606
Other comprehensive income	
Items that may be reclassified to profit or loss:	
Exchange differences on translation of foreign operations	63 911
Interest rate hedge fair value adjustment	–
Total comprehensive income	148 517
Profit attributable to:	
Owners of the parent	75 802
Non-controlling interest	8 804
	84 606
Total comprehensive income attributable to:	
Owners of the parent	120 604
Non-controlling interest	27 913
	148 517
Earnings per share	
Basic earnings per share (cents)	15.06
Diluted earnings per share (cents)	14.92

STATEMENT OF CHANGES OF EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Consolidated and Unaudited R'000	Stated capital	FCTR	Other reserves	Retained income/ (loss)	Non- controlling interest	Total equity
Balance as at 30 June 2015	1 223 177	5 313	11 119	68 914	33 401	1 341 924
Treasury shares sold	22 649	-	-	-	-	22 649
Share-based payment expense	-	-	2 721	-	-	2 721
Dividends paid	-	-	-	(20 260)	-	(20 260)
Profit for the period	-	-	-	75 802	8 804	84 606
Movement in FCTR	-	44 802	-	-	19 109	63 911
Balance as at 31 December 2015	1 245 826	50 115	13 840	124 456	61 314	1 495 551

STATEMENT OF CHANGES IN CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Unaudited six-month period ended 31 December 2015 R'000
Cash flows from operating activities	
Cash generated from trading	119 343
Net working capital movements	(99 617)
Net finance costs and taxation paid	(9 598)
Net cash from operating activities	10 128
Cash flows from investing activities	
Capital expenditure on property, plant and equipment and rental assets	(76 200)
Acquisition of business operations	(16 489)
Increase in investment and associates	(86 464)
Increase in financial assets	(43 505)
Decrease in financial liabilities	(4 953)
Other investing activities	6 996
Net cash from investing activities	84 554
Cash flows from financing activities	
Proceeds on share issue	-
Treasury shares sold/(purchased)	22 649
(Decrease)/increase in interest-bearing borrowings	74 196
Dividends paid	(20 260)
Other financing activities	7 969
Net cash from financing activities	125 933
Total cash movement for the year	
Cash and cash equivalents at the beginning of the year	75 678
Effect of exchange rate movement on cash balances	(766)
Total cash and cash equivalents at the end of the year	(51 021)

PRO FORMA FINANCIAL EFFECTS OF THE OFFER (STELLAR CAPITAL)

The definitions and interpretations commencing on page 3 of this Circular shall apply, *mutatis mutandis*, to this section.

The table below sets out the *pro forma* financial effects of the Acquisition and Offer.

The *pro forma* consolidated statement of comprehensive income for the year ended 30 November 2015 and *pro forma* consolidated statement of financial position at 30 November 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of Stellar Capital. Due to its nature, the *pro forma* financial information may not fairly present Stellar Capital's financial position, changes in equity and results of operations or cash flows after the Acquisition and Offer, and are based on the assumptions that:

- all Offer Eligible Shares are acquired by Stellar Capital in terms of the Offer;
- for the purpose of calculating earnings per share and headline earnings per share, the Acquisition and Offer were implemented on 1 December 2014;
- for the purpose of calculating total asset value per share, net asset value per share and net tangible asset value per share, the Offer and Acquisition were implemented on 30 November 2015; and
- in preparing the *pro forma* financial information, Stellar Capital has also included the financial effects for other investment transactions that have been announced and/or implemented post 30 November 2015 up to the date of the Acquisition and Offer. These are detailed below and relate to investments and disposals associated with Tellumat Proprietary Limited and Friedshelf 1678 Limited (being the holding company of Cadiz Holdings Proprietary Limited).

The *pro forma* financial information has been prepared using the most recent published annual financial statements of Stellar Capital for the year ended 30 November 2015 in accordance with the JSE Listings Requirement, Companies Act and guidelines issued by the South African Institute of Chartered Accountants.

The accounting policies of Stellar Capital have been used in determining the *pro forma* financial effects. The accounting policies used are consistent with the existing accounting policies used by Stellar Capital for its latest annual financial statements for the year ended 30 November 2015 and the accounting policies herein have been applied on the same basis.

The directors of Stellar Capital are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 6** to this Circular.

PRO FORMA STATEMENT OF FINANCIAL POSITION OF STELLAR CAPITAL AT 30 NOVEMBER 2015

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of Stellar Capital as at 30 November 2015 based on the assumption that the Acquisition and Offer became effective on 30 November 2015.

	At 30 November 2015 Before Actual R'000	Event after the reporting date: Tellumat acquisitions R'000	Event after the reporting date: Cadiz acquisitions R'000	Event after the reporting date: Tellumat disposal R'000	At 30 November 2015 after adjustment for events after reporting date R'000	Acquisition R'000	Offer R'000	After Acquisition and Offer R'000
	(1)	(2) and (5)	(3) and (5)	(4)	(6)	(7)	(8)	(9)
ASSETS								
Non-current assets								
Listed investments at fair value	914 859	-	-	-	914 859	33 640	854 537	1 803 036
Unlisted investments at fair value	234 509	179 668	157 388	(134 926)	436 639	-	-	436 639
Loan investments	56 631	-	-	-	56 631	-	-	56 631
Loans to portfolio companies	18 978	-	-	-	18 978	-	-	18 978
Other financial assets	46 803	-	-	134 926	181 729	-	-	181 729
Deferred taxation	7 026	-	-	-	7 026	-	-	7 026
	1 278 806	179 668	157 388	-	1 615 862	33 640	854 537	2 504 039
Current assets								
Loan investments	16 971	-	-	-	16 971	-	-	16 971
Loans to portfolio companies	55 995	-	-	-	55 995	-	-	55 995
Other financial assets	323 722	(138 604)	(61 396)	-	123 722	-	-	123 722
Trade and other receivables	23	-	-	-	23	-	-	23
Cash and cash equivalents	797 760	(28 113)	(44 891)	-	724 756	-	(4 000)	720 756
	1 194 471	(166 716)	(106 288)	-	921 467	-	(4 000)	917 467
Total assets	2 473 277	12 951	51 101	-	2 537 329	33 640	850 537	3 421 506
EQUITY AND LIABILITIES								
Total equity								
Equity attributable to owners of the parent	1 882 021	12 951	-	-	1 894 972	33 640	850 537	2 779 149
Non-controlling interest	-	-	-	-	-	-	-	-
	1 882 021	12 951	-	-	1 894 972	33 640	850 537	2 779 149

	At 30 November 2015 Actual R'000	Event after the reporting date: Tellumat acquisitions R'000	Event after the reporting date: Cadiz acquisitions R'000	Event after the reporting date: Tellumat disposal R'000	At 30 November 2015 after adjustment for events after reporting date R'000	Acquisition R'000	Offer R'000	After Acquisition and Offer R'000
	(1)	(2) and (5)	(3) and (5)	(4)	(6)	(7)	(8)	(9)
LIABILITIES								
Non-current liabilities								
Preference share liability	497 660	-	-	-	497 660	-	-	497 660
	497 660	-	-	-	497 660	-	-	497 660
Current liabilities								
Preference share liability	50 818	-	-	-	50 818	-	-	50 818
Current tax payable	204	-	-	-	204	-	-	204
Trade and other payables	42 574	-	51 101	-	93 675	-	-	93 675
	93 596	-	51 101	-	144 697	-	-	144 697
	591 256	-	51 101	-	642 357	-	-	642 357
Total liabilities	2 473 277	12 951	51 101	-	2 537 329	33 640	850 537	3 421 506
Number of ordinary shares in issue	925 456 304	5 631 007	-	931 087 311	-	10 460 128	265 714 370	1 207 261 809
Treasury shares	-	-	-	-	-	-	-	-
Net ordinary shares in issue	925 456 304				931 087 311	10 460 128	265 714 370	1 207 261 809
Total asset value per share (Rands)	2.67				2.73			2.83
Net asset value per share (Rands)	2.03				2.04			2.30
Tangible net asset value per share (Rands)	2.03				2.03			2.30

STATEMENT OF FINANCIAL POSITION NOTES AND ASSUMPTIONS

1. The amounts set out in the “Before” column have been extracted from the consolidated audited annual financial statements of Stellar Capital as at and for the year ended 30 November 2015.

