INTEGRATED ANNUAL REPORT 2022

TRENCOR

www.trencor.net

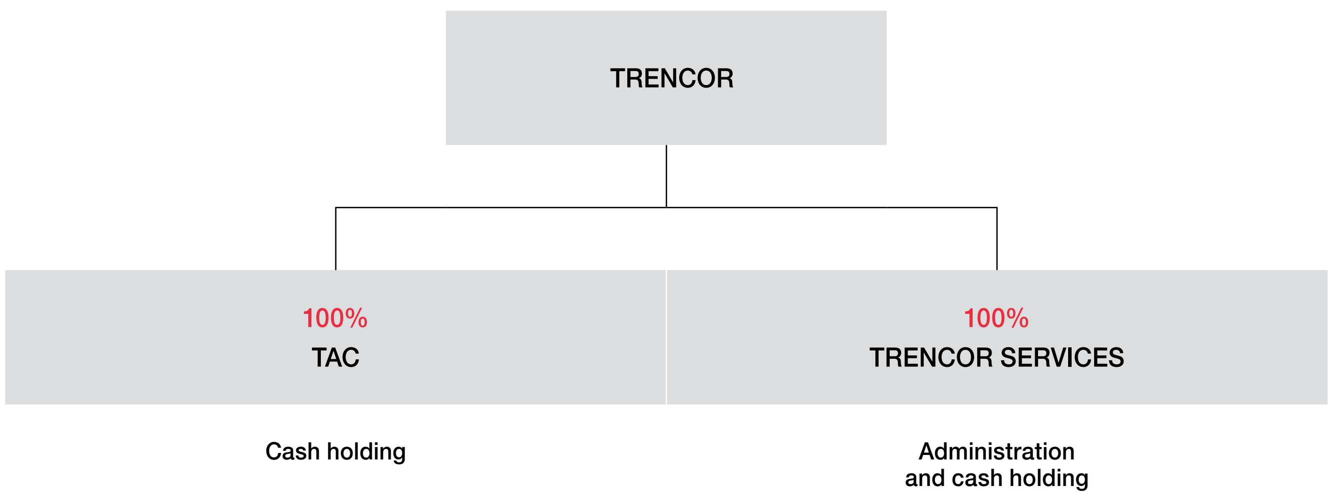
Contents

Group Profile

Trencor Limited is a cash company listed on the JSE. It intends to distribute its cash resources to shareholders as and when these become commercially available.

Group Chart

at 31 December 2022



Financial Summary

		31 December 2022	31 December 2021
Operating loss before net finance expenses	Rm	**(21)**	(3)
Profit before tax	Rm	**3**	4
Headline earnings	Rm	**3**	6
Headline earnings per share	Cents	**1,7**	3,4
Consolidated net asset value ("NAV") per share (refer to table below)	Cents	**740**	697

NAV Table

Based on the relevant spot exchange rate, the NAV of Trencor at the dates below was as follows:

	31 December 2022	31 December 2021
Spot exchange rate US$1	**R16,93**	R15,87
	Rm	Rm
TAC (US$ book NAV, translated into Rand)	**6**	777
Cash (excluding in TAC)	**1 275**	432
Other net assets	**3**	1
Total NAV	**1 284**	1 210
	R per share	R per share
TAC (book NAV)	**0,03**	4,48
Cash (excluding in TAC)	**7,35**	2,49
Other net assets	**0,02**	–
Total NAV per share	**7,40**	6,97

Notes:

- In December 2022 TAC paid a dividend to Trencor Limited in the amount of US$49,2 million. This amount was previously included in TAC US$ book NAV.
- Cash (excluding in TAC) at 31 December 2022 is made up of Rand deposits of R149 million and the Rand equivalent of US$66,5 million held by Trencor Limited in offshore dollar accounts of which US$17,3 million is in escrow.

Joint Report by Chairman and CEO

We are pleased to present our joint report in respect of Trencor's 2022 financial year.

SIMPLIFICATION OF INTERESTS

As a result of the simplification process undertaken by Trencor, details of which were provided in previous integrated annual reports, the group is now invested solely in cash and other liquid assets.

COMMERCIAL AVAILABILITY OF CASH RESOURCES

Our business strategy remains to distribute the group's remaining cash resources to shareholders as and when these become commercially available. The commercial availability of the remaining cash resources has been restricted by certain matters and obligations, including, inter alia, the provision of an indemnity pursuant to the simplification of Trencor's interests; providing for estimated future operating expenses until the group can be dissolved; and the need to retain a cash buffer against unforeseeable future expenses and events.

The remaining indemnity restricting the commercial availability of these cash resources is that provided by Trencor to the Halco Trust indemnitees in a negotiated amount of US$62 million. Trencor is contractually required in terms of these arrangements to retain sufficient cash and other liquid assets equal to the full face value of the maximum potential exposure under the indemnity until the indemnity terminates on 31 December 2024. We comply with this obligation by retaining US$ denominated cash and liquid assets to the full value of any possible exposure under the indemnity to avoid any possible currency exchange risk. From the termination date the indemnity will only extend to any indemnified liabilities and associated costs in respect of matters that arose on or before the termination date.

Engagement with the indemnitees continues on a regular basis with the objective of negotiating the provisions of the indemnity agreement to effect a reduction in the quantum and/or duration of the indemnity period. To date, the indemnitees have declined to agree to a reduction in either the quantum or the duration of the indemnity.

Whether or not we will be in a position to commence a winding up of the company following 31 December 2024, as currently intended, will depend on the satisfactory conclusion of all outstanding regulatory and other matters required in order to wind the company up. We have commenced engaging with all interested parties, seeking to ensure that the winding up process commences as soon as possible after 31 December 2024.

We continue to explore opportunities to increase the yield on our cash and other liquid assets with due conservatism to avoid any risk of losses.

ESTIMATED CASH RESOURCES AND BUFFER AGAINST UNFORESEEABLE FUTURE EXPENSES AND EVENTS

Based on updated cash flow projections, the table below reflects an estimate of the cash resources available to meet any possible claim under the indemnity referred to above as well as provide a prudent cash buffer against unforeseeable future expenses and events. The 2022 estimate uses the R/US$ exchange rate and the interest rate earned on deposits at 31 December 2022 as constants throughout the forecast period ending 31 March 2025.

	2022 Estimate	**2021 Estimate**
Year end R/US$ exchange rate	**R16,93**	**R15,87**
Estimate of cash balances at 31 March 2025 (assuming no call under the indemnity)	**US$m**	**US$m**
Retained to meet full exposure of the indemnity	**62**	62
Buffer against unforeseeable future expenses and events	**10**	4
Total US$ available	**72**	66

	2022 Estimate Rm	**2021 Estimate Rm**
US$ retained to meet full exposure of the indemnity converted to Rand	**1 050**	984
Cash buffer against unforeseeable future expenses and events	**292**	189
US$ buffer against unforeseeable future expenses and events converted to Rand	**164**	63
Rand buffer	**128**	126
Total cash resources available	**1 342**	1 173

We are committed to containing our overheads and exploring all cost cutting measures with the goal of increasing the cash available to finally distribute to shareholders.

DIVIDEND CONSIDERATION

In view of the considerations outlined above, no cash dividends were declared in respect of 2022.

APPRECIATION

We thank the Trencor team and our board colleagues in pursuing Trencor's objectives, in a unique corporate environment. We again express our appreciation for the support of our shareholders throughout the simplification of Trencor's interests.

David Nurek
Chairman

Ric Sieni
Chief Executive Officer

25 April 2023

Corporate Governance

Trencor endorses the principles underlying the King IV Report on Corporate Governance ("the Code" or "the King Report"). Ongoing enhancement of corporate governance principles is a global movement, supported by the board which, together with management, will continue to follow and adopt, as appropriate, existing and new principles and practices which advance good practical corporate governance and add value to the company.

The principles recommended by the King Report have been assessed and the disclosure on how these have been applied is contained in a register available on the company's website.

Save as may be indicated in that register and in this report, the board is not aware of any non-compliance with the Code during the year under review.

The salient features of corporate governance as applied in the group are set out below.

BOARD OF DIRECTORS

COMPOSITION

The names and brief résumés of the directors appear on page 45.

The board comprises four directors, one executive (chief executive officer and financial director combined in one executive) and three non-executive, all three qualifying as independent directors in terms of the King Report.

The board is satisfied that there is a clear balance of power and authority at board level and that no one individual director or block of directors has undue influence on decision-making. The directors have considerable experience and an excellent understanding of the business and are accountable through the board charter, code of ethics and prevailing legislation.

Board effectiveness reviews are undertaken every two years and the board is satisfied with the results of this process.

Nominations for appointment to the board are formal and transparent and considered by the full board.

CHAIRMAN/LEAD INDEPENDENT

The chairman of the board is an independent non-executive director and a lead independent non-executive has been appointed.

The appointment of the chairman is reviewed on an annual basis.

BOARD DIVERSITY

Trencor recognises the benefits of a diverse board and the board has adopted a formal diversity policy. In view of the recent simplification of the corporate interests as detailed elsewhere in this and previous annual reports, it is not practical to set voluntary targets or bring on board new directors in order to further diversity aims.

PROFESSIONAL ADVICE

All directors have access to the company secretary and management and are entitled to obtain independent professional advice at the company's expense, if required.

COMPANY SECRETARY

The company secretary is Trencor Services Proprietary Limited, a wholly-owned subsidiary of the company, which is mainly responsible for corporate administration of the company's corporate office functions. Based on the outcome of an annual assessment, the board is satisfied that the specific individual engaged by Trencor Services Proprietary Limited to carry out the duties of a secretary of a public company has the requisite competence, knowledge and experience to effectively perform the role as the gatekeeper of good governance, and is independent of the board.

MEETINGS

The board meets on a scheduled quarterly basis and at such other times as circumstances may require. During the year ended 31 December 2022, four meetings were held and these were attended by all directors.

Board papers are timeously issued to all directors prior to each meeting and contain relevant detail to inform members of the financial position and activities of the company. When appropriate, strategic matters and developments are addressed.

The chairman meets with non-executive directors, either individually or collectively, on an ad hoc basis to apprise them of any significant matters that may require their input and guidance. In addition, the non-executive directors may hold separate meetings as and when they deem it appropriate.

The board is satisfied that it has fulfilled its responsibilities in accordance with its charter.

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract. The executive director has an engagement letter which provides for a notice period of two months to be given by either party.

In terms of the memorandum of incorporation, not less than one-third of the directors are required to retire by rotation at each annual general meeting of the company and may offer themselves for re-election. New directors appointed during the year are required to retire at the next annual general meeting, but may offer themselves for re-election.

DIRECTORS' INTERESTS

The number of shares held by the directors and their associates in the issued share capital of the company at 31 December 2022 and 2021 was as follows:

	Beneficial		
	Direct	**Associates**	**Total**
David Nurek	–	10 000	10 000
Eddy Oblowitz	10 000	–	10 000
Ric Sieni	–	–	–
Roddy Sparks	–	4 000	4 000
	10 000	**14 000**	**24 000**

Hennie van der Merwe retired on 11 May 2021. He held no shares in the company.

There have been no changes in the above directors' interests between the financial year-end and the date of this report.

AUDIT COMMITTEE

The audit committee, appointed by shareholders at each annual general meeting, comprises three independent non-executive directors, one of whom is the chairman of the board whose inclusion is necessitated by the board comprising only the minimum of three independent non-executive directors. The committee normally meets at least twice a year, prior to and for purposes of the finalisation of the group's interim and annual results, and at such other times as may be required. The committee is primarily responsible for assisting the board in carrying out its duties in regard to accounting policies, internal controls, financial reporting, identification and monitoring of risk, and the relationship with the external auditor.

In addition to the committee members, the chief executive officer and certain members of management are normally invited to attend meetings of the committee. The external auditor attends meetings and has direct and unrestricted access to the audit committee at all times. In addition, the committee chairman meets separately with the external auditor on an ad hoc basis.

During the year, the committee met on two occasions. The meetings were attended by all members.

The audit committee is satisfied as to the expertise and experience of the financial director, and of the finance function as a whole, and that the external auditor is independent in the discharge of its duties.

BOARD TERMS OF REFERENCE

The board is ultimately accountable and responsible for the performance and affairs of the company. In essence, it provides strategic direction, monitors and evaluates operational performance and executive management, determines policies and processes to ensure effective risk management and internal controls, determines policies regarding communication and is responsible for ensuring an effective composition of the board.