Events after the reporting date

2. Acquisition of 63.14% and 6.86% respectively of Tellumat Proprietary Limited as announced on the Johannesburg Stock Exchange News Service (“**SENS**”) on 30 November 2015 and 9 February 2016, accounted for at fair value of the investment acquired at R166 716 494 (“**Tellumat Tranche 1**”) and R12 951 313 (“**Tellumat Tranche 2**”) (“**Tellumat Acquisitions**”). The Tellumat Acquisitions were settled by way of:
 - 2.1 release of a cash deposit held at 30 November 2015 in the amount of R138 603 814 in relation to Tellumat Tranche 1;
 - 2.2 cash settlement of R28 112 680 in relation to Tellumat Tranche 1; and
 - 2.3 issue of 5 631 007 Stellar Capital shares at R2.30 per share in relation to Tellumat Tranche 2 accounted for directly in share capital.
3. Acquisition of 39.04%, 12.18% and 2.79% respectively of Friedshelf 1678 Limited, the holding company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited) as announced on SENS on 30 November 2015, 21 January 2016 and 27 June 2016 accounted for at fair value of the investment acquired at R114 057 613 (“**Cadiz Tranche 1**”), R35 216 560 (“**Cadiz Tranche 2**”) and R8 113 963 (“**Cadiz Tranche 3**”) (“**Cadiz Acquisitions**”). The Cadiz Acquisitions were settled by way of:
 - 3.1 release of a cash deposit held at 30 November 2015 in the amount of R61 396 186 in relation to Cadiz Tranche 1;
 - 3.2 creation of a loan account owing by Stellar Capital to Cadiz group in the amount of R43 020 628 in relation to Cadiz Tranche 1 and R8 080 000 in relation to Tranche 3; and
 - 3.3 cash settlement of R9 640 799 in relation to Cadiz Tranche 1, R35 216 560 in relation to Cadiz Tranche 2 and R33 963 in relation to Cadiz Tranche 3.
4. The disposal of 51.1% of Tellumat Proprietary Limited as announced on SENS on 20 May 2016 for an aggregate of R180 352 941 (“**Tellumat Disposal Consideration**”), fully vendor funded by way of a subscription for 180 353 redeemable preference shares in Masimong Technologies Proprietary Limited (“**Masimong**”) with a face value of R1 000 per preference share. Management is of the view that the fair value of the preference shares in Masimong is equal to the fair value of the 51.1% stake in Tellumat Proprietary Limited of R134 925 766 and as a result, no accounting gain or loss has been recorded on disposal, save for transaction expenses of R330 000 accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). The Tellumat Disposal Consideration is not yet effective and is subject to conditions precedent, including approval from the South Africa Competition Commission Authorities.
5. In accounting for the above transactions, it is assumed that the recorded values approximate fair values at the reporting date being 30 November 2015 and no further fair value adjustments are required in respect of reporting investments at fair value in terms of the accounting policies.

There are no other events after the reporting date which require inclusion in the *pro forma* financial effects presented.

6. The amounts set out in the column reflect the audited statement of financial position of Stellar Capital at 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, 3, 4 and 5.
7. The acquisition of 8 368 102 ordinary Torre shares by way of the issue of 10 460 128 ordinary Stellar Capital shares, constituting an issue of 1.25 ordinary Stellar Capital shares for each ordinary Torre share held.
8. The acquisition of 212 571 496 ordinary Torre shares (“**Offer Eligible Shares**”) by way of the issue of 265 714 370 ordinary Stellar Capital shares, constituting an issue of 1.25 ordinary Stellar Capital shares for each ordinary Torre share held.

- 8.1 The Offer Eligible Shares has been calculated on the basis of a total of 525 058 445 ordinary Torre shares in issue at the Last Practicable Date, reduced by:
- 8.1.1 60 000 000 ordinary Torre shares held by Sabvest, not subject to the Offer;
- 8.1.2 66 464 571 ordinary Torre shares held by MIC, not subject to the Offer; and
- 8.1.3 186 022 378 ordinary Torre shares already held by Stellar Capital following completion of the Acquisition, which Torre shares are not subject to the Offer.
- 8.2 The fair value of the Offer Eligible Shares has been calculated using a quoted market price of R4.02 per Torre share on 30 November 2015.
- 8.3 Transaction expenses of R4 000 000 have been accounted for directly in share capital in relation to the issue of a total of 265 714 370 ordinary Stellar Capital shares at R1.80 per share.
- 8.4 The table below sets out the *pro forma* financial effects, after adjusting for events after the reporting date set out in notes 2, 3, 4 and 5 and after the Acquisition, assuming that 75%, 50% and 25% respectively of the Offer Eligible Shares are acquired by Stellar Capital in terms of the Offer:

	At 30 November 2015 after adjustment for events after reporting date	After Scenario 1: 75% Offer acceptance	Change %	After Scenario 2: 50% Offer acceptance	Change %	After Scenario 3: 25% Offer acceptance	Change %
Basic loss per ordinary share from continuing operations (cents)	(10.93)	(3.65)	67	(5.21)	52.28	(7.33)	32.94
Diluted basic loss per ordinary share from continuing operations (cents)	(10.93)	(3.65)	67	(5.21)	52.28	(7.33)	32.94
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(6.35)	(0.94)	85	(2.10)	66.90	(3.67)	42.15
Diluted headline loss per ordinary share from continuing operations (cents)	(6.35)	(0.94)	85	(2.10)	66.90	(3.67)	42.15
Basic loss per ordinary share from discontinued operations (cents)	(2.88)	(1.70)	41	(1.95)	32.03	(2.30)	20.18
Diluted basic loss per ordinary share from discontinued operations (cents)	(2.88)	(1.70)	41	(1.95)	32.03	(2.30)	20.18
Headline loss per ordinary share from discontinued operations (cents)	(1.26)	(0.74)	41	(0.85)	32.03	(1.00)	20.18
Diluted headline loss per ordinary share from discontinued operations (cents)	(1.26)	(0.74)	41	(0.85)	32.03	(1.00)	20.18
Weighted average number of shares	304 165 250	513 911 155	68.96	447 482 563	47.12	381 053 970	25.28
Diluted weighted average number of shares	304 165 250	513 911 155	68.96	447 482 563	47.12	381 053 970	25.28
Total asset value per share (Rands)	2.73	2.81	3.18	2.79	2.27	2.76	1.23
Net asset value per share (Rands)	2.04	2.25	10.49	2.19	7.56	2.12	4.23
Tangible net asset value per share (Rands)	2.03	2.24	10.60	2.18	7.63	2.11	4.27

9. The amounts set out in the column reflect the audited financial statements of Stellar Capital as at and for the year ended 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, 3, 4 and 5, the Acquisition and the Offer (assuming 100% acquisition by Stellar Capital of the Offer Eligible Shares).

The fair value of listed investments held by Stellar Capital are influenced by the change in quoted market prices. The fair value of listed investments as presented in these *pro forma* financial effects have not been updated for changes in quoted market prices subsequent to the reporting period ended 30 November 2015, unless otherwise stated.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF STELLAR CAPITAL FOR THE YEAR ENDED 30 NOVEMBER 2015

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects of the audited results of Stellar Capital for the year ended 30 November 2015 based on the assumption that the Acquisition and Offer became effective on 1 December 2014.

	Year ended 30 November 2015 Actual R'000	Event after the reporting date: Tellumat acquisitions R'000	(2) and (5)	Event after the reporting date: Cadiz acquisitions R'000	(3) and (5)	Event after the reporting date: Tellumat disposal R'000	(4)	Year ended 30 November 2015 after adjustment for events after the reporting date R'000	(6)	Acquisition R'000	(7)	Offer R'000	(8)	After Acquisition and Offer R'000	(9)
Continuing operations															
Fair value adjustments	(21 334)	-	-	-	-	-	-	(21 334)	669	17 006	(3 659)				
Interest revenue	24 308	-	-	-	-	-	-	24 308	15	390	24 714				
Dividends received	9	-	-	-	-	-	-	9	628	15 943	16 579				
Gross (loss)/income from investments	2 983	-	-	-	-	-	-	2 983	1 312	33 339	37 634				
Other income	7 356	-	-	-	-	-	-	7 356	-	-	7 356				
Finance costs	(202)	-	-	-	-	-	-	(202)	-	-	(202)				
Net income before operating expenses	10 137	-	-	-	-	-	-	10 137	1 312	33 339	44 788				
Operating expenses	(8 292)	(3 593)	(3 148)	(15 033)	(1 173)	(800)	(20 322)	(36 155)							
Management fee	(1 173)	-	-	(13 935)	(1 173)	-	-	(1 173)	-	-	(1 173)				
Loss on disposal of consolidated subsidiaries	(13 935)	-	-	(13 935)	(13 935)	(330)	-	(13 935)	-	-	(13 935)				
Other operating expenses	(16 183)	-	-	(16 513)	(16 513)	(330)	-	(16 513)	-	-	(16 513)				
(Loss)/profit before taxation	(29 446)	(3 593)	(3 148)	(36 517)	(36 517)	(330)	(330)	(36 517)	512	13 017	(22 988)				
Taxation	1 505	946	828	3 279	3 279	-	-	3 279	211	5 349	8 839				
(Loss)/profit from continuing operations	(27 941)	(2 648)	(2 319)	(33 238)	(33 238)	(330)	(330)	(33 238)	723	18 366	(14 149)				
Discontinued operations															
Net loss from discontinued operations	(8 747)	-	-	(8 747)	(8 747)	-	-	(8 747)	-	-	(8 747)				
Total (loss)/profit for the year	(36 688)	(2 648)	(2 319)	(41 985)	(41 985)	(330)	(330)	(41 985)	723	18 366	(22 896)				

	Year ended 30 November 2015 Actual R'000	Event after the reporting date: Tellumat acquisitions R'000	Event after the reporting date: Cadiz acquisitions R'000	Event after the reporting date: Tellumat disposal R'000	Year ended 30 November 2015 after adjustment for events after the reporting date R'000	Acquisition R'000	Offer R'000	After Acquisition and Offer R'000
	(1)	(2) and (5)	(3) and (5)	(4)	(6)	(7)	(8)	(9)
(Loss)/profit attributable to:								
Equity holders of the parent	(36 688)	(2 648)	(2 319)	(330)	(41 985)	723	18 366	(22 896)
Non-controlling interests	-	-	-	-	-	-	-	-
	(36 688)	(2 648)	(2 319)	(330)	(41 985)	723	18 366	(22 896)
(Loss)/profit from continuing operations attributable to:								
Equity holders of the parent	(27 941)	(2 648)	(2 319)	(330)	(33 238)	723	18 366	(14 149)
Non-controlling interests	-	-	-	-	-	-	-	-
	(27 941)	(2 648)	(2 319)	(330)	(33 238)	723	18 366	(14 149)
Loss from discontinued operations attributable to:								
Equity holders of the parent	(8 747)	-	-	-	(8 747)	-	-	(8 747)
Non-controlling interests	-	-	-	-	-	-	-	-
	(8 747)	-	-	-	(8 747)	-	-	(8 747)
Reconciliation between basic and headline loss from continuing operations								
Basic (loss)/profit attributable to equity holders of parent	(27 941)	(2 648)	(2 319)	(330)	(33 238)	723	18 366	(14 149)
Loss on disposal of consolidated subsidiaries	13 935	-	-	-	13 935	-	-	13 935
Tax effect of adjustments	-	-	-	-	-	-	-	-
Headline loss from continuing operations	(14 006)	(2 648)	(2 319)	(330)	(19 303)	723	18 366	(214)

	Year ended 30 November 2015 Before Actual R'000	Event after the reporting date: Tellumat acquisitions R'000	Event after the reporting date: Cadiz acquisitions R'000	Event after the reporting date: Tellumat disposal R'000	Year ended 30 November 2015 after adjustment for events after the reporting date R'000	Acquisition R'000	Offer R'000	After Acquisition and Offer R'000
	(1)	(2) and (5)	(3) and (5)	(4)	(6)	(7)	(8)	(9)
Reconciliation between basic and headline loss from discontinued operations								
Basic loss attributable to equity holders of parent	(8 747)	-	-	-	(8 747)	-	-	(8 747)
Loss on disposal of consolidated subsidiary	4 847	-	-	-	4 847	-	-	4 847
Loss on disposal of property, plant and equipment	109	-	-	-	109	-	-	109
Tax effect of adjustments	(31)	-	-	-	(31)	-	-	(31)
Headline loss from discontinued operations	(3 822)	-	-	-	(3 822)	-	-	(3 822)
Basic loss per ordinary share from continuing operations (cents)	(9.36)				(10.93)			(2.48)
Diluted basic loss per ordinary share from continuing operations (cents)	(9.36)				(10.93)			(2.48)
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(4.69)				(6.35)			(0.04)
Diluted headline loss per ordinary share from continuing operations (cents)	(4.69)				(6.35)			(0.04)
Basic loss per ordinary share from discontinued operations (cents)	(2.93)				(2.88)			(1.53)
Diluted basic loss per ordinary share from discontinued operations (cents)	(2.93)				(2.88)			(1.53)
Headline loss per ordinary share from discontinued operations (cents)	(1.28)				(1.26)			(0.67)
Diluted headline loss per ordinary share from discontinued operations (cents)	(1.28)				(1.26)			(0.67)
Weighted average number of shares	298 534 243	5 631 007			304 165 250	10 460 128	265 714 370	569 879 620
Diluted weighted average number of shares	298 534 243	5 631 007			304 165 250	10 460 128	265 714 370	569 879 620

STATEMENT OF COMPREHENSIVE INCOME NOTES AND ASSUMPTIONS

1. The amounts set out in the “Before” column have been extracted from the consolidated audited annual financial statements of Stellar Capital as at and for the year ended 30 November 2015.