COMMITTEES OF THE BOARD

Committees of the board exist, each with specific terms of reference, to assist the board in discharging its responsibilities. The terms of reference are reviewed on an annual basis. Each committee is satisfied that it has fulfilled its responsibilities in accordance with the committee's terms of reference. The composition of these committees is reviewed on an ongoing basis. The names of the members of the committees appear on page 44.

DIRECTORS' INDEPENDENCE

The board has conducted the necessary annual assessment and is satisfied as to the independence of each of the independent non-executive directors of the company and, in particular, those who have been in office for more than nine years, having regard to the requirements of the King Report and the provisions of the Companies Act of South Africa.

SUCCESSION PLANNING

The board is satisfied that appropriate succession plans are in place.

REMUNERATION COMMITTEE

The remuneration committee reports directly to the board and comprises three independent non-executive directors. The committee's task is to review the compensation of executive and non-executive directors and senior management of the company. The chief executive officer is usually invited to attend meetings of the committee, but does not participate in any discussion relating to his own remuneration.

During the year, the committee held one meeting which was attended by all members.

The committee, in assessing base salaries and other forms of guaranteed remuneration, takes into account appropriate benchmarking including, where required, input from independent remuneration consultants.

Remuneration policies and practices

Trencor seeks to employ persons of superior ability who will adequately meet the needs of our stakeholders and believes remuneration should be commensurate with that of similarly qualified people in comparable positions.

- Executive director

  The executive director is paid a guaranteed amount on a cost to company basis.

- Members of management who are not executive directors

  The company's policy in respect of these managers is that their guaranteed pay, determined on a cost to company basis, should be attractive compared to levels paid in equivalent positions in other companies. The policy is on the same terms as for executive directors.

- Incentive bonus arrangements for executives and senior management

  There are no incentive bonus arrangements due to the activities of the group being such that the contributions of executives to the results or profitability of the company are no longer specifically measurable.

- Non-executive directors

  The remuneration committee recommends the fees payable to non-executive directors to the board which, in turn, proposes such fees to shareholders for approval.

  Shareholders will be asked at the forthcoming annual general meeting to approve the proposed annual remuneration payable to non-executive directors in their capacities as such from 1 July 2023, which represents no change to the current remuneration approved from 1 July 2020.

Directors' remuneration

No fees are paid to executive directors for services as directors. The remuneration paid to directors during the year ended 31 December 2022 and 2021 was as follows:

		Contributions to		
	Guaranteed remuneration	Medical aid	Retirement funds	Total remuneration
	R'000	R'000	R'000	R'000
2022				
Non-executive directors				
David Nurek	**897**	**–**	**–**	**897**
Eddy Oblowitz	**483**	**–**	**–**	**483**
Roddy Sparks	**460**	**–**	**–**	**460**
	1 840	**–**	**–**	**1 840**
Executive director				
Ric Sieni	**2 025**	**83**	**32**	**2 140**
Aggregate remuneration 2022	**3 865**	**83**	**32**	**3 980**
2021				
Non-executive directors				
David Nurek	897	–	–	897
Eddy Oblowitz	483	–	–	483
Roddy Sparks	460	–	–	460
	1 840	–	–	1 840
Executive directors				
Ric Sieni	3 488	79	104	3 671
Hennie van der Merwe*	1 015	18	106	1 139
	4 503	97	210	4 810
Aggregate remuneration 2021	6 343	97	210	6 650

* Retired 11 May 2021

Value-added tax is included in non-executive directors' remuneration, where applicable.

Engagement with shareholders regarding the company's remuneration policy and implementation report

In the event that either the remuneration policy or implementation report or both are voted against by 25% or more of the voting rights exercised at an annual general meeting, then a shareholder engagement process will be undertaken to ascertain the reasons for the dissenting votes. All legitimate and reasonable objections or concerns will be appropriately addressed and full disclosure of the process followed will be included in following year's remuneration report.

At the annual general meeting held on 17 May 2022, non-binding advisory vote number 1 relating to the endorsement of the company's remuneration policy and non-binding advisory vote number 2 relating to the endorsement of the remuneration implementation report received in excess of 75% support from shareholders. As such, no shareholders engagement process was required to be undertaken.

Remuneration implementation report

Trencor's workforce comprises the employees of Trencor Services Proprietary Limited at Trencor's corporate office currently consisting of three people, thus not meriting a detailed analysis of implementation against our remuneration policy. The committee continues to ensure that competent staff adequate for the company's current needs are retained. The committee is satisfied that the payroll administrator, under the supervision of the financial director, correctly implemented all remuneration payments.

The Trencor Share Option Plan

All previously granted options have been exercised and there are no options outstanding.

There is no intention to grant further options. Accordingly, no authority is sought from shareholders to place the unissued shares reserved for the Plan under the control of the directors and to authorise the directors to issue such shares.

Restriction on trading in shares

A formal policy prohibits directors and employees from dealing in the company's shares from the end date of an interim reporting period until after the interim results have been published and similarly from the end date of the financial year until after the annual results have been published. Directors and employees are reminded of this policy prior to the commencement of any restricted period.

In addition, no dealing in the company's shares is permitted by any director or employee whilst in possession of information which could affect the price of the company's shares and which is not in the public domain.

Directors of the company are required to obtain clearance from Trencor's chairman (and in the case of the chairman, or in the absence of the chairman, from the chairman of the audit or remuneration committee) prior to dealing in the company's shares, and to timeously disclose to the company full details of any transaction for notification to and publication by the JSE.

SOCIAL AND ETHICS COMMITTEE

Given the nature of the company's business as a cash company following the simplification of the group, the activities of this committee are limited in scope.

The social and ethics committee comprises three independent non-executive directors and the executive director.

During the year, the committee held one meeting which was attended by all members.

The main objective of the committee is to assist the board in monitoring the company's performance as a good and responsible corporate citizen by monitoring sustainable development practices.

The committee is responsible for developing and reviewing policies with regard to the commitment, governance and reporting of sustainable development performance and for making recommendations to the board in this regard.

Its role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, ethical conduct, the environment, health and public safety, consumer relationships, as well as labour and employment. Refer to the sustainability report on page 10.

Code of ethics

The board, management and staff agreed a formal code of ethical conduct which seeks to ensure high ethical standards. All directors and employees are expected at all times to adhere to this code, and to enhance the reputation of the company. This code is signed by all directors and employees on an annual basis.

Any transgression of this code is required to be brought to the attention of the board. There were no transgressions during the year under review.

RISK COMMITTEE

The risk committee comprises all the directors. During the year, two committee meetings were held, which were attended by all members.

In addition to the committee members, members of senior management are invited to attend meetings of the committee, as appropriate.

Responsibility for overseeing the management of risk lies ultimately with the board. Management assists the board in discharging its responsibilities in this regard by identifying, monitoring and managing risk on an ongoing basis. The identification and mitigation of risk are key responsibilities of management.

The following significant risk exposures have been identified:

- **Exchange rate fluctuations**

  TAC is a US dollar-based company and, accordingly, changes in the R/US$ exchange rate can and do significantly affect the translation of assets, liabilities, income and expenditures into South African rand for the purposes of consolidation and reporting.

  In addition, Trencor reports offshore US dollar deposits of US$17 million and US$49 million in support of the Halco Trust indemnity referred to in note 20 to the financial statements.

  Sufficient US dollars have been retained in offshore accounts which could serve as a currency hedge against any possible currency exposure under this indemnity.

- **Investment in TAC**

  TAC is a cash company. The day-to-day administration and management of the company has been outsourced by the TAC board to Continental Management Limited, a Bermudan entity.

- **Indemnity**

  The indemnity referred to above under exchange rate fluctuations is more fully dealt with in note 20 to the financial statements.

- **Credit risk**

  Trencor's only interests are in cash and cash equivalents and restricted cash.

  At 31 December 2022, Trencor's local cash deposits of R149 million are with two major South African banks. In addition, Trencor also reports US$49 million in bank accounts in the United Kingdom, a US$17 million deposit in an escrow bank account in Liechtenstein and US$0,4 million in TAC in Bermuda.

  The institutions in and through which cash funds are deposited and/or invested and the amounts placed with each institution are reviewed and assessed regularly by the respective managements and boards of TAC and Trencor in order to mitigate and diversify any risk.

- **Winding up**

  Whether or not Trencor will be in a position to commence a winding up of the company following 31 December 2024, as currently intended, will depend on the satisfactory conclusion of all outstanding regulatory and other matters required in order to wind the company up.

  By engaging with all interested parties, we are seeking to ensure that the winding up process commences as soon as possible.

- **Listing status**

  As previously reported, Trencor updated the JSE on further progress made in respect of its simplification and sought a dispensation to remain listed as a cash company on the JSE, notwithstanding the standard six months limitation allowed by the JSE, for the full indemnity period expiring on 31 December 2024. Such request for a dispensation was based on the benefits to shareholders of remaining listed and the fact that certain cash was not as yet commercially available for distribution to shareholders due to the indemnities.

  The JSE confirmed that Trencor could remain listed as a cash company on the JSE for the period up to 31 December 2024.

- **Key dependency service provider**

  Trencor has a contract with a key dependency service provider in the field of IT. This contract was concluded with due diligence considered prior to the service provider being selected. Should the contract terminate, other competent service providers in the particular field of expertise are available as a replacement, with minimal disruption to operational efficiency.

- **Staff retention**

  As a consequence of Trencor's stated intention of streamlining its corporate structure and the simplification of Trencor's interests, appropriate measures are necessary to ensure the retention of the required knowledge base in the company for as long as many be necessary to complete these processes.

INFORMATION RESOURCES MANAGEMENT

Trencor, like other organisations, is reliant on information and technology to effectively and efficiently conduct its business. The IT systems, policies and procedures are reviewed on an ongoing basis to ensure that effective internal controls are in place to manage risk and promote efficiencies, and to comply with universally accepted standards and methods. Attention is continuously focused on maximising the benefits whilst minimising the risks associated with all aspects of the IT portfolio as they apply to business operations.

Security policies and procedures for employees and the use of technologies such as enterprise and personal firewalls, antivirus systems, intrusion monitoring and detection are applied, as well as frequent application of software security updates issued by vendors as and when vulnerabilities are discovered.

Trencor has established business continuity procedures that when invoked enable a complete recovery of Trencor's IT network and business systems within specified and acceptable time limits.

STAKEHOLDER COMMUNICATION

An executive or, occasionally, members of the board meet on an ad hoc basis with institutional investors, investment analysts, individuals and members of the financial media. Discussions at such meetings are restricted to matters that are in the public domain.

Shareholders are informed, by means of announcements on the Stock Exchange News Service, press announcements and releases in South Africa and/or printed matter sent to such shareholders, of all relevant corporate matters and financial reporting as required in terms of prevailing legislation. In addition, such announcements are communicated via a broad range of channels in both the electronic and print media. The company maintains a corporate website (www.trencor.net) containing financial and other information, including interim, reviewed and annual results.

Sustainability Report

Trencor is a cash company listed on the JSE. As a result, this sustainability report is of necessity providing an overview of the current position rather than an extensive analysis.

BUSINESS STRATEGY

Trencor's strategy and intentions are to maximise and ultimately distribute its remaining cash resources to shareholders as and when these become commercially available.

Trencor's only interests are in cash and cash equivalents and restricted cash. It follows that no specific actions towards sustainability can or need be taken or reported.

EMPLOYEES

Trencor has a succession plan approved by the board.

Details of the employee benefits provided by Trencor are disclosed in the notes to the financial statements included in this integrated annual report.

The aim is to maintain an open and productive work environment that is responsive to the needs and concerns of the employees. This is of particular importance in the current context of Trencor's business strategy to distribute its remaining cash resources to shareholders as and when these become commercially available, at which point remaining staff will either be retrenched or have their arrangements terminated.

The company is committed to a policy of non-discrimination. Employees with a disability or life-threatening illness will be allowed to continue working as long as they are able to meet the company's performance standards, and their work does not present a direct threat to their own health or safety, or that of others.

REMUNERATION

The company's remuneration practices and policies are described in the corporate governance section of this integrated annual report.

EMPLOYMENT EQUITY

The workforce at 31 December 2022 comprised the employees of Trencor Services Proprietary Limited at Trencor's corporate office consisting of three people: one white male executive director, one white male in senior management and one white female in middle management.

REGULATORY MATTERS

Trencor and other remaining group entities are subject to rules and regulations established and monitored by the regulatory bodies in the jurisdictions in which these entities are registered. All group entities are in compliance with these rules and regulations. Trencor is in compliance with its memorandum of incorporation.