Events after the reporting date

2. Additional base management fee to Thunder Securitisations Proprietary Limited (“**Manco**”) of R3 593 000 calculated as 2% per annum of the fair value of the additional investment in Tellumat Proprietary Limited. The taxation effect is a reduction in taxation expense of R946 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. Also refer note 2 of the Statement of Financial Position notes and assumptions. This adjustment is of a continuing nature.
3. Additional base management fee to Manco of R3 148 000 calculated as 2% per annum of the fair value of the additional investment in Friedshelf 1678 Limited, the holding company of Cadiz Holdings Limited (now Cadiz Holdings Proprietary Limited). The taxation effect is a reduction in taxation expense of R828 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. Also refer note 3 of the Statement of Financial Position notes and assumptions. This adjustment is of a continuing nature.
4. The disposal of 51.1% of Tellumat Proprietary Limited as announced on SENS on 20 May 2016 for an aggregate of R180 352 941 (“**Tellumat Disposal Consideration**”), fully vendor funded by way of a subscription for 180 353 redeemable preference shares in Masimong Technologies Proprietary Limited (“**Masimong**”) with a face value of R1 000 per preference share. Management is of the view that the fair value of the preference shares in Masimong is equal to the fair value of the 51.1% stake in Tellumat Proprietary Limited of R134 925 766 and as a result, no accounting gain or loss has been recorded on disposal, save for transaction expenses of R330 000 accounted for as other operating expenses (and which have been assumed to be capital in nature and not deductible for taxation purposes). No taxation is due in relation to the disposal as Stellar Capital is able to utilise a portion of its estimated R558 700 000 unutilised capital losses in relation to the taxation gain of R45 427 175 recorded in respect of the disposal. This adjustment is not of a continuing nature.
5. In accounting for the above transactions, it is assumed that the recorded values approximate fair values at the reporting date being 30 November 2015 and no further fair value adjustments are required in respect of reporting investments at fair value in terms of the accounting policies.

There are no other events after the reporting date which require inclusion in the *pro forma* financial effects presented.

6. The amounts set out in the column reflect the audited statement of financial position of Stellar Capital at 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, 3, 4 and 5.
7. The Acquisition, comprising the issue of 10 460 128 ordinary Stellar Capital shares (“**Acquisition Shares**”), result in the following *pro forma* adjustments to the statement of comprehensive income:
 - 7.1 R669 000 fair valuation gain in respect of the Acquisition Shares, representing the differential between the closing quoted market price of R4.02 per Torre share on 30 November 2015 and the closing quoted market price per Torre share of R3.94 on 1 December 2014. This adjustment is not of a continuing nature.
 - 7.2 Receipt of dividend in respect of the Acquisition Shares in the amount of R292 884 (or 3.5 cents per Torre share) on 2 March 2015 and R334 724 (or 4 cents per Torre share) on 10 September 2015 (“**Torre Acquisition Dividends**”). This adjustment is not of a continuing nature.
 - 7.3 Interest revenue of Prime less 4.25% earned in respect of the Torre Acquisition Dividends. This adjustment is of a continuing nature.
 - 7.4 Additional base management fee to Manco of R800 000, calculated as 2% per annum of the fair value of the Acquisition Shares. The taxation effect is a reduction in taxation expense of R211 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.

- 7.5 The issue of 600 convertible redeemable preference shares has not been treated as dilutive in calculating diluted earnings and headline earnings per shares as the conversion thereof will result in a decrease in loss per share from continuing operations (i.e. the conversion is anti-dilutive).
8. The Offer, comprising the issue of 265 714 370 ordinary Stellar Capital shares, result in the following *pro forma* adjustments to the statement of comprehensive income:
- 8.1 R17 006 000 fair valuation gain in respect of the Offer Eligible Shares, representing the differential between the closing quoted market price of R4.02 per Torre share on 30 November 2015 and the closing quoted market price per Torre share of R3.94 on 1 December 2014. This adjustment is not of a continuing nature.
- 8.2 Receipt of dividend in respect of the Offer Eligible Shares in the amount of R7 440 002 (or 3.5 cents per Torre share) on 2 March 2015 and R8 502 860 (or 4 cents per Torre share) on 10 September 2015 (“**Torre Offer Dividends**”). This adjustment is not of a continuing nature.
- 8.3 Interest revenue of Prime less 4.25% earned in respect of the Torre Offer Dividends. This adjustment is of a continuing nature.
- 8.4 Additional base management fee to Manco of R20 322 000, calculated as 2% per annum of the fair value of 212 571 496 ordinary Torre shares. The taxation effect is a reduction in taxation expense of R5 349 000, calculated as 94%, being the applicable apportionment ratio applicable to Stellar Capital at 30 November 2015, of the additional management fee multiplied by the taxation rate of 28%. This adjustment is of a continuing nature.
- 8.5 The issue of 600 convertible redeemable preference shares has not been treated as dilutive in calculating diluted earnings and headline earnings per shares as the conversion thereof will result in a decrease in loss per share from continuing operations (i.e. the conversion is anti-dilutive).
- 8.6 As various *pro forma* financial effects are possible, depending on the take-up of the Offer by Torre shareholders, a table has been provided indicating a range of *pro forma* financial effect outcomes. The table below sets out the *pro forma* financial effects, after adjusting for events after the reporting date set out in notes 2, 3, 4 and 5 and after the Acquisition, assuming that 75%, 50% and 25% respectively of the Offer Eligible Shares are acquired by Stellar Capital in terms of the Offer:

	At 30 November 2015 after adjustment for events after reporting date (Note 1)	After Scenario 1: 75% Offer acceptance	Change %	After Scenario 2: 50% Offer acceptance	Change %	After Scenario 3: 25% Offer acceptance	Change %
Basic loss per ordinary share from continuing operations (cents)	(10.93)	(3.65)	67	(5.21)	52.28	(7.33)	32.94
Diluted basic loss per ordinary share from continuing operations (cents)	(10.93)	(3.65)	67	(5.21)	52.28	(7.33)	32.94
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(6.35)	(0.94)	85	(2.10)	66.90	(3.67)	42.15
Diluted headline loss per ordinary share from continuing operations (cents)	(6.35)	(0.94)	85	(2.10)	66.90	(3.67)	42.15
Basic loss per ordinary share from discontinued operations (cents)	(2.88)	(1.70)	41	(1.95)	32.03	(2.30)	20.18
Diluted basic loss per ordinary share from discontinued operations (cents)	(2.88)	(1.70)	41	(1.95)	32.03	(2.30)	20.18
Headline loss per ordinary share from discontinued operations (cents)	(1.26)	(0.74)	41	(0.85)	32.03	(1.00)	20.18
Diluted headline loss per ordinary share from discontinued operations (cents)	(1.26)	(0.74)	41	(0.85)	32.03	(1.00)	20.18
Weighted average number of shares	304 165 250	513 911 155	68.96	447 482 563	47.12	381 053 970	25.28
Diluted weighted average number of shares	304 165 250	513 911 155	68.96	447 482 563	47.12	381 053 970	25.28
Total asset value per share (Rands)	2.73	2.81	3.18	2.79	2.27	2.76	1.23
Net asset value per share (Rands)	2.04	2.25	10.49	2.19	7.56	2.12	4.23
Tangible net asset value per share (Rands)	2.03	2.24	10.60	2.18	7.63	2.11	4.27

Note 1: The amounts set out in this column reflect the audited financial statements of Stellar Capital as at and for the year ended 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, 3, 4 and 5, the Acquisition and the Offer (assuming 100% acquisition by Stellar Capital of the Offer Eligible Shares).

9. The amounts set out in the column reflect the audited financial statements of Stellar Capital as at and for the year ended 30 November 2015 as adjusted for the events after the reporting date set out in notes 2, 3, 4 and 5, the Acquisition and the Offer (assuming 100% acquisition by Stellar Capital of the Offer Eligible Shares).

The fair value of listed investments held by Stellar Capital are influenced by the change in quoted market prices. The fair value of listed investments as presented in these *pro forma* financial effects have not been updated for changes in quoted market prices subsequent to the reporting period ended 30 November 2015, unless otherwise stated.

REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF STELLAR CAPITAL

The Board of Directors
Stellar Capital Partners
Third Floor, The Terraces, 25 Protea Road
Claremont
Cape Town
7708
South Africa

19 July 2016

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Stellar Capital Partners by the directors. The *pro forma* financial information, as set out in **Annexure 5** of the combined Torre Industries Limited and Stellar Capital Partners Limited circular ("the circular"), to be dated on or about 27 July 2016, consists of the *pro forma* statement of comprehensive income, the *pro forma* statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and Regulation 106(6)(d)(ii) of the Companies Regulations, 2011.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the mandatory offer to all Torre Industries Limited shareholders in terms of section 123 of the Companies Act, No.71 of 2008, as amended (the "Companies Act") read with Chapter 5 of the Companies Regulations, 2011 (the "Companies Regulations"), described in the circular, on the company's financial position as at 30 November 2015, and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 December 2014, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 30 November 2015, being the last day of the financial year for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial statements for the period ended 30 November 2015, on which an auditor's report was issued on 24 February 2016.

Directors' responsibility for 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 and the Companies Regulations described in **Annexure 5** of the circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements, the Companies Act and the Companies Regulations based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*.

This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and the Companies Regulations.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and Regulation 106(6)(d)(ii) of the Companies Regulations and described in **Annexure 5** of the circular.

Deloitte & Touche
Registered Auditor

Per: R C Campbell
Partner

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

**EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF
STELLAR CAPITAL FOR THE YEAR ENDED 30 NOVEMBER 2015, 15 MONTHS
ENDED 30 NOVEMBER 2014 AND YEAR ENDED 31 AUGUST 2013**

SUMMARY OF FINANCIAL RESULTS**Highlights: Year ended 30 November 2015**

- Successful conversion from an operating entity to an investment holding company;
- Completed disposals of Digicore Holdings Limited and Goliath Gold Mining Limited;
- Completed acquisition of 34.62% of Torre Industries Limited and 45.99% of Cadiz Holdings Limited;
- Raised a total of R1.15 billion of new capital via the issue of R0.55 billion of new Shares and R0.6 billion of convertible preference shares; and
- Increased the scale and improved the quality of the investment portfolio, setting a stronger base for the new financial year.

Sum-of-the-parts net asset value

The Group's sum-of-the-parts (SOTP) is presented as follows:

Asset/Liability	30 November 2015 R'000	% of portfolio
Torre Industries Limited	900 833	36
Cadiz Holdings Limited	134 390	5
Tellumat Proprietary Limited	100 119	4
Praxis Financial Services Proprietary Limited ¹	40 000	2
Integrated Equipment Rentals Proprietary Limited ¹	23 417	1
Other assets		
– Cash and cash equivalents	797 760	32
– Other financial assets	370 525	15
– Total loan portfolio	73 602	3
– Other listed investments ¹	25 582	1
– Other assets	7 049	0
Total assets	2 473 277	100
Convertible redeemable preference share funding	(548 478)	
Trade and other payables	(42 778)	
Total SOTP value	1 882 021	
Shares in issue (m)	925.46	
SOTP value per share pre-convertible preference share conversion (Rand)	2.03	
SOTP value per share post-convertible preference share conversion (Rand) ²	2.13	

Notes

1. Fair value of equity and loan to portfolio company.
2. Assumed issuance of a maximum 215.8 million shares at R2.78 per share in settlement of convertible preference share funding.
3. The Group has no goodwill or intangible assets at year-end.

STATEMENT OF FINANCIAL POSITION

R'000	Consolidated			Company		
	At 30 November 2015	At 30 November 2014	At 31 August 2013	At 30 November 2015	At 30 November 2014	At 31 August 2013
ASSETS						
Non-current assets	1 278 806	6 483	51 851	1 278 806	-	134 949
Goodwill	-	-	34 822	-	-	-
Property, plant and equipment	-	-	4 342	-	-	8
Intangible assets	-	-	2 910	-	-	-
Listed investments at fair value	914 859	3 267	-	914 859	-	-
Unlisted investments at fair value	234 509	-	-	234 509	-	-
Loan investments	56 631	-	-	56 631	-	-
Loans to portfolio companies	18 978	-	-	18 978	-	-
Investments in consolidated subsidiaries	-	-	-	-	-	134 941
Other financial assets	46 803	-	-	46 803	-	-
Deferred taxation	7 026	3 216	9 777	7 026	-	-
Current assets	1 194 471	76 638	139 235	1 192 089	79 644	14 898
Loan investments	16 971	22 231	-	16 971	22 231	-
Inventory	-	-	58 688	-	-	-
Loans to portfolio companies	55 995	-	-	55 995	-	-
Loans to related parties	-	-	-	-	-	11 758
Other financial assets	323 722	50 502	2 331	323 722	50 502	2 200
Loans to consolidated subsidiaries	-	-	-	83 969	4 475	-
Current tax receivable	-	-	883	-	-	-
Trade and other receivables	23	571	62 644	23	98	101
Cash and cash equivalents	797 760	3 334	14 689	711 409	2 338	839
Non-current assets held for sale	-	129 668	262 058	-	100 119	122 831
Total assets	2 473 277	212 789	453 144	2 470 895	179 763	272 678
EQUITY AND LIABILITIES						
Equity	1 882 021	179 108	210 508	1 879 705	177 211	242 582
Equity attributable to owners of the parent	1 882 021	193 329	219 113	1 879 705	177 211	242 582
Non-controlling interest	-	(14 221)	(8 605)	-	-	-
Liabilities						
Non-current liabilities	497 660	-	1 357	497 660	-	-
Operating lease liability	-	-	1 251	-	-	-
Deferred tax	-	-	106	-	-	-
Preference share liability	497 660	-	-	497 660	-	-
Current liabilities	93 596	4 132	102 031	93 530	2 552	30 096
Preference share liability	50 818	-	-	50 818	-	-
Finance lease obligation	-	-	126	-	-	-
Interest-bearing loans and other financial liabilities	-	-	29 241	-	-	27 206
Provisions	-	-	1 046	-	-	-
Bank overdraft	-	-	15 066	-	-	-
Current tax payable	204	421	490	204	421	490
Trade and other payables	42 574	3 711	56 062	42 508	2 131	2 400
Liabilities of disposal group held for sale	-	29 549	139 248	-	-	-
Total equity and liabilities	2 473 277	212 789	453 144	2 470 895	179 763	272 678

STATEMENT OF COMPREHENSIVE INCOME

R'000	Consolidated			Company		
	Year ended 30 November 2015	15 months ended 30 November 2014	Restated year ended 31 August 2013	Year ended 30 November 2015	15 months ended 30 November 2014	Year ended 31 August 2013
Continuing operations						
Fair value adjustments	(21 334)	414	6 672	(21 948)	-	5 646
Interest revenue	24 308	7 913	-	22 089	7 694	-
Dividends received	9	-	-	1 497	-	-
Service revenue	-	797	19 896	-	248	996
Cost of sales	-	(490)	(18 264)	-	-	-
Gross income from investments	2 983	8 634	8 304	1 638	7 942	6 642
Other income	7 356	10 853	12 554	7 340	50	8 033
Finance costs	(202)	(2 360)	(528)	(156)	(2 356)	(614)
Net income before operating expenses	10 137	17 127	20 330	8 822	5 636	14 061
Operating expenses						
- Management fee	(8 292)	-	-	(8 292)	-	-
- Impairment	(1 173)	(2 950)	(3 333)	(2 276)	(47 661)	(234 006)
- (Loss)/profit on disposal of consolidated subsidiaries	(13 935)	-	-	10	(18 069)	-
- Other operating expenses	(16 183)	(12 378)	(43 647)	(14 163)	(8 697)	(24 587)
(Loss)/profit before taxation	(29 446)	1 799	(26 650)	(15 899)	(68 791)	(244 532)
Taxation	1 505	1 617	(4 116)	4 721	-	2 674
(Loss)/profit from continuing operations	(27 941)	3 416	(30 766)	(11 178)	(68 791)	(241 858)
Discontinued operations						
Net loss from discontinued operations	(8 747)	(92 469)	(195 501)	-	-	-
Loss for the period	(36 688)	(89 053)	(226 267)	(11 178)	(68 791)	(241 858)
Exchange gain on translation of foreign operations			388			
Gains on revaluation of land and buildings			99			
Other comprehensive income for the period/year net of tax			487			
Total comprehensive loss for the period/year	(36 688)	(89 053)	(225 780)	(11 178)	(68 791)	(241 858)