COMMUNITY

In view of the simplification of Trencor's interests, Trencor's donations programme was discontinued in 2019.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("B-BBEE")

Trencor's B-BBEE verification certificate is available on the company's website.

EXTERNAL ASSURANCE

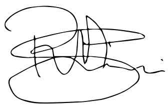
No external assurance has been sought on any of the elements of this report. The board confirms, to the best of its knowledge and belief, the accuracy and integrity of the information provided in this report.

CEO and FD Responsibility Statement

CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

The director, whose name is stated below, hereby confirms that:

- the consolidated and separate annual financial statements set out on pages 12 to 42, fairly present in all material respects the financial position, financial performance and cash flows of Trencor Limited in terms of International Financial Reporting Standards;
- to the best of my knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to Trencor Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the group and company; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate annual financial statements, having fulfilled my role and function with primary responsibility for implementation and execution of controls. Where I am not satisfied, I have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.*



Ric Sieni
Chief Executive Officer
and Financial Director

Cape Town
25 April 2023

* Whilst the director is aware of his responsibility to communicate deficiencies and such fraud incidents to the audit committee and auditor, no such deficiencies nor incidents of such fraud involving directors were identified for communication during the year under review.

Annual Financial Statements

Trencor Limited and subsidiaries

DIRECTORS' RESPONSIBILITY STATEMENT

The board of directors ("the board" or "directors") is responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Trencor Limited, which comprise the statements of financial position at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, as well as the directors' report.

The directors are responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these annual financial statements.

The directors have assessed the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that these businesses will not be going concerns in the year ahead (refer to note 21 to the financial statements).

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

These annual financial statements have been prepared by management under the supervision of the financial director, Ric Sieni CA(SA), and have been audited in accordance with the requirements of the Companies Act of South Africa.

APPROVAL OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of Trencor Limited, as identified in the first paragraph of the directors' responsibility statement, approved by the board of directors, are attached:

Signed on behalf of the board

David Nurek
Chairman

Eddy Oblowitz
Chairman of the audit committee

Cape Town
25 April 2023

Declaration by the Company Secretary

It is hereby certified that for the year ended 31 December 2022, the company has lodged with the Companies and Intellectual Property Commission all returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

Trencor Services Proprietary Limited
Secretaries
Per Guy Norval
Company Secretary

Cape Town
25 April 2023

Directors' Report

GENERAL REVIEW

The company is a cash company listed on the JSE Limited. The financial results are reflected in the financial statements on pages 19 to 42.

The profit attributable to equity holders of the company was R3 million (2021: R6 million).

DIRECTORS AND SECRETARY

The names of the directors appear on page 44 and that of the secretary on page 54.

In terms of the memorandum of incorporation, Eddy Oblowitz and Roddy Sparks retire by rotation at the forthcoming annual general meeting but, being eligible, offers themselves for re-election. The board recommends the re-election of Eddy Oblowitz and Roddy Sparks as directors.

Brief résumés of the directors are presented on page 45.

DIRECTORS' INTERESTS

The aggregate of the direct and indirect beneficial interests of the directors in the issued shares of the company at 31 December 2022 was 0,01% (2021: 0,01%).

There have been no changes in these interests between the financial year-end and the date of this report.

DIVIDENDS

No dividends were declared in respect of 2022 (2021: nil).

CONVERTING US GAAP RESULTS OF TAC TO IFRS

The results of TAC, reporting under US GAAP, are required to be converted to IFRS for inclusion in the results of Trencor, which reports under IFRS. TAC is invested solely in cash and no conversion adjustments were required in the current and prior year.

SIMPLIFICATION OF INTERESTS

Trencor is now invested solely in cash.

INTEREST IN SUBSIDIARIES

	Currency	Share capital and premium	Effective interest		Shares at cost		Amount owing to company	
			2022 %	2021 %	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
TAC Limited (Incorporated in Bermuda) Cash holding	US$'000	89	**100**	100	**372**	1 065	**–**	–
Trencor Services Proprietary Limited (Incorporated in the Republic of South Africa) Administration and cash holding	R'000	50	**100**	100	**5**	1 017	**–**	(1 305)
					377	2 082	**–**	(1 305)
Accumulated impairment loss					**(366)**	(288)	**–**	–
					11	1 794	**–**	(1 305)

The interest of the company in their aggregate profit after tax was R12 million (2021: R1 million).

SPECIAL RESOLUTIONS

At the annual general meeting held on 17 May 2022, shareholders passed special resolutions to approve the following:

- the provision of financial assistance, as contemplated in section 45 of the Companies Act, by the company to related or inter-related companies;
- the non-executive directors' remuneration, in their capacities as directors of the company, from 1 July 2022; and
- general authority granted to the company for the acquisition by the company or any of its subsidiaries of shares issued by the company. This authority is valid until the earlier of the next annual general meeting or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that it shall not extend beyond fifteen months from the date of passing of the resolution.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

During the year under review, no special resolutions were passed by the company's South African subsidiary.

TAC passed a resolution on 12 December 2022 reducing its entire share premium account of US$93,3 million and crediting the amount to its contributed surplus account.

ANALYSIS OF SHAREHOLDERS

An analysis of shareholders and a list of the holders who held 5% or more of the issued shares at 31 December 2022 is presented on page 43.

Audit Committee Report

MEMBERSHIP

The audit committee comprises three independent non-executive directors, one of whom is the chairman of the board whose inclusion is necessitated by the board comprising only the minimum of three independent non-executive directors. The committee was appointed by shareholders at the previous annual general meeting. The board of directors appointed Eddy Oblowitz as chairman of the committee for the 2022 financial year.

Shareholders will be requested to vote on and approve the appointment of the members of the audit committee for the 2023 financial year at the forthcoming annual general meeting.

The committee's operation is guided by its detailed terms of reference that are principally informed by the Companies Act of South Africa, the JSE Listings Requirements and the King IV Report and approved by the board.

The committee met with the external auditor on two occasions. In addition, the chairman of the committee met from time to time with the external auditor, with and without management being present.

Purpose

The primary purpose of the committee is to:

- assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, controls and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards;
- meet with the external auditor at least on an annual basis;
- review the company and group annual financial statements and reports as well as reports from subsidiary companies; and
- conduct reviews of the committee's work and terms of reference and make recommendations to the board to ensure that the committee operates at maximum effectiveness.

Execution of functions

The audit committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the group's accounting, internal control and financial reporting practices.

During the year under review:

- In respect of the external auditor and the external audit, the committee amongst other matters:
  - nominated KPMG Inc. to the shareholders for re-appointment as external auditor for the financial year ended 31 December 2022, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor. The committee undertook the relevant procedures to enable it to confirm that the auditor is accredited by the JSE and that the designated auditor is not on the JSE list of disqualified auditors;
  - approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditor;
  - reviewed the relevant auditor communications detailing their audit process and the implementation thereof, evaluated the effectiveness of the auditor and its independence and evaluated the external auditor's internal quality control procedures; and
  - obtained an annual written statement from the auditor confirming that its independence was not impaired throughout the conduct of the audit.
- In respect of the financial statements, the committee amongst other matters:
  - considered and satisfied itself that adequate financial reporting procedures were in place to ensure accurate preparation of the financial statements, free from material error and that these procedures were operating as intended;
  - confirmed the going concern status as the basis of preparation of the interim and annual financial statements;
  - examined and reviewed the interim and annual financial statements, as well as all financial information disclosed to the public, prior to submission and approval by the board;
  - ensured that the interim and annual financial statements fairly present the financial position of the company and of the group as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the group were determined to be going concerns;
  - considered accounting treatments, significant unusual transactions and accounting judgements and estimates;
  - considered the appropriateness of the accounting policies adopted and changes thereto;
  - reviewed the external auditor's audit report;
  - considered any issues identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements;
  - considered the JSE report for 2021 on pro-active monitoring of financial statements;
  - considered the JSE Listings Requirements relating to auditor accreditation of January 2022; and
  - met separately with management and the external auditor.
- In respect of other matters:
  - satisfied itself as to the competence, expertise and experience of the financial director and the finance function as a whole;

- received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof; and
- based on the above, formed the opinion that there were no material breakdowns in internal control, including financial controls, business risk management and maintaining effective material control systems.

Suitability of audit firm and designated auditor

As required by section 3.84(g)(iii) of the JSE Listings Requirements, the committee obtained information listed in paragraph 22.15(h) of the JSE Listings Requirements in respect of the appointment of the external auditor, KPMG Inc., and satisfied itself that the external auditor, and the audit partner, GS Kolbé, have the necessary accreditation and are suitable for appointment.

Independence of external auditor

The audit committee is satisfied that KPMG Inc. is independent of the group.

Annual financial statements

Having achieved its objectives, the committee recommended the audited financial statements for the year ended 31 December 2022 for approval by the board. The board subsequently approved the integrated annual report including the financial statements, which will be open for discussion at the forthcoming annual general meeting.

Independent Auditor's Report

to the shareholders of Trencor Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Trencor Limited (the group and company) set out on pages 19 to 42, which comprise the statements of financial position at 31 December 2022, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Trencor Limited as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. We have determined that there are no key audit matters to communicate in relation to our audit of the consolidated and separate financial statements.

EMPHASIS OF MATTER – SUBSEQUENT EVENT

We draw attention to note 23 to the consolidated and separate financial statements which indicates that the previously issued consolidated and separate financial statements for the year then ended 31 December 2022, on which we issued an auditor's report dated 24 March 2023, have been revised and reissued. As explained in note 23, this is to reflect the effects of the correction of the statement of cash flows in the separate financial statements. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trencor Limited Integrated Annual Report 2022", which includes the Directors' Report, the Audit Committee Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Trencor Limited for 22 years.

KPMG Inc.
Registered Auditor

Per GS Kolbé	The Halyard
Chartered Accountant (SA)	4 Christiaan Barnard Street
Registered Auditor	Cape Town City Centre
Director	8000

25 April 2023

Statements of Financial Position

at 31 December 2022

		Group		Company	
	Notes	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
Assets					
Property, plant and equipment	4	**–**	1	**–**	–
Investment in subsidiaries	5	**–**	–	**11**	1 794
Deferred tax assets	6	**2**	2	**1**	–
Restricted cash	7	**293**	273	**293**	273
Total non-current assets		**295**	276	**305**	2 067
Trade and other receivables	8	**3**	3	**2**	2
Current tax assets	15.1	**2**	–	**2**	–
Cash and cash equivalents	9	**988**	936	**834**	1
Total current assets		**993**	939	**838**	3
Total assets		**1 288**	1 215	**1 143**	2 070
Equity					
Issued capital	10	**1**	1	**1**	1
Reserves		**1 283**	1 209	**1 140**	762
Equity attributable to shareholders of the company		**1 284**	1 210	**1 141**	763
Liabilities					
Amount due to subsidiary	5	**–**	–	**–**	1 305
Total non-current liabilities		**–**	–	**–**	1 305
Trade and other payables	12	**4**	3	**2**	2
Current tax liabilities	15.1	**–**	1	**–**	–
Current portion of lease liability	11.1	**–**	1	**–**	–
Total current liabilities		**4**	5	**2**	2
Total liabilities		**4**	5	**2**	1 307
Total equity and liabilities		**1 288**	1 215	**1 143**	2 070

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

		Group		Company	
	Notes	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
Revenue	13.1	**–**	–	**307**	–
Other operating income	13.2	**–**	22	**158**	22
Employee benefits expense		**(5)**	(10)	**–**	–
Depreciation	4	**(1)**	–	**–**	–
Other operating expenses		**(15)**	(15)	**(15)**	(18)
Impairment (loss)/reversal – investment in subsidiary	5.3	**–**	–	**(78)**	62
Operating (loss)/profit before finance income	13	**(21)**	(3)	**372**	66
Finance income	14	**24**	7	**5**	1
Profit before tax		**3**	4	**377**	67
Income tax credit	15.2	**–**	2	**1**	2
Profit for the year		**3**	6	**378**	69
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		**71**	63	**–**	–
Total comprehensive income for the year		**74**	69	**378**	69
Earnings per share	16.2				
Basic earnings per share (cents)		**1,7**	3,4		
Diluted earnings per share (cents)		**1,7**	3,4		