R'000	Consolidated			Company		
	Year ended 30 November 2015	15 months ended 30 November 2014	Restated year ended 31 August 2013	Year ended 30 November 2015	15 months ended 30 November 2014	Year ended 31 August 2013
Loss for the period attributable to:	(36 688)	(89 053)	(226 267)	(11 178)	(68 791)	(241 858)
Equity owners of the parent	(36 688)	(94 293)	(209 204)	(11 178)	(68 791)	(241 858)
Non-controlling interest	-	5 240	(17 063)	-	-	-
(Loss)/profit from continuing operations attributable to:	(27 941)	3 416	(30 766)	(11 178)	(68 791)	(241 858)
Equity owners of the parent	(27 941)	(1 824)	(27 117)	(11 178)	(68 791)	(241 858)
Non-controlling interest	-	5 240	(3 649)	-	-	-
Loss from discontinued operations attributable to:	(8 747)	(92 469)	(195 501)	-	-	-
Equity owners of the parent	(8 747)	(92 469)	(182 087)	-	-	-
Non-controlling interest	-	-	(13 414)	-	-	-
Total comprehensive loss for the period attributable to:	(36 688)	(89 053)	(225 780)	(11 178)	(68 791)	(241 858)
Equity owners of the parent	(36 688)	(94 293)	(208 949)	(11 178)	(68 791)	(241 858)
Non-controlling interest	-	5 240	(16 831)	-	-	-
Loss per share						
Basic and diluted loss per share (cents)	(12.29)	(94.12)				
From continuing operations	(9.36)	(1.82)				
From discontinued operations	(2.93)	(92.30)				

STATEMENT OF CHANGES OF EQUITY

Group	Ordinary share capital	Preference share capital	Share capital and share premium	Treasury shares	Share-based payment reserve	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Equity attributable to step-up transactions	Equity attributable owners of the parent	Non-controlling interest	Total equity
R'000												
Balance at 1 September 2012	-	-	436 951	(14 490)	1 300	(200)	137	60 483	(60 036)	424 145	59 043	483 188
Loss for the year	-	-	-	-	-	-	-	(209 204)	-	(209 204)	(17 063)	(226 267)
Exchange gain on translation of foreign operation	-	-	-	-	-	200	-	-	-	200	188	388
Revaluation of land and buildings	-	-	-	-	-	-	55	-	-	55	44	99
Conversion of par value shares	436 951	-	(436 951)	-	-	-	-	-	-	-	-	-
Shares issued in terms of transactions with non-controlling shareholders	15 888	-	-	-	-	-	-	-	-	15 888	-	15 888
Equity settled share-based payments	-	-	-	-	476	-	-	-	-	476	-	476
Shares vested in terms of forfeitable share plan	-	-	-	876	(876)	-	-	-	-	-	-	-
Own shares acquired by subsidiaries, held as treasury shares	-	-	-	(21 211)	-	-	-	-	-	(21 211)	-	(21 211)
Own shares acquired by subsidiaries, held as treasury shares re-issued	-	-	-	29 521	-	-	-	(6 382)	-	23 139	-	23 139
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	(14 375)	(14 375)	(50 817)	(65 192)
Balance at 1 September 2013	452 839	-	-	(5 304)	900	-	192	(155 103)	(74 411)	219 113	(9 605)	210 508
(Loss/profit for the period	-	-	-	-	(900)	-	(192)	(93 201)	-	(94 298)	5240	(89 053)
Equity settled share-based payments	3 420	-	-	-	-	-	-	-	-	3 420	-	3 420
Shares vested in terms of forfeitable share plan	-	-	-	1 350	-	-	-	-	-	1 350	-	1 350
Own shares acquired by subsidiaries, held as treasury shares	-	-	-	(78)	-	-	-	-	-	(78)	-	(78)
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	63 817	63 817	(10 856)	52 961
Balance at 1 December 2014	456 259	-	-	(4 032)	-	-	-	(248 304)	(10 594)	193 329	(14 221)	179 108
Loss for the year	-	-	-	-	-	-	-	(36 688)	-	(36 688)	-	(36 688)
Issue of shares	1 701 194	33 119	-	-	-	-	-	-	-	1 734 313	-	1 734 313
Capitalisation of share issue costs	(19 566)	(1 075)	-	-	-	-	-	-	-	(20 641)	-	(20 641)
Disposal of treasury shares	-	-	-	4 032	-	-	-	(2 918)	-	1 114	-	1 114
Disposal of subsidiary	-	-	-	-	-	-	-	-	10 594	10 954	14 221	24 815
Balance at 30 November 2015	2 137 887	32 044	-	-	-	-	-	(287 910)	-	1 882 021	-	1 882 021

Company R'000	Ordinary share capital	Preference share capital	Treasury shares	Share- based payment reserve	Revaluation reserve	Accumu- lated loss	Equity balances attributable to step-up transactions	Equity attributable owners of the parent	Non- controlling interest	Total equity
Balance at 1 September 2013	452 839	-	-	-	-	(210 257)	-	242 582	-	242 582
Loss for the period	-	-	-	-	-	(68 791)	-	(68 791)	-	(68 791)
Equity settled share-based payments	3 420	-	-	-	-	-	-	3 420	-	3 420
Balance at 1 December 2014	456 259	-	-	-	-	(279 048)	-	177 211	-	177 211
Loss for the year	-	-	-	-	-	(11 178)	-	(11 178)	-	(11 178)
Issue of shares	1 701 194	33 119	-	-	-	-	-	1 734 313	-	1 734 313
Capitalisation of share issue costs	(19 566)	(1 075)	-	-	-	-	-	(20 641)	-	(20 641)
Balance at 30 November 2015	2 137 887	32 044	-	-	-	(290 226)	-	1 879 705	-	1 879 705

STATEMENT OF CASH FLOWS

R'000	Consolidated			Company		
	Year ended 30 November 2015	15 months ended 30 November 2014	Restated year ended 31 August 2013	Year ended 30 November 2015	15 months ended 30 November 2014	Year ended 31 August 2013
Operating activities						
Cash generated from/ (utilised in) operations	23 874	(10 436)	(4 561)	26 791	(5 813)	(3 655)
Interest revenue	24 308	7 913	147	22 089	7 694	78
Dividends received	–	–	–	–	–	7 000
Finance costs	(202)	(2 360)	54	(156)	(2 356)	(32)
Tax paid	(2 522)	(69)	–	(2 522)	(69)	–
Discontinued operations	–	7 210	(36 198)	–	–	–
Cash generated from/ (utilised in) operating activities	45 458	2 258	(40 558)	46 202	(544)	3 391
Investing activities						
Additions to property and equipment	–	–	(33)	–	–	(10)
Proceeds on disposal of property and equipment	–	–	64	–	–	–
Acquisition of investments	(179 250)	(14 587)	–	(183 131)	–	–
Proceeds from disposal of investments	211 275	11 734	18 789	211 275	–	18 789
Acquisition of loan investments	(51 371)	–	–	(51 371)	–	–
Loans advanced to portfolio companies	(74 973)	–	–	(74 973)	–	–
Net cash flow on disposal of consolidated subsidiaries	(211)	54 001	–	10	–	–
Loans advanced to consolidated subsidiaries	–	–	–	(81 325)	(3 784)	–
Acquisition of other financial assets	(234 724)	(22 808)	–	(234 724)	–	–
Disposal of other financial assets	50 100	–	236	50 100	33 033	–
Other loans advanced	–	–	–	–	–	(15 057)
Transactions with non-controlling shareholders	–	–	–	–	–	(21 976)
Discontinued operations	–	(1 382)	(20 035)	–	–	–
Cash (utilised in)/ generated from investing activities	(279 154)	26 958	(979)	(364 139)	29 249	(18 254)
Financing activities						
Net proceeds from ordinary share issue	446 486	–	7 015	446 486	–	–
Net proceeds from preference share issue	580 522	–	–	580 522	–	–
Proceeds from loans	–	–	12 572	–	–	12 572
Transactions with non-controlling shareholders	–	–	(21 920)	–	–	–
Repayment of financial liabilities	–	(27 207)	–	–	(27 206)	–
Disposal/(purchase) of treasury shares by consolidated subsidiary	1 114	(78)	–	–	–	–
Discontinued operations	–	524	(8 898)	–	–	–
Cash generated from/ (utilised in) financing activities	1 028 122	(26 761)	(11 233)	1 027 008	(27 206)	12 572

R'000	Consolidated			Company		
	Year ended 30 November 2015	15 months ended 30 November 2014	Restated year ended 31 August 2013	Year ended 30 November 2015	15 months ended 30 November 2014	Year ended 31 August 2013
Net increase in cash and cash equivalents	794 426	2 455	(52 770)	709 071	1 499	(2 291)
Cash and cash equivalents at the beginning of the period	3 334	(377)	66 496	2 338	839	3 130
Transferred to disposal group held for sale	-	1 256	(14 103)	-	-	-
Total cash and cash equivalents at end of the period	797 760	3 334	(377)	711 409	2 338	839

Torre Industries Limited mandatory offer by Stellar Capital Partners Limited



Torre Industries Limited

(Incorporated in the Republic of South Africa)
(Registration number 2012/144604/06)
Share code: TOR ISIN: ZAE000188629
("Torre" or "the Company")

Stellar Capital Partners Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
Share code: SCP ISIN: ZAE000198586
("Stellar Capital")

OFFER FORM

The definitions and interpretations commencing on page 3 of the Circular apply throughout this Offer Form, unless the context clearly indicates otherwise.

FOR USE BY CERTIFICATED OFFEREE TORRE SHAREHOLDERS

This Offer Form is only applicable to Certificated Shareholders who wish to accept the Offer, in whole or in part, as set out in the Circular to Torre Shareholders, dated Wednesday, 27 July 2016, to which this form is attached. This form is **not** to be used by Dematerialised Shareholders, who are required to instruct their CSDP or Broker if they wish to accept the Offer in accordance with the terms of their Custody Agreement with the CSDP or Broker.

Notes and instructions

Persons who have acquired Torre Shares after the date of posting the Circular, can obtain copies of the Circular and this form from the Transfer Secretaries at the address given below.

Part A must be completed by all Certificated Torre Shareholders who wish to accept the Offer.

Part B must be completed by all Certificated Shareholders who wish to accept the Offer and who are emigrants from the Common Monetary Area and whose Shares have not been released.

Part C must be completed by all Certificated Shareholders who wish to accept the Offer and who are non-residents of the Common Monetary Area or who are emigrants from the Common Monetary Area whose Shares have been released and wish for the Offer Consideration to be paid to an Authorised Dealer.

No receipts will be issued for Documents of Title lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required.

If you are in any doubt as to how to complete this form, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

This form must be returned to the Transfer Secretaries together with the relevant Documents of Title, so as to be received prior to 12:00 on the Offer Record Date. If your Documents of Title have been lost or destroyed, you should nevertheless return this form, together with a duly executed indemnity provided by the Transfer Secretaries. Stellar Capital may, in its sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Documents of Title have been lost or destroyed and upon provision of a suitable indemnity. Unless otherwise agreed by Stellar Capital, only indemnity forms obtained from the Transfer Secretaries (available on request) will be regarded as suitable.

Signatories may be called upon for evidence of their authority or capacity to sign this form.

Any alteration to Offer Form must be signed in full and not initialled. Any alteration may not be accepted by Stellar Capital.

If this form is signed under a power of attorney, then such power of attorney or a notarially certified copy hereof, must be sent with this form for noting, unless it has already been noted by the Transfer Secretaries.

Where the Certificated Shareholder is a company or a close corporation or other juristic person, a certified copy of the directors' or members' or other resolution authorising the signing of this form must be submitted together with this form, unless it has already been registered with the Transfer Secretaries or this form bears the JSE Broker's stamp.

Where Torre Shares are jointly held, this Offer Form must be signed by all joint holders; however, Stellar Capital shall be entitled to, in its absolute discretion, accept signature only of that holder whose name stands first in the register in respect of such Torre Shares.

In the case of Offeree Torre Shareholders who are emigrants from the Common Monetary Area, the Consideration Shares will in the case of Certificated Shareholders whose Document(s) of Title have been restrictively endorsed under the Exchange Control regulations, be forward to the authorised dealer in foreign exchange in South Africa controlling such Certificated Shareholders' blocked assets in terms of the Exchange Control Regulations. This Offer Form makes provision for details of the authorised dealer concerned to be given.

The Consideration Shares accruing to non-resident Offeree Torre Shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will: in the case of Certificated Shareholders, whose Documents(s) of Title have been restrictively endorsed under the Exchange Control Regulations, be posted to the registered addresses of the non-resident Offeree Torre Shareholders concerned, unless written instructions to the contrary are received and an address is provided.

This Offer Form makes provision for a substitute address for the Offer only.

You are referred to paragraph 6 of the Circular with regard to the Exchange Control Regulations.

Offeree Torre Shareholders holders are advised to consult their professional advisors about their personal tax positions regarding the receipt of the Consideration Shares.

Offeree Torre Shareholders are referred to the Circular for the further terms and conditions applicable to the Offer and its acceptance, which Circular should be read in its entirety for a full appreciation thereof.

In the event of any conflict between this form and the Circular, the Circular shall prevail.

Transfer Secretaries

By hand or courier:

Link Market Services Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein 2001

By post:

Link Market Services Proprietary Limited
PO Box 4844
Johannesburg 2000

Dear Sirs

I/We hereby accept the Offer and surrender and enclose the share certificates, certified transfer deeds and/or other Documents of Title, in respect of my/our holding of Shares, as per my/our instructions contained herein:

PART A – TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED SHAREHOLDERS WHO RETURN THIS FORM

I/We hereby accept the Offer in respect of Certificated Shares.

Surname _____

First names (in full) _____

Title (Mr, Mrs, Miss, Ms, etc.) _____

Address to which the Offer Consideration, which a Certificated Shareholder is entitled to in terms of the Offer, should be sent (if different from registered address):

Postal code _____

Country _____

Telephone number () _____

Telefax () _____

Cellphone number _____

Email address _____

In terms of FICA, Link Market Services Proprietary Limited will be unable to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you are unable to provide same, please submit a statement to this effect in writing, signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your residential address.

The Offer Consideration is expected to be posted on the first Business Day following the Offer Closing Date, provided that the Offer Form and relevant Documents of Title were received by the Transfer Secretaries. The Offer Consideration will not be discharged in respect of acceptances received after 12:00 on the Offer Record Date.

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other Documents of Title, details in respect of which are set out in the table below, in respect of my/our holding of Certificated Shares:

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Shares covered by each certificate(s) enclosed
		Total

Signature of Shareholders	Stamp and address of agent lodging this Offer Form
Date of signature	

I/We hereby certify that:

- I/We own the Shares as detailed in the table set out above at the end of Part A (defined for purposes of this Part B as the “Shares”);
- the Shares are fully paid-up;
- the Shares are in registered form;
- I/We am/are the legal owner solely entitled to the Shares and have the power to dispose of the Shares;
- there are no pre-emption right nor any other right by virtue of which any person or entity may be entitled to demand that one or more of the Shares be transferred to him;
- none of the Shares are encumbered with any pledge or usufruct, there are no right to acquire any pledge or usufruct of the Shares and none of the Shares are subject of any attachment; and
- the Shares are freely transferable.