Statements of Changes in Equity

for the year ended 31 December 2022

Group	Share capital Rm	Foreign currency translation reserve Rm	Retained income Rm	Total Rm
Balance at 1 January 2021	1	380	760	1 141
Total comprehensive income for the year				
Profit for the year	–	–	6	6
Other comprehensive income for the year				
Foreign currency translation differences	–	63	–	63
Total other comprehensive income for the year	–	63	–	63
Total comprehensive income for the year	–	63	6	69
Balance at 31 December 2021	1	443	766	1 210
Total comprehensive income for the year				
Profit for the year	**–**	**–**	**3**	**3**
Other comprehensive income for the year				
Foreign currency translation differences	**–**	**71**	**–**	**71**
Total other comprehensive income for the year	**–**	**71**	**–**	**71**
Total comprehensive income for the year	**–**	**71**	**3**	**74**
Balance at 31 December 2022	**1**	**514**	**769**	**1 284**

Company	Share capital Rm	Retained income Rm	Total Rm
Balance at 1 January 2021	1	693	694
Total comprehensive income for the year			
Profit for the year	–	69	69
Balance at 31 December 2021	1	762	763
Total comprehensive income for the year			
Profit for the year	**–**	**378**	**378**
Balance at 31 December 2022	**1**	**1 140**	**1 141**

Statements of Cash Flows

for the year ended 31 December 2022

		Group		Company*	
	Notes	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
Cash flows from operating activities					
Cash (utilised by)/generated from operations	17.1	**(19)**	(30)	**143**	(20)
Finance income received		**20**	7	**1**	1
Income tax paid	15.1	**(3)**	–	**(2)**	–
Net cash (outflow)/inflow from operating activities		**(2)**	(23)	**142**	(19)
Cash flows from investing activities					
Distribution received from subsidiary	5.5, 19.2	**–**	–	**692**	–
Decrease in restricted cash		**–**	1	**–**	1
Net cash inflow from investing activities		**–**	**1**	**692**	**1**
Cash flows from financing activities					
Lease liability repaid	11.3, 17.2	**(1)**	–	**–**	–
Amounts advanced by subsidiary	17.2	**–**	–	**15**	14
Net cash (outflow)/inflow from financing activities		**(1)**	–	**15**	14
Net (decrease)/increase in cash and cash equivalents before exchange rate fluctuations		**(3)**	(22)	**849**	(4)
Cash and cash equivalents at the beginning of the year		**936**	895	**1**	5
Effect of exchange rate fluctuations on cash and cash equivalents		**55**	63	**(16)**	–
Cash and cash equivalents at the end of the year	9	**988**	936	**834**	1

* Refer to note 23 for the details on the reissued separate Statement of Cash Flows.

Notes to the Financial Statements

for the year ended 31 December 2022

1. Reporting entity

Trencor Limited ("Trencor" or "the company") is a company incorporated in the Republic of South Africa. The address of the company's registered office is 13th Floor, The Towers South, Heerengracht, Cape Town, 8001. The consolidated financial statements of the company as at and for the year ended 31 December 2022 comprise the company and its subsidiaries, as defined by IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), together referred to as the "group" and individually as "group entity/ies". For the years ended 31 December 2022 and 31 December 2021, the group held cash.

2. Basis of preparation

2.1 Statement of compliance

The consolidated and separate financial statements or otherwise referred to as "group" and "company" financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the South African Institute of Chartered Accountants *Financial Reporting Guides* as issued by the Accounting Practices Committee and *Financial Pronouncements* as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The financial statements were approved by the board of directors on 25 April 2023.

2.2 Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

These consolidated and separate financial statements are presented in South African rand ("SA rand"), which is the company's functional currency. Although there is a foreign operation transacting in foreign currency, the group has elected the presentation currency to be SA rand. All financial information has been rounded to the nearest million, unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

2.5 Segmental reporting

During 2019, Trencor disposed of the group's last remaining operating segment. Accordingly, there are no segments to report and a segment analysis has not been prepared.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated and separate financial statements, and have been applied consistently by group entities.

3.1 Basis of consolidation

3.1.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date in accordance with IFRS 3 *Business Combinations*. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the group.

The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date that control ceases.

In the case of the company, investments in subsidiaries are carried at cost, less accumulated impairment losses. The investment in TAC Limited ("TAC") is a SA rand based investment.

3.1.3 Transactions eliminated on consolidation

Intra-group balances and transactions are eliminated.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency gains or losses on monetary items are recognised in profit or loss.

3. Significant accounting policies (continued)

3.2 Foreign currency (continued)

3.2.1. Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into SA rand at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into SA rand at the rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of, partially or in its entirety, such that control or significant influence is lost, the related cumulative amount in the foreign currency translation reserve is reclassified to profit or loss as part of the gain or loss on disposal.

3.3 Financial instruments

3.3.1 Non-derivative financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets – Classification

On initial recognition a financial asset is classified as measured at amortised cost or at FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held with a business model with the objective of collecting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss.

Financial assets – Classification of financial assets

The following information is considered by the group in determining the classification of financial assets:

- the group's business model for managing financial assets; and
- the contractual cash flow characteristics of the financial assets.

The business model assessment of the financial assets is based on the group's strategy and rationale for holding the financial assets. When considering the strategy, the following is considered:

- whether the financial assets are held to collect contractual cash flows;
- whether the financial assets are held for sale; or
- whether the financial assets are held for both collecting contractual cash flows and to be sold.

Financial assets – Assessment of contractual cash flows

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss. Debt issuance costs are capitalised and amortised over the term of the debt as required by application of the effective interest method.

Restricted cash

Restricted cash is classified as a non-current asset and comprises money-market and term deposits held by independent escrow agents in escrow accounts in relation to indemnities issued by the group (refer to note 20). Restricted cash is carried at amortised cost including interest, accrued using the effective interest method, which is included in profit or loss. The carrying value of restricted cash is deemed to be fair value as interest is earned at market related interest rates.

3. Significant accounting policies (continued)

3.3 Financial instruments (continued)

3.3.1 Non-derivative financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise money-market instruments, term and call deposits and bank balances. Cash and cash equivalents are subsequently measured at amortised cost which is deemed to be fair value as they have a short-term maturity.

Trade receivables

Trade receivables are subsequently measured at amortised cost less expected credit losses ("ECLs").

Trade and other payables

Trade payables are subsequently measured at amortised cost using the effective interest method.

Borrowings

In the case of the company, the amount due to the subsidiary is classified as a non-current liability as the company will not be required to repay the liability for at least 12 months. The liability is carried at amortised cost.

3.3.2 Derecognition

Financial assets

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which a group entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expire. A group entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3.3 Derivative financial instruments

The group may from time to time establish currency and/or interest rate financial instruments to protect underlying cash flows. Derivative financial instruments are initially recognised at fair value and subsequently remeasured to their fair value with changes therein recognised in profit or loss.

3.3.4 Offsetting

Financial assets and liabilities are off-set and the net amount presented in the statement of financial position when a group entity has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

3.3.5 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Cash dividends and dividend distributions of assets *in specie* (treated as distributions within equity) are recognised as a liability in the year in which they are declared.

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation (refer to note 3.4.3) and accumulated impairment losses (refer to note 3.5.2). Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of equipment is capitalised as part of that equipment. Right-of-use assets for leased premises are included in property, plant and equipment (refer to note 3.6).

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised on a net basis within other income in profit or loss.

3.4.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to a group entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. Significant accounting policies (continued)

3.4 Property, plant and equipment (continued)

3.4.3 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Right-of-use assets are depreciated over the lease term. The estimated useful life of office equipment, for the current and comparative years, is between 3 and 10 years.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

3.5 Impairment

3.5.1 Financial assets

The group recognises loss allowances for ECLs on financial assets measured at amortised cost. At each reporting date, the group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive).

3.5.2 Non-financial assets

At each reporting date, the carrying amounts of non-financial assets (other than deferred tax assets) are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policies (continued)

3.6 Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.7 Revenue

Dividend income

In the case of the company, revenue comprises dividend income and is recognised when the right to receive payment is established.

3.8 Finance income and finance expenses

3.8.1 Interest income

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

3.8.2 Interest expense

Interest expense comprises the effective interest expense on financial liabilities measured at amortised cost.

3.9 Employee benefits

3.9.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service. The accruals for employee entitlements to remuneration and annual leave represent the amount which a group entity has a present obligation to pay as a result of employees' services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current remuneration rates.

3.9.2 Retirement benefits

A group entity contributes to a defined contribution retirement fund. A defined contribution fund is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the fund is recognised in profit or loss in the period during which services are rendered by employees.

3.10 Income tax

Income tax comprises current, deferred and dividends tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the estimated taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, based on the tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are off-set if there is a legally enforceable right to off-set current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant accounting policies (continued)

3.10 Income tax (continued)

Dividends tax is levied on the company in respect of dividend distributions of assets *in specie* to shareholders who are not exempt or not subject to such tax at a reduced rate. There are no dividends tax consequences for the company on the distribution of cash dividends.

3.11 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of the company by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit or loss attributable to shareholders of the company by the weighted average number of shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares.

Headline earnings per share

The presentation of headline earnings per share is mandated under the Listings Requirements of the JSE Limited ("JSE") and is calculated in accordance with Circular 1/2021 *Headline Earnings*, as issued by the South African Institute of Chartered Accountants.

3.12 Accounting standards and interpretations effective from 1 January 2022

- Annual Improvements to IFRS Standards (2018 – 2020);
- Reference to the Conceptual Framework (IFRS 3);
- Property, Plant and Equipment: Proceeds before Intended Use (IAS 16); and
- Onerous Contracts: Cost of Fulfilling a Contract (IAS 37).

The above had no impact on the group's consolidated financial statements.

3.13 Accounting standards and interpretations in issue but not yet effective

A number of new standards and amendments to standards and interpretations are effective for years beginning on or after 1 January 2023, and have not been applied in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the group's consolidated financial statements:

Effective for the financial year commencing 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

Effective for the financial year commencing 1 January 2024:

- Classification of liabilities as current or non-current (IAS 1).

4. Property, plant and equipment

	Group		
	Right-of-use asset Rm	Office equipment Rm	Total Rm
Cost			
2021/2022			
Balance at 31 December 2021 and 2022	**1**	**1**	**2**
Accumulated depreciation			
2021			
Balance at 1 January 2021 and 31 December 2021	–	1	1
2022			
Depreciation for the year	**1**	**–**	**1**
Balance at the end of the year	**1**	**1**	**2**
Carrying amounts:			
At 1 January 2021	1	–	1
At 31 December 2021	1	–	1
At 31 December 2022	**–**	**–**	**–**

5. Investment in subsidiaries

	Company	
	2022 Rm	2021 Rm
Ordinary shares at cost (refer to note 5.5)	**377**	1 069
Preference shares (refer to note 5.2)	**–**	1 013
Investment in subsidiaries before impairment loss	**377**	2 082
Accumulated impairment loss (refer to note 5.3)	**(366)**	(288)
Investment in subsidiaries	**11**	1 794
Amount due to subsidiary – non-current	**–**	1 305

	Company		
	Country of incorporation	**2022 %**	2021 %
5.1 **Subsidiaries**			
TAC Limited	Bermuda	**100**	100
Trencor Services Proprietary Limited	Republic of South Africa	**100**	100

5.2 Amount due to subsidiary is unsecured and interest free and was repaid out of proceeds of the redeemable preference shares redeemed and dividend received from Trencor Services during the year (refer to notes 5.4, 5.5 and 19.2).

5.3 The increase of R78 million (2021: reduction of R62 million) in the accumulated impairment loss relating to TAC is as a result of the distribution received during the year partially reduced by the fluctuating SA rand/US dollar exchange rate (2021: as a result of the fluctuation in the SA rand/US dollar exchange rate). The recoverable amount of the investment is equal to the fair value of the net asset value of TAC at year-end. The fair value determination was categorised as level 2 of the fair value hierarchy (refer to note 18.7).

	Company	
	2022 Rm	2021 Rm
5.4 Income earned from subsidiaries during the year included in profit or loss:		
Dividends received (refer to notes 13.1 and 19.2)	**307**	–
5.5 Decrease in investment in subsidiaries:		
Distribution received from subsidiary, net of exchange gain of R158 million (refer to note 19.2)	**692**	–
Redemption of redeemable preference shares by subsidiary (refer to notes 5.2 and 19.2)	**1 013**	–

6. Deferred tax assets/(liabilities)

	Assets		Liabilities		Net	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
Deferred tax assets/(liabilities) are attributable to the following:						
Group						
Restricted cash	**–**	–	**(2)**	–	**(2)**	–
Trade and other payables	**–**	1	**–**	–	**–**	1
Tax losses carried forward	**4**	1	**–**	–	**4**	1
Deferred tax assets/(liabilities)	**4**	2	**(2)**	–	**2**	2
Company						
Restricted cash	**–**	–	**(2)**	–	**(2)**	–
Tax losses carried forward	**3**	–	**–**	–	**3**	–
Deferred tax assets/(liabilities)	**3**	–	**(2)**	–	**1**	–

Movement in temporary differences during the year:

	Group			Company		
	Balance at the beginning of the year Rm	Recognised in profit or loss Rm	Balance at the end of the year Rm	**Balance at the beginning of the year Rm**	**Recognised in profit or loss Rm**	**Balance at the end of the year Rm**
2022						
Restricted cash	**–**	**(2)**	**(2)**	**–**	**(2)**	**(2)**
Trade and other payables	**1**	**(1)**	**–**	**–**	**–**	**–**
Tax losses carried forward	**1**	**3**	**4**	**–**	**3**	**3**
	2	**–**	**2**	**–**	**1**	**1**
2021						
Restricted cash	(2)	2	–	(2)	2	–
Trade and other payables	1	–	1	–	–	–
Tax losses carried forward	1	–	1	–	–	–
	–	2	2	(2)	2	–

6.1 Deferred tax assets for the group of R4 million (2021: R2 million) and for the company of R3 million (2021: nil) relate to temporary differences and estimated taxable losses. It is probable that future taxable profits of the group entities will be available against which the assets can be utilised.

6.2 In the case of the company, there were no temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised (2021: nil).

	Group		Company	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
7. Restricted cash				
The escrow account in relation to the Halco Trust indemnitees will be held until the indemnity terminates or otherwise falls away prior to 31 December 2024 (refer to note 20)	**293**	273	**293**	273
8. Trade and other receivables				
Prepayments	**3**	3	**2**	2
9. Cash and cash equivalents				
Bank balances	**3**	5	**–**	–
Money market instruments and call and term deposits	**985**	931	**834**	1
	988	936	**834**	1

Refer to indemnity provided by Trencor in relation to the Halco Trust indemnitees in note 20.

	Group		Company	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
10. Capital and reserves				
Share capital				
Authorised				
Ordinary shares of 0,5 cent each 200 000 000 (2021: 200 000 000)	**1**	1	**1**	1
Issued				
Ordinary shares of 0,5 cent each 173 534 676 (2021: 173 534 676)	**1**	1	**1**	1

10.1 Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

10.2 No authorisation has been sought from shareholders to place the unissued shares of the company under the control of the directors.

10.3 **Reserves**

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. When a group entity is derecognised due to deconsolidation, liquidation or disposal, the accumulated foreign currency translation differences are transferred to profit or loss.

11. Leases

Leases as lessee

Trencor Services has a lease for its corporate office which expires on 30 June 2023 and has not be extended.

		Group		
		Interest rate 31 December 2022 % p.a.	**2022 Rm**	2021 Rm
11.1	**Lease liability**			
	Total lease liability	8,46	**–**	1
	Current portion included in current liabilities		**–**	(1)
			–	–
11.2	**Amounts recognised in profit or loss**			
	Interest on lease liability		**0,1**	0,1
	Depreciation		**1**	–
11.3	**Amounts recognised in the statement of cash flows**			
	Total cash outflow for leases		**(1)**	–

	Group		Company	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
12. Trade and other payables				
Accrued expenses	**3**	2	**1**	1
Other payables	**1**	1	**1**	1
	4	3	**2**	2

13. Operating (loss)/profit before finance income

Operating (loss)/profit before finance income is arrived at after taking into account:

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
13.1 **Revenue**				
Dividend received	**–**	–	**307**	–
13.2 **Other operating income**				
Realised and unrealised exchange gains	**–**	22	**158**	22
13.3 **Expenses**				
Auditors' remuneration				
Audit fee - Current year	**1**	1	**1**	1
Directors' remuneration and benefits	**4**	9	**2**	2
Executive - Short-term employee benefits	**2**	6	**–**	–
Non-executive - Remuneration	**2**	3	**2**	2
Realised and unrealised exchange losses	**1**	–	**–**	–
Retirement benefit fund contributions included in employee benefits expense	**–**	1	**–**	–

14. Finance income

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Interest income				
Cash and cash equivalents	**20**	6	**1**	–
Restricted cash	**4**	1	**4**	1
	24	7	**5**	1

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
15. Income tax				
15.1 **Income tax paid**				
Amounts payable at the beginning of the year	**(1)**	(1)	**–**	–
Recognised in profit or loss	**–**	–	**–**	–
Amounts (receivable)/payable at the end of the year	**(2)**	1	**(2)**	–
Amounts paid during the year	**(3)**	–	**(2)**	–
15.2 **Income tax credit**				
South African deferred	**–**	2	**1**	2
15.3 **Income tax credit reconciliation**				
Profit before tax	**3**	4	**377**	67
The income tax credit is reconciled as follows:				
Income tax credit at applicable rate of 28% (2021: 28%)	**1**	1	**105**	19
Over provided in prior years	**–**	(2)	**–**	(2)
Non-taxable amounts relating to escrow account	**(4)**	(6)	**(4)**	(6)
Non-taxable income – dividends received (refer to note 5.4)	**–**	–	**(86)**	–
Non-deductible expenses due to limited operations	**–**	5	**–**	5
Non-deductible expenses relating to dividends received	**4**	–	**4**	–
Tax rate differential in respect of foreign income	**(1)**	–	**–**	–
Non-taxable income relating to exchange gain on amounts received from subsidiary (refer to note 5.5)	**–**	–	**(44)**	–
Impairment loss/(reversal) – investment in subsidiary (refer to note 5.3)	**–**	–	**22**	(18)
Imputed income - controlled foreign company	**–**	–	**2**	–
Income tax credit at effective tax rate	**–**	(2)	**(1)**	(2)

	Group 2022	Group 2021
16. Earnings per share		
16.1 **Weighted average number of shares in issue (million)**	**173,5**	173,5
16.2 **Earnings per share**		
Basic earnings per share (cents)	**1,7**	3,4
Diluted earnings per share (cents)	**1,7**	3,4
16.3 **Headline earnings attributable to shareholders of the company (Rm)**	**3**	6
Headline earnings per share (cents)	**1,7**	3,4
Diluted headline earnings per share (cents)	**1,7**	3,4

	Group		Company	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm

17. Notes to cash flow

17.1 Cash (utilised by)/generated from operations
Reconciliation of profit for the year to cash (utilised by)/generated from operations:

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Profit for the year	**3**	6	**378**	69
Adjusted for:				
Finance income	**(24)**	(7)	**(5)**	(1)
Dividend income	**–**	–	**(307)**	–
Unrealised exchange gains	**(2)**	(22)	**(2)**	(22)
Depreciation	**1**	–	**–**	–
Expenses settled from restricted cash	**2**	–	**2**	–
Impairment loss/(reversal)	**–**	–	**78**	(62)
Income tax credit	**–**	(2)	**(1)**	(2)
Operating (loss)/profit before working capital changes	**(20)**	(25)	**143**	(18)
Working capital changes	**1**	(5)	**–**	(2)
Increase in trade and other receivables	**–**	–	**–**	(1)
Increase/(Decrease) in trade and other payables	**1**	(5)	**–**	(1)
Cash (utilised by)/generated from operations	**(19)**	(30)	**143**	(20)

17.2 Reconciliation of movements of liabilities to cash flows arising from financing activities:

Company **Amount due to subsidiary**	**Rm**
Balance at 1 January 2021	1 291
Changes from financing cash flows	
Amounts advanced by subsidiary	14
Balance at 31 December 2021	1 305
Changes from financing cash flows	
Amounts advanced by subsidiary	**15**
Changes from financing non-cash flows (refer to note 17.3)	
Redemption of redeemable preference shares by subsidiary	**(1 013)**
Dividend received from subsidiary	**(307)**
Balance at 31 December 2022	**–**

Group **Lease liability**	
Balance at 1 January 2021	1
Changes from financing cash flows	
Repayment of lease liability	–
Balance at 31 December 2021	1
Changes from financing cash flows	
Repayment of lease liability	**(1)**
Balance at 31 December 2022	**–**

17.3 Non-cash investing and financing cash flows
In December 2022, Trencor Services redeemed its redeemable preference shares. The company utilised these funds together with the dividend received (refer to note 5.4) to settle the loan account with Trencor Services (refer to note 17.2).

18. Financial instruments and risk management

18.1 Accounting classifications and fair values

The carrying amounts and fair values of each category of financial assets and liabilities are as follows:

	Financial assets at amortised cost Rm	Financial liabilities at amortised cost Rm	Total carrying amount Rm	Fair value* Rm
Group				
2022				
Financial assets				
Restricted cash	**293**		**293**	**293**
Cash and cash equivalents	**988**		**988**	**988**
	1 281		**1 281**	**1 281**
Financial liabilities				
Trade and other payables		**4**	**4**	**4**
		4	**4**	**4**
2021				
Financial assets				
Restricted cash	273		273	273
Cash and cash equivalents	936		936	936
	1 209		1 209	1 209
Financial liabilities				
Lease liability		1	1	1
Trade and other payables		3	3	3
		4	4	4
Company				
2022				
Financial assets				
Restricted cash	**293**		**293**	**293**
Cash and cash equivalents	**834**		**834**	**834**
	1 127		**1 127**	**1 127**
Financial liabilities				
Trade and other payables		**2**	**2**	**2**
		2	**2**	**2**
2021				
Financial assets				
Restricted cash	273		273	273
Cash and cash equivalents	1		1	1
	274		274	274
Financial liabilities				
Amount due to subsidiary		1 305	1 305	1 257
Trade and other payables		2	2	2
		1 307	1 307	1 259

* The fair values of trade and other receivables and trade and other payables are their carrying amounts as they are a reasonable approximation thereof. The fair value of the restricted cash and cash and cash equivalents have been measured according to their level in the hierarchy table (refer to note 18.7). At 31 December 2021, the fair value of the amount due to subsidiary was determined by discounting the amount due by 3,75% as the loan was interest free and was discounted over 367 days (refer to note 5.2).

18. Financial instruments and risk management (continued)

18.2 Overview

The risks arising from the use of financial instruments include:

- credit risk;
- liquidity risk; and
- market risk (including currency risk and interest rate risk).

This note presents information about the exposure to each of the above risks, objectives, policies and the process for measuring and managing risk, and the management of capital.

The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

The directors have overall responsibility for the establishment and oversight of the risk management framework. Risk management is carried out by management at an operational level under policies approved by the directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

The risk management policies are established to identify and analyse the risks in order to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk policies and systems are reviewed regularly.

The audit and risk committees oversee how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework. Regular ad hoc reviews of risk management controls and procedures are undertaken, the results of which are reported to the audit and risk committees.

18.3 Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations.

18.3.1 Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk from financial assets at 31 December was as follows:

	Group		Company	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
Financial assets at amortised cost:				
Restricted cash	**293**	273	**293**	273
Cash and cash equivalents	**988**	936	**834**	1
	1 281	1 209	**1 127**	274

Restricted cash and cash and cash equivalents

Funds on deposit are with various institutions both locally and offshore.

All the restricted cash is on deposit offshore with an institution which has an investment grade credit rating from the major ratings agencies. The same applies to offshore cash and cash equivalents.

Local deposits have been placed with banks which have a S&P Global Ratings long-term and short-term rating on the South Africa national scale of zaAA/zaA-1+.

18.3.2 Impairment

Restricted cash and cash and cash equivalents

Impairment on restricted cash and cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The group considers that these restricted cash and cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties, therefore the expected credit loss allowance for these financial assets is nil.

18. **Financial instruments and risk management** (continued)

18.4 Liquidity risk

Liquidity risk is the risk that group entities will not be able to meet their financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking reputational damage.

The risk is managed through cash flow forecasts and ensuring that adequate cash resources are maintained. In terms of the company's memorandum of incorporation, its borrowing powers are unlimited.

The following are the contractual maturities of financial liabilities including estimated interest payments.

	Carrying amount Rm	Contractual cash flows Rm	One year or less Rm	More than one, less than five years Rm
Group				
2022				
Non-derivative financial liabilities				
Trade and other payables	**4**	**4**	**4**	**–**
	4	**4**	**4**	**–**
2021				
Non-derivative financial liabilities				
Lease liability	1	1	1	–
Trade and other payables	3	3	3	–
	4	4	4	–
Company				
2022				
Non-derivative financial liabilities				
Trade and other payables	**2**	**2**	**2**	**–**
	2	**2**	**2**	**–**
2021				
Non-derivative financial liabilities				
Amount due to subsidiary	1 305	1 305	–	1 305
Trade and other payables	2	2	2	–
	1 307	1 307	2	1 305

18.5 Market risk

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

18. Financial instruments and risk management (continued)

18.5.1 Currency risk

Group entities are exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of those entities, primarily the US dollar and SA rand. The currency in which these transactions are primarily denominated is the US dollar.