PART B – TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA AND WHOSE SHARES HAVE NOT BEEN RELEASED

The Offer Consideration due to **Certificated Shareholders who are emigrants from the Common Monetary Area** and whose Shares have not been released will be forwarded to the Authorised Dealer controlling his blocked assets and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from the Common Monetary Area must provide the following information:

Name of Authorised Dealer in South Africa:

Address:

Account number:

If no nomination is made above, the Offer Consideration will be held in trust by Torre until a written instruction is received as to the disposal of such amount.

PART C – TO BE COMPLETED IN BLOCK CAPITALS BY CERTIFICATED SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS FROM THE COMMON MONETARY AREA WHOSE SHARES HAVE BEEN RELEASED AND WHO WISH TO HAVE THE OFFER CONSIDERATION PAID TO AN AUTHORISED DEALER

The Offer Consideration due to Certificated Shareholders who have registered addresses outside South Africa (other than Certificated Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released) and whose share certificates are endorsed “non-resident” will be posted to the relevant Certificated Shareholder, unless that Certificated Shareholder nominates an Authorised Dealer to which such Offer Consideration should be paid.

Name of Authorised Dealer in South Africa or alternative instructions:

Address:

Account number:

Notes:

1. Any alteration to this Offer Form must be signed in full and not merely initialled.
2. Emigrants from the Common Monetary Area must, in addition to Part A, also complete Part B. If Part B is not properly completed, the Offer Consideration will be held in trust by the Company or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. No interest will accrue or be paid on any Offer Consideration so held in trust.
3. All other non-residents of the Common Monetary Area must complete Part C if they wish the Offer Consideration to be paid to an Authorised Dealer in South Africa.
4. No receipt will be issued for documents lodged, unless specifically requested. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
5. If this Offer Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Offer Form (unless it has already been noted by the Company or its Transfer Secretaries).
6. Where the Certificated Shareholder is a company, close corporation or other juristic person, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors' or members' or other resolution authorising the signing of this Offer Form must be submitted with this Offer Form, unless this requirement is waived by Stellar Capital.
7. Note 6 above does not apply in the case of a form bearing a JSE Broker's stamp.
8. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
9. Where there are joint holders of any Shares, only that holder whose name stands first in the Register in respect of those Shares need to sign this Offer Form.
10. Persons who have acquired Shares after the date of issue of the Circular can obtain copies of the Circular (including this Offer Form) from the Transfer Secretaries.
11. Notwithstanding transfer of ownership, the Offer Consideration will not be sent to Certificated Shareholders unless and until Document/s of Title in respect of the relevant Shares have been surrendered to the Company or the Transfer Secretaries.
12. In the event of any conflict between this Offer Form and the Circular, the Circular shall prevail.
13. Certificated Shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries for the cash payment of the fraction portion.

FORM B: DIRECT CREDIT

FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM

FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF TORRE WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS

Full name of registered shareholder

Identity number of person signing this form

Your shareholder number (if known)

Email address

Cellphone number

Office phone number

Home phone number

Fax number

REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS

PLEASE NOTE: We cannot accept banking details in the name of a third party

Name of bank account holder

Name of South African Bank

Name of bank branch

Bank account number

Bank branch code

Account type

Cheque

Transmission

Savings

I/We hereby authorise

Link Market Services South Africa Proprietary Limited and/or Torre to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.

Signature
of shareholder

Day

Month

Year

If you are signing this form in a representative capacity, please indicate which capacity (see over)

BANK VERIFICATION

I/We confirm that the above information about the abovementioned shareholder's account at this Bank is correct

Signed on behalf of Bank

THIS MUST BE COMPLETED BY YOUR BANK

BANK STAMP HERE

**THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT. (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).
PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.**

HOW TO COMPLETE THIS FORM

Request for Direct Crediting of payments

This form must be completed in full. Until cancelled in writing by you, all future cash payments will be paid into the nominated account.

IMPORTANT: Do not use the number quoted on your credit or debit card.

By signing this form you:

- Confirm that the details are true and correct.
- Understand that neither Torre nor Link Market Services South Africa Proprietary Limited is obliged to post you a cheque in the event that we are unable to transfer the funds due to you electronically and any decision to do so will be at the sole and absolute discretion of Torre on a case by case basis.
- Agree that if Torre determines that a cheque will be sent to you by post it will be at your own risk.
- Understand and agree that neither Torre nor Link Market Services South Africa Proprietary Limited shall be responsible in any way for any loss you may suffer as a result of transfer/deposits being made in accordance with the information provided on this form.
- Understand and agree that any such deposit shall constitute a full and sufficient discharge of Torre and/or Link Market Services South Africa Proprietary Limited obligation to make such payments to me/us.
- Understand and agree that this payment instruction will be applied to all future cash payments.

This instruction only applies to the specific holding identified by the holder number and the name appearing on the front of this form.

NOTE: We cannot accept banking details in the name of a third party.

IF YOU ARE SIGNING THIS FORM IN A REPRESENTATIVE CAPACITY, LINK MARKET SERVICES SOUTH AFRICA PROPRIETARY LIMITED REQUIRES THE FOLLOWING DOCUMENTATION IN ADDITION TO AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT.	
Joint holding:	Where the holding is in more than one name, the signature of the first mentioned shareholder is required.
Power of attorney:	To sign under a Power of Attorney, you must have already lodged the Power of Attorney with Computershare Investor Services Proprietary Limited. Alternatively, please attach an original certified copy of the Power of Attorney to this form when you return it together with an original certified copy of the registered holder's identity document.
Trusts:	The form must be signed by the authorised trustee. If you have not already done so, please attach an original certified copy of the Trustee Resolution/Power of Attorney authorising you to act on behalf of the trust, together with original certified copies of the Letters of Authority issued by the Master of the High Court and the Trust Deed.
Companies/ Closed Corporations/ Funds:	Any authorised company official/member may sign on behalf of the company/closed corporation/fund. Please indicate the office held when signing the form. If you have not already done so, please provide Link Market Services South Africa Proprietary Limited with an original certified copy of your authorisation to act on behalf of the company/closed corporation/fund in the form of an original certified copy of the board minute/resolution detailing the authorised signatories including specimen signatures and a company letterhead for noting in our records. In addition, Link Market Services South Africa Proprietary Limited requires an original certified copy of the Certificate of Incorporation/CK1 Founding Statement/Constitution.
Minors:	If the shares are registered in the name of a minor, the form must be completed by the natural guardian, stating the capacity in which he/she is signing or in the case of a legal guardian attach an original certified copy of the Letters of Guardianship (if not previously provided). The guardian must attach an original certified copy of his/her identity document together with an original certified copy of the birth certificate of the minor.
Deceased shareholders:	This form must be signed by the Executor/s of the Deceased Estate. If you have not already done so, please provide Link Market Services South Africa Proprietary Limited with an original certified copy of the Letters of Executorship together with an original certified copy of the Executor's identity document.
Shareholder under Curatorship:	The form must be signed by the Curator Bonis appointed by the Master of the High Court. If you have not already done so, please provide Link Market Services South Africa Proprietary Limited with an original certified copy of the Letters of Curatorship together with an original certified copy of the Curator's identity document.
Shareholder under Liquidation:	The form must be signed by the liquidator appointed by the Master of the High Court. If you have not already done so, please provide Link Market Services South Africa Proprietary Limited with an original certified copy of your Letter of Appointment together with an original certified copy of the shareholder's identity document.