The following is an analysis of the financial instruments in terms of the currencies in which they are held, expressed in SA rand at 31 December:

	Group					
	2022			2021		
	SA rand Rm	**US$ Rm**	**Total Rm**	SA rand Rm	US$ Rm	Total Rm
Assets						
Restricted cash	**–**	**293**	**293**	–	273	273
Cash and cash equivalents	**149**	**839**	**988**	159	777	936
	149	**1 132**	**1 281**	159	1 050	1 209
Liabilities						
Lease liability	**–**	**–**	**–**	1	–	1
Trade and other payables	**4**	**–**	**4**	3	–	3
	4	**–**	**4**	4	–	4

	Company					
	2022			2021		
	SA rand Rm	**US$ Rm**	**Total Rm**	SA rand Rm	US$ Rm	Total Rm
Assets						
Restricted cash	**–**	**293**	**293**	–	273	273
Cash and cash equivalents	**1**	**834**	**835**	1	–	1
	1	**1 127**	**1 128**	1	273	274
Liabilities						
Trade and other payables	**2**	**–**	**2**	2	–	2
	2	**–**	**2**	2	–	2
The following exchange rates applied during the year:						
Year-end rate US$1		**R16,93**			R15,87	
Average rate US$1		**R16,29**			R14,85	

For the group and company, for the year ended 31 December 2022, a change of 1% in the foreign currency exchange rate used to translate the combined US dollar denominated restricted cash and cash and cash equivalents of R1 127 million would have increased or decreased the profit after tax for the year by R9 million (2021: In respect of restricted cash only, increase or decrease in profit after tax of R3 million).

The remainder of the US$ denominated cash and cash equivalents of R5 million (2021: R777 million) represent the financial assets of a foreign operation translated into SA rand and consequently no sensitivity analysis was disclosed in respect of these financial instruments.

18. Financial instruments and risk management (continued)

18.5.2 Interest rate risk

Group entities are exposed to interest rate risk as they place funds in the money market. This risk is managed by maintaining an appropriate mix of term and daily call deposits with registered financial institutions which are subject to compliance with the relevant regulatory bodies.

At 31 December, the interest rate profile of interest-bearing financial instruments was:

	Group		Company	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
Variable rate instruments				
Financial assets	**1 281**	1 209	**1 127**	273
Financial liabilities	**–**	(1)	**–**	–
	1 281	1 208	**1 127**	273

Based on the SA rand and US Dollar denominated non-derivative financial asset balances at 31 December 2022, it is estimated that a 100 basis points increase/decrease in interest rates would result in an increase/decrease in interest income after tax of R9 million (2021: SA rand financial assets only R1 million). This analysis assumes that all other variables remain constant. At 31 December 2021, the sensitivity relating to interest income on US dollar financial assets was not considered material as a result of the interest rate environment prevailing at the time.

18.6 Capital management

Capital is regarded as total equity. The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the business. The board determines dividends payable to shareholders.

The company may purchase its own shares on the market, if there are good grounds for doing so. In this regard, the directors will ensure the requirements of the Companies Act of South Africa including the performance of the solvency and liquidity test are satisfied and will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs and the interests of the company.

There were no changes in the approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

18.7 Fair values

The fair values of financial instruments (refer to note 18.1) have been arrived at after taking into account current market conditions. All of the fair value measurements are recurring in nature.

Fair value hierarchy

Fair values are measured using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted in an active market for an identical instrument) that can be assessed at the measurement date.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices that are similar to instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Company 2022 Rm	Company 2021 Rm
19. Related parties		
19.1 Identity of related parties		
The company has related party relationships with its subsidiaries (refer to note 5.1) and directors (refer to note 19.3).		
19.2 Intra-group transactions and balances		
Amount due to Trencor Services (refer to note 5.2)	**–**	1 305
Administration fee paid to Trencor Services	**5**	9
Dividend received from Trencor Services (refer to notes 5.4 and 13.1)	**307**	–
Decrease in investment in subsidiaries (refer note 5.5):		
Distribution received from TAC, net of exchange gain of R158 million	**692**	–
Redemption of preference shares by Trencor Services	**1 013**	–

19.3 Transactions with directors

The number of shares held by the directors and their associates in the issued share capital of the company at 31 December 2022 and 2021 were as follows:

	Company Direct	Company Associates	Company Total
David Nurek	**–**	**10 000**	**10 000**
Eddy Oblowitz	**10 000**	**–**	**10 000**
Ric Sieni	**–**	**–**	**–**
Roddy Sparks	**–**	**4 000**	**4 000**
	10 000	**14 000**	**24 000**

There have been no changes in the above interests between the financial year-end and the date of this report.

The remuneration paid to the directors during the years ended 31 December 2022 and 2021 was as follows:

	Group			
		Contributions to		
	Guaranteed remuneration	Medical aid	Retirement fund	Total remuneration
	R'000	R'000	R'000	R'000
2022				
Non-executive directors				
David Nurek	**897**	**–**	**–**	**897**
Eddy Oblowitz	**483**	**–**	**–**	**483**
Roddy Sparks	**460**	**–**	**–**	**460**
	1 840	**–**	**–**	**1 840**
Executive director				
Ric Sieni	**2 025**	**83**	**32**	**2 140**
Aggregate remuneration 2022	**3 865**	**83**	**32**	**3 980**
2021				
Non-executive directors				
David Nurek	897	–	–	897
Eddy Oblowitz	483	–	–	483
Roddy Sparks	460	–	–	460
	1 840	–	–	1 840
Executive directors				
Ric Sieni	3 488	79	104	3 671
Hennie van der Merwe*	1 015	18	106	1 139
	4 503	97	210	4 810
Aggregate remuneration 2021	6 343	97	210	6 650

Value-added tax is included in non-executive directors' remuneration, where applicable.
* Retired 11 May 2021

20. Indemnity provided by Trencor in relation to the Halco Trust indemnitees

On 20 February 2018, Trencor, as a nominated beneficiary of the Halco Trust, received a vesting and distribution from the Halco Trust of the entire issued share capital of Halco Holdings Inc ("Halco"), which in turn held the shares in Textainer and TAC. Before the vesting and distribution were effected, Trencor was required to provide an indemnity in a negotiated amount of US$62 million, inter alia, to the trustee of the Halco Trust, in lieu of the indemnity the trustee enjoyed under the Deed of Settlement of the Halco Trust at the time.

In terms of this indemnity, Trencor indemnifies the indemnitees detailed below against certain events, which include the incurrence of liabilities by the indemnitees, and against the incurrence of costs and expenses by the indemnitees in connection with the indemnity and the processes thereunder. The indemnity extends to liabilities, costs and expenses incurred by the indemnitees in relation to the administration and/or the termination of the Halco Trust, the liquidation of the corporate trustee of the Halco Trust, the escrow arrangements contemplated by the indemnity, liabilities, costs and expenses by the directors and shareholder of the corporate trustee of the Halco Trust associated with the aforementioned liabilities and other liabilities, costs and expenses incurred by the indemnitees pursuant to any joint matter in terms of the indemnity. The indemnitees include the corporate trustee of the Halco Trust, the directors and shareholder of such trustee, their respective successors in title, and the directors and shareholders of such shareholder and their respective successors in title, as well as any liquidator of the corporate trustee.

The indemnity terminates on 31 December 2024 and Trencor's maximum potential exposure under such indemnity is US$62 million (2021: US$62 million), for which an amount of US$17 million (2021: US$17 million) is currently held in accordance with the terms of an escrow agreement by an independent escrow agent in an interest-bearing escrow account in Liechtenstein (refer to note 7). The escrow balance will be so held until the indemnity terminates or otherwise falls away prior to 31 December 2024. Trencor is contractually required in terms of the escrow arrangement linked to the indemnity to retain sufficient cash and other liquid assets equal to the full face value of the maximum potential exposure under the indemnity of US$62 million, in effecting any distribution or corporate reorganisation. Restricted cash of US$17 million (2021: US$17 million) (refer to note 7) and cash and cash equivalents in Trencor of US$45 million (2021: TAC US$45 million) (refer to note 9) have been currently earmarked against any such maximum potential exposure.

No contingent liability has been disclosed for this indemnity for the year ended 31 December 2022 as the directors believe that the possibility of an outflow of resources, other than for costs and expenses, is remote.

21. Going concern

The company's approach to managing liquidity by managing its working capital, capital expenditure and cash flows, is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Ultimate responsibility for liquidity risk management rests with the board of directors. Typically the company ensures that it has sufficient cash on hand to meet operational expenses, including the servicing of financial obligations.

The going concern principle requires that the group's and company's financial statements be prepared on the basis that Trencor will remain in business for the foreseeable future.

In assessing the ability of the group and company to continue as a going concern, the board considered:

- the group's financial budgets and cash flow forecasts;
- the performance of underlying business assets and their ability to make a positive contribution to the group's objectives; and
- the ability of the subsidiaries to declare dividends.

The board is of the view that, based on its knowledge of the group and the company, the group and the company have adequate resources at their disposal to settle obligations as they fall due and the group and the company will continue as going concerns for the foreseeable future and have thus prepared the group and the company financial statements on the going concern basis.

22. Events after the reporting period

The directors are not aware of any matters or circumstances arising since the end of the financial year, which will have a material impact on the financial position at 31 December 2022.

23. Reissuing of separate financial statements

The previously issued separate financial statements for the year ended 31 December 2022 were required to be reissued after the financial statements were approved by the board of directors of the company on 24 March 2023 due to non-cash flow movements presented in the Statement of Cash Flows. The "Dividend received from subsidiary" of R307 million and the related settlement of the amount due to subsidiary of R307 million which was included in the R292 million "Amounts (repaid to)/advanced by subsidiary" caption in the Statement of Cash Flows was a non-cash movement. The revision does not impact the net cash movement in the separate Statement of Cash Flows for the year ended 31 December 2022. The Statement of Cash Flows for the company and associated note 17.2 have been corrected to reflect the cash and non-cash movements.

This correction did not affect the Statements of Financial Position of either the group or company at 31 December 2022, the Statements of Profit or Loss and Other Comprehensive Income of either the group or the company for the year ended 31 December 2022, the Statements of Changes in Equity of either the group or the company for the year ended 31 December 2022, Basic and Diluted earnings and Headline earnings and Diluted Headline earnings of the group for the year ended 31 December 2022 and the Statement of Cash Flows of the group for the year ended 31 December 2022.

Changes to the company Statement of Cash Flows:

	As previously stated Rm	Adjustment Rm	Revised and reissued Rm
Dividend received from subsidiary	307	(307)	–
Net cash (outflow) / inflow from operating activities	**449**	**(307)**	**142**
Amounts (repaid to) / advanced by subsidiary	(292)	307	15
Net cash (outflow) / inflow from financing activities	**(292)**	**307**	**15**

Analysis of Shareholders

at 31 December 2022

	Number of holders	% of holders	Number of shares	% interest
Size of shareholding				
1 – 1 000 shares	1 397	68,25	245 006	0,14
1 001 – 10 000 shares	362	17,68	1 329 425	0,77
10 001 – 100 000 shares	168	8,21	6 206 386	3,58
100 001 – 1 000 000 shares	88	4,30	34 448 830	19,85
1 000 001 shares and over	32	1,56	131 305 029	75,66
Total	**2 047**	**100,00**	**173 534 676**	**100,00**
Distribution of shareholders				
Mutual funds	50	2,44	69 535 520	40,07
Banks and insurance companies	29	1,42	6 617 239	3,81
Retirement funds	84	4,11	27 191 505	15,67
Other corporate bodies	118	5,76	51 813 470	29,86
Individuals	1 652	80,70	10 928 804	6,30
Nominee companies and trusts	114	5,57	7 448 138	4,29
Total	**2 047**	**100,00**	**173 534 676**	**100,00**
Shareholder spread				
Public shareholders	2 043	99.80	140 354 744	80,88
Non-public shareholders	4	0,20	33 179 932	19,12
Directors and associates	3	0,15	24 000	0,01
Strategic holdings (more than 10%)	1	0,05	33 155 932	19,11
Total	**2 047**	**100,00**	**173 534 676**	**100,00**

Major shareholders

The direct and indirect beneficial interests of shareholders who, in so far as is known, held 5% or more of the issued shares at 31 December 2022 were as follows:

	Number of shares	% interest
African Phoenix Investments Limited	33 155 932	19,11
Corocapital Proprietary Limited	12 133 009	6,99
	45 288 941	**26,10**

Major fund managers

The interests of major fund managers who, in so far as is known, held 5% or more of the issued shares on behalf of clients at 31 December 2022 were as follows:

	Number of shares	% interest
Coronation Fund Managers Limited	50 484 747	29,09
M&G Investment Managers Proprietary Limited	24 140 645	13,91
	74 625 392	**43,00**

Directors and Committees

Directors	
David Nurek	Chairman/Independent
Eddy Oblowitz	Independent
Ric Sieni*	Chief Executive Officer and Financial Director
Roddy Sparks	Lead Independent

* Executive

Audit committee	
Eddy Oblowitz	Chairman
David Nurek	
Roddy Sparks	

Remuneration committee	
Roddy Sparks	Chairman
David Nurek	
Eddy Oblowitz	

Risk committee	
Eddy Oblowitz	Chairman
David Nurek	
Ric Sieni	
Roddy Sparks	

Social and ethics committee	
Roddy Sparks	Chairman
David Nurek	
Eddy Oblowitz	
Ric Sieni	

Directorate: Brief Résumés

Ages at 31 December 2022

EXECUTIVE

RICARDO (RIC) ANTONIO SIENI (68)

B Com (UCT) CA(SA). Appointed to the role of chief executive officer on 11 May 2021. This is in addition to being appointed to the board as financial director on 1 March 2016. He is a member of the social and ethics committee and the risk committee. He completed his articles at Deloitte before joining Trencor on 1 October 1982 where he served as group accountant and later as financial manager.

INDEPENDENT NON-EXECUTIVE

DAVID MORRIS NUREK (72)

Dip Law (UCT) Grad Dip Company Law (UCT) was an executive of Investec Bank Limited until his retirement on 31 August 2019. He was appointed as an alternate director of Trencor on 30 November 1992 and as a full director on 24 July 1995. On 5 August 2016 he was appointed as chairman of the board. Prior to joining Investec in June 2000, he practised as an attorney at law with Sonnenberg Hoffmann Galombik for 32 years. He is a member of the audit, social and ethics, risk and remuneration committees and serves on the boards of a number of listed and unlisted companies in a non-executive capacity.

EDWIN (EDDY) OBLOWITZ (65)

B Com (UCT) CA(SA) CPA (Isr) was appointed as a non-executive director on 3 March 2004 and is chairman of the audit and risk committees and a member of the remuneration and social and ethics committees. He was previously an international partner of Andersens in South Africa. He is the Principal at Contineo Financial Services, which internationally provides fiduciary and specialist consulting services to high net worth families and corporates. He is a director of various listed and unlisted companies in a non-executive capacity and serves as a trustee of various trusts.

RODERICK (RODDY) JOHN ALWYN SPARKS (63)

B Com Hons (UCT) CA(SA) MBA (UCT) was appointed as a non-executive director on 27 July 2009. He is the lead independent director and is a member of the audit and risk committees and chairman of the social and ethics and remuneration committees. He was previously managing director of Old Mutual South Africa and Old Mutual Life Assurance Company (SA) and chairperson of Old Mutual Unit Trust, Old Mutual Specialised Finance and Old Mutual Asset Managers (SA).

Notice to Shareholders

Trencor Limited
(Incorporated in the Republic of South Africa)
(Registration number 1955/002869/06)
("the company")
Share code: TRE
ISIN: ZAE000007506

Notice is hereby given that the sixty seventh annual general meeting of shareholders of the company will be held on Monday, 8 May 2023 at 10:00 ("the AGM").

RECORD DATES

In terms of section 59 of the Companies Act, No 71 of 2008, as amended ("Companies Act"), the record date for shareholders to be recorded in the register of members of the company in order to receive this notice of the AGM is Friday, 17 March 2023. The record date for shareholders to be recorded in the register of members of the company in order to be able to attend, participate and vote at the AGM is Friday, 28 April 2023, and the last day to trade in the company's shares in order to be recorded in the register of members of the company so as to be able to attend, participate and vote at the AGM is Monday, 24 April 2023.

ELECTRONIC PARTICIPATION IN THE AGM

The AGM will only be accessible through electronic participation as permitted by the JSE Limited and in terms of the provisions of the Companies Act and the company's memorandum of incorporation.

Certificated shareholders and dematerialised shareholders with "own name" registration who wish to participate in and/or vote at the AGM should contact the company's transfer secretaries, Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za as soon as possible but, for administrative purposes, no later than 10:00 on Friday, 5 May 2023, to obtain log in details. Proof of identification will be required before such shareholders are provided with access to the electronic platform. Dematerialised shareholders other than "own name" registrations who wish to participate in and/or vote at the AGM, should request the necessary letter of representation from their Central Security Depository Participant ("CSDP")/broker and submit a copy thereof to Computershare at proxy@computershare.co.za as soon as possible but, for administrative purposes, not later than 10:00 on Friday, 5 May 2023, in order to obtain log in details. On registration for voting, a voting paper will be issued by Computershare for voting electronically at the AGM.

The company 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 failures on the part of the CSDP or broker to notify any shareholder holding shares in dematerialised form of the AGM convened in terms of the notice.

BUSINESS OF THE MEETING

Each of the ordinary and special resolutions set out below may be proposed and passed, with or without modification or amendment, at the AGM or at any postponement or adjournment thereof.

The purpose of the AGM is for the following business to be transacted and for the following ordinary and special resolutions to be proposed:

1. To present and consider the audited financial statements, the directors' report and the audit committee report of the company and the Trencor group for the year ended 31 December 2022.

   In terms of the Companies Act, the audited financial statements will be presented to the shareholders together with the directors' report and the audit committee report. The audited financial statements, the directors' report and the audit committee report of the company and its subsidiaries, are set out on pages 12 to 42 of the integrated annual report of which this notice of AGM forms part ("the integrated annual report").

2. In terms of the company's memorandum of incorporation Eddy Oblowitz and Roddy Sparks retire by rotation at the AGM but, being eligible, offer themselves for re-election.

   Brief résumés of the directors of the company are presented on page 45 of the integrated annual report.

   Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect the directors named above by way of passing the ordinary resolutions set out below:

   Ordinary resolution number 1.1
   "Resolved that Eddy Oblowitz is elected as a director of the company."

   Ordinary resolution number 1.2
   "Resolved that Roddy Sparks is elected as a director of the company."

   Explanatory note:
   The board recommends the election of Eddy Oblowitz and Roddy Sparks as directors of the company. The election of each director who retires by rotation and makes himself available for re-election is required at the company's AGM.

   The minimum percentage of votes required for these resolutions to be adopted is 50% plus one of the votes cast on the resolution.

3. To table the remuneration policy and implementation report of the company (as set out on pages 5 to 8 of the integrated annual report) for consideration and submit same for separate non-binding advisory votes by the shareholders.

   Advisory vote 1:
   "Resolved that the remuneration policy of the company, as set out on pages 5 to 8 of the integrated annual report of which this notice of AGM forms part, is endorsed through a non-binding advisory vote."

Advisory vote 2:
"Resolved that the remuneration implementation report of the company, as set out on page 8 of the integrated annual report of which this notice of AGM forms part, is endorsed through a non-binding advisory vote."

Explanatory note:
In terms of the King IV principles and the Listings Requirements of the JSE Limited, the company's remuneration policy and the implementation report should be tabled to the shareholders of the company for separate non-binding advisory votes at the annual general meeting. Accordingly, the shareholders are requested to endorse the company's remuneration policy and the implementation report by way of separate non-binding advisory votes in the same manner as an ordinary resolution.

In the event that either the policy or implementation report or both are voted against by 25% or more of the voting rights exercised then a shareholder engagement process will be undertaken to ascertain the reasons for the dissenting votes. All legitimate and reasonable objections and concerns will be appropriately addressed and full disclosure of the process followed will be included in the following year's remuneration report.

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required. Nevertheless, to signify endorsement, the minimum percentage of votes required in favour of the remuneration policy is 50% plus one of the votes cast on the resolution.

4. To appoint KPMG Inc. as independent auditor of the company for the ensuing year.

Ordinary resolution number 2:
"Resolved that KPMG Inc. is appointed as the auditor of the company for the ensuing year."

Explanatory note:
In compliance with section 90(1) of the Companies Act, a public company must each year at its annual general meeting appoint an auditor.

Note that the audit committee and the board recommend the appointment of KPMG Inc. as auditor of the company. Section 94(9) of the Companies Act entitles a company to appoint an auditor at its annual general meeting, other than one nominated by the audit committee, but if such an auditor is appointed, the appointment is valid only if the audit committee is satisfied that the proposed auditor is independent of the company.

The minimum percentage of votes required for this resolution to be adopted is 50% plus one of the votes cast on the resolution.

5. To elect an audit committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

Ordinary resolution number 3.1:
"Resolved that David Nurek is elected as a member of the audit committee of the company."

Ordinary resolution number 3.2:
"Resolved that Eddy Oblowitz is elected as a member of the audit committee of the company, subject to his re-election as a director of the company in terms of ordinary resolution number 1.1."

Ordinary resolution number 3.3:
"Resolved that Roddy Sparks is elected as a member of the audit committee of the company, subject to his re-election as a director of the company in terms of ordinary resolution number 1.2."

Explanatory note:
In terms of the Companies Act, the audit committee is not a committee of the board but a committee elected by the shareholders at each AGM.

Section 94(2) of the Companies Act requires a public company, at each AGM, to elect an audit committee.

Section 94(4)(a) of the Companies Act requires, among other things, that each member of the audit committee must be a director of the company. Brief résumés of these directors are presented on page 45 of the integrated annual report. Each of the proposed nominees is an independent non-executive director of the company.

The minimum percentage of votes required for these resolutions to be adopted is 50% plus one of the votes cast on the resolution.

6. To provide financial assistance to related and/or inter-related companies.

Special resolution number 1:
"Resolved that in terms of and subject to the provisions of section 45 of the Companies Act, the shareholders of the company hereby approve of, as a general approval, the company providing (subject to the requirements of the company's memorandum of incorporation, the Companies Act and the Listings Requirements of the JSE Limited from time to time), at any time and from time to time, during the period of two years commencing on the date of passing of this special resolution, any direct or indirect financial assistance contemplated in the Companies Act to any one or more related and/or inter-related companies or corporations of the company on such terms and conditions as the board of directors of the company, or any one or more persons authorised by the board of directors of the company from time to time for such purpose, deems fit."

Explanatory note:
The reason for special resolution number 1 is to obtain approval from the shareholders for the company to provide financial assistance, should the need arise, in accordance with the provisions of section 45 of the Companies Act. The effect

of special resolution number 1 is that the company will have the necessary authority to provide such financial assistance to any one or more related and/or inter-related companies or corporations of the company as contemplated in special resolution number 1 as and when required to do so. The board of the company undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as required by section 45(3)(b)(ii) of the Companies Act. The proposed resolution does not authorise the provision of financial assistance to any director or executive of the company.

The minimum percentage of votes required for this resolution to be adopted is 75% of the votes cast on the resolution.

7. To resolve as a special resolution that the non-executive directors' annual remuneration, in their capacity only as directors of the company, from 1 July 2023 be approved.

Special resolution number 2:
"Resolved that the non-executive directors' annual remuneration, in their capacities only as directors of the company, from 1 July 2023 remains unchanged from that paid in respect of the prior three years and be paid in accordance with the following, plus such amount of Value-Added Tax ("VAT") as may be attributable thereto:

	Rand
For services as:	
Basic remuneration as a member of the board and its committees (other than the audit/risk committee)	300 000
In addition:	
Chairman of the board	430 000
Chairman of the audit/risk committee	70 000
Member of the audit/risk committee	50 000
Chairman of the remuneration committee	25 000
Chairman of the social and ethics committee	25 000

Explanatory note:
In terms of sections 66(8) and (9) of the Companies Act, remuneration may only be paid to directors for their service as directors in accordance with a special resolution approved by the shareholders within the previous two years.

It is noted that the remuneration payable to non-executive directors in their capacities as such and for their services as directors, as set out in the above special resolution, represents no change from the prior three years.

The minimum percentage of votes required for this resolution to be adopted is 75% of the votes cast on the resolution.

8. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Special resolution number 3:
"Resolved that the company hereby approves, as a general approval contemplated in section 48 of the Companies Act, the acquisition by the company or any of its subsidiaries from time to time of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the memorandum of incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") as presently constituted and which may be amended from time to time, and provided that:

(a) any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);

(b) any such repurchase of shares is authorised by the company's memorandum of incorporation;

(c) at any point in time, the company may only appoint one agent to effect any repurchase(s) on its behalf;

(d) this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;

(e) the board of directors pass a resolution authorising the repurchase, confirming that the company passes the solvency and liquidity test and that at the time that the test is done there are no material changes to the financial position of the company;

(f) an announcement on the Stock Exchange News Service containing full details of the acquisitions will be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% in aggregate of the initial number of that class acquired thereafter;

(g) acquisitions by the company and its subsidiaries of shares in the share capital of the company may not, in the aggregate, exceed in any one financial year 20% (or 10% where such acquisitions relate to the acquisition by a subsidiary) of the company's issued share capital of any class as at the beginning of the financial year;

(h) in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than

10% above the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries;

(i) the company or its subsidiaries are not acquiring shares during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company shall instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and

(j) any acquisitions are made subject to any Exchange Control approval required at that point in time."

Explanatory note:
The reason for this special resolution is to grant the company a general authority in terms of the Companies Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond fifteen months from the date of this AGM. The effect of the passing of this special resolution will be to authorise the company or any of its subsidiaries to acquire shares issued by the company. If relevant in the circumstances, compliance with section 48(8)(b) of the Companies Act will be required if the company is to acquire more than 5% of its shares.

The directors are of the opinion that it would be in the best interests of the company to extend the current authority for the repurchase of shares by the company or its subsidiaries, allowing the company or any of its subsidiaries to be in a position to repurchase or purchase, as the case may be, the shares issued by the company through the order book of the JSE, should the market conditions and price, as well as the financial position of the company, justify such action, as determined by the directors.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the directors consider that such repurchase or purchase, as the case may be, will be in the best interests of the company and its shareholders.

The minimum percentage of votes required for this resolution to be adopted is 75% of the votes cast on the resolution.

STATEMENT BY THE BOARD OF DIRECTORS OF THE COMPANY REGARDING SPECIAL RESOLUTION NUMBER 3

Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the company hereby states that:

(a) the intention of the directors of the company is to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements and/or there are other good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;

(b) in determining the method by which the company intends to repurchase its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if at the time of the acquisition they are of the opinion that:

- the company and the group will be able to pay their debts as they become due in the ordinary course of business for the next 12 months after the date of the general repurchase;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, will be in excess of the liabilities of the company and the group for the next twelve months after the date of the general repurchase;
- the issued share capital and reserves of the company and the group will be adequate for ordinary business purposes for the next twelve months after the date of the general repurchase; and
- the working capital available to the company and the group will be sufficient for ordinary business purposes for the next twelve months after the date of the general repurchase.

OTHER DISCLOSURES IN TERMS OF SECTION 11.26 OF THE JSE LISTINGS REQUIREMENTS

The integrated annual report to which this Notice of AGM is attached provides details of:

- the major shareholders of the company on page 43; and
- the share capital of the company in note 10 on page 31, and an analysis of the shareholders (including beneficial shareholders who hold 5% or more of the issued share capital of the company and of which the company is aware, but who are not registered shareholders) on page 43.

There have been no material changes to the company and the group's financial or trading position (other than as disclosed in the accompanying integrated annual report).

The directors, whose names are given on page 44 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the integrated annual report and this notice contains all information required by law and the JSE Listings Requirements.

9. To present and consider the report of the social and ethics committee of the company as set out on page 8 of the integrated annual report of which this notice of AGM forms part.

10. To transact such other business as may be transacted at an annual general meeting.

GENERAL INSTRUCTIONS AND INFORMATION

All shareholders are encouraged to attend, speak and vote at the AGM. Voting will be conducted on a poll and every shareholder present in person, by proxy or represented shall have one vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your CSDP to hold your shares in your own name on the company's sub-register), then:

- you may attend and vote at the AGM; alternatively
- you may appoint a proxy (who need not also be a shareholder of the company) to represent you at the AGM by completing the attached form of proxy and, for administrative purposes, you are requested to return it to the office of the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays). Any form of proxy not so lodged beforehand may be delivered to the transfer secretaries at proxy@computershare.co.za at any time before the AGM commences. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act. Any form of proxy must be so delivered before your proxy may exercise any of your rights as a shareholder at the AGM.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("Strate"), held through a CSDP or broker) and are not registered as an "own name" dematerialised shareholder, you are not registered as a shareholder of the company, but appear on the sub-register of the company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the AGM but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must then not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and submitting it, for administrative purposes, to the office of the company's transfer secretaries at proxy@computershare.co.za by no later than 10:00 on Friday, 5 May 2023, being 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays). Any form of proxy not so lodged beforehand may be submitted to the transfer secretaries at proxy@computershare.co.za at any time before the AGM commences.

Shareholders of the company, other than natural persons, that wish to participate in the AGM, may authorise any person to act as their representative at the annual general meeting.

Section 63(1) of the Companies Act requires that a person wishing to participate in the AGM (including any representative or proxy) must provide satisfactory identification (such as valid identity documents, driver's licences or passports) before they may attend or participate at such meeting.

Guests wishing to attend the AGM via the electronic facility are required to contact the transfer secretaries at proxy@computershare.co.za as soon as possible to obtain log in details.

Participants will be liable for their own network charges and it will not be for the expense of the company or Computershare. Neither the company or Computershare can be held accountable in the case of loss of network connectivity or any other network failure which would prevent shareholders from voting or participating in the AGM.

By order of the board

Trencor Services Proprietary Limited
Secretaries
Per Guy Norval

Cape Town
24 March 2023

Form of Proxy

Trencor Limited
(Incorporated in the Republic of South Africa)
(Registration number 1955/002869/06)
("the company")
Share code: TRE
ISIN: ZAE000007506

For use at the annual general meeting of shareholders of the company to be held entirely through electronic participation on Monday, 8 May 2023 at 10:00 ("the AGM").

Not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless they are recorded on the sub-register as "own name" dematerialised shareholders ("own name dematerialised shareholders"). Generally, you will not be an own name dematerialised shareholder unless you have specifically requested the CSDP to record you as the holder of the shares in your own name in the company's sub-register.

Only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the company's sub-register as the holder of dematerialised shares.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote in place of that shareholder at the AGM and any adjournment or postponement thereof.

Please note the following:

- the appointment of your proxy may be suspended at any time and to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM;
- the appointment of the proxy is revocable;
- you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) submitting a copy of the revocation instrument to the proxy and to the transfer secretaries of the company at proxy@computershare.co.za; and
- any shareholder of the company, other than natural persons, may authorise any person to act as its representative at the AGM. Please also note that section 63(1) of the Companies Act, No 71 of 2008, as amended, ("Companies Act") requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may attend or participate at such meeting.

Note that voting will be performed by way of a poll so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by them.

My/our proxy may delegate to another person his/her authority to act on my/our behalf at the AGM, provided that my/our proxy:

- may only delegate his/her authority to act on my/our behalf at the AGM to a director of the company;
- must provide written notification to the transfer secretaries of the company, namely Computershare Investor Services Proprietary Limited of the delegation by my/our proxy of his/her authority to act on my/our behalf at the AGM by no later than 10:00 on Friday, 5 May 2023, being 24 hours (excluding Saturdays, Sundays and public holidays) before the AGM to be held at 10:00 on Monday, 8 May 2023; and
- must provide to his/her delegate a copy of his/her authority to act on my/our behalf at the AGM.

Refer to the notes on page 53.

This form of proxy is to be submitted to the transfer secretaries of Trencor Limited, namely Computershare Investor Services Proprietary Limited, by e-mail to proxy@computershare.co.za as soon as possible to be received, for administrative purposes, not later than 24 hours before the AGM. Any form of proxy not so submitted beforehand may be submitted at any time before the AGM commences at 10:00 on Monday, 8 May 2023.

I/we (full names) ____

of (address) ____

Telephone: Work ____________ Home ____________ Mobile ____________

being a shareholder(s) of the company, holding ____________ shares in the company

hereby appoint (refer to note 1) ____

or failing him/her ____

or failing him/her ____

or failing him/her the chairperson of the AGM as my/our proxy to act for me/us on my/our behalf at the AGM and at any adjournment or postponement thereof in accordance with the following instructions:

Insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of votes in respect of which you desire to vote (refer to note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

	For	Against	Abstain
Re-election of directors:			
Ordinary resolution number 1.1: Election of Eddy Oblowitz as director.			
Ordinary resolution number 1.2: Election of Roddy Sparks as director.			
Non-binding advisory vote 1: Endorsement of the remuneration policy of the company.			
Non-binding advisory vote 2: Endorsement of the remuneration implementation report of the company.			
Ordinary resolution number 2: Appointment of KPMG Inc. as independent auditor.			
To elect an audit committee with the following members:			
Ordinary resolution number 3.1: Election of David Nurek as audit committee member.			
Ordinary resolution number 3.2: Election of Eddy Oblowitz as audit committee member.			
Ordinary resolution number 3.3: Election of Roddy Sparks as audit committee member.			
Special resolution number 1: To approve and authorise the provision of financial assistance, as contemplated in section 45 of the Companies Act, by the company to related or inter-related companies.			
Special resolution number 2: To approve the non-executive directors' remuneration, in their capacities as directors only, from 1 July 2023.			
Special resolution number 3: To approve the granting of a general authority to the company or its subsidiaries to acquire the issued shares of the company upon such terms and conditions and in such amounts as the directors may from time to time determine.			

Signed at on this day of 2023

Signature Assisted by (where applicable) signature

Name of signatory Name of assistant

Capacity Capacity

(Authority of signatory to be attached if applicable – refer to note 6)

Summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act

Please note that in terms of section 58 of the Companies Act:

- this proxy form must be dated and signed by the shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a shareholder of the company, to participate in and speak and vote at a shareholders meeting on your behalf and may appoint more than one proxy to exercise voting rights attached to different securities held by you;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be submitted by e-mail to the transfer secretaries of the company, namely Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za before the commencement of the meeting before your proxy exercises any of your rights as a shareholder at the AGM;
- the appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the AGM;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) submitting a copy of the revocation instrument to the proxy, and to the transfer secretaries at proxy@computershare.co.za. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the transfer secretaries and the proxy as aforesaid;
- if this proxy form has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's Memorandum of Incorporation to be delivered by the company to you will be delivered by the company to you or your proxy or proxies, if you have directed the company to do so in writing and paid any reasonable fee charged by the company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the AGM, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the AGM or any adjournment or postponement thereof or for a period of six months, whichever is shorter, unless it is revoked by you before then on the basis set out above.
- Refer to the Notes on page 53.

Notes to the Form of Proxy

1. A certificated or own name dematerialised shareholder or nominee of a CSDP or broker registered as a shareholder in the company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairperson of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy.
2. A shareholder's instructions to the proxy must be indicated in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the AGM as he/she deems fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the shareholder.
3. Proxy forms should be lodged with the company's transfer secretaries, Computershare Investor Services Proprietary Limited, by e-mail to proxy@computershare.co.za. Forms of proxy are requested to be lodged, for administrative purposes, by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the AGM (i.e. 10:00 on Friday, 5 May 2023). Any form of proxy not so lodged beforehand may be submitted to the transfer secretaries at proxy@computershare.co.za at any time before the AGM commences at 10:00 on Monday, 8 May 2023.
4. The completion and lodging of this proxy form will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of shareholders, will be accepted.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company's transfer secretaries or waived by the chairperson of the AGM. CSDPs or brokers registered as shareholders in the company's sub-register voting on instructions from owners of shares registered in the company's sub-sub-register, are requested that they identify the owner in the sub-sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company's transfer secretaries together with this form of proxy.
7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but the chairperson may nevertheless elect not to accept the alteration or correction.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
9. Certificated shareholders, other than natural persons, may by resolution of their directors, or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.
10. The chairperson of the AGM may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
11. If required, additional forms of proxy are available from the company's transfer secretaries or the registered office of the company.
12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised shareholder, then you are not the registered shareholder of the company, but appear as the holder of a beneficial interest on the relevant sub-register of the company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form. Subject to the mandate between yourself and your CSDP or broker:
    - if you wish to attend the AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
    - if you are unable to attend the AGM but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must then not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries to be received, for administrative purposes, not less than 24 hours (excluding Saturdays, Sundays and public holidays) prior to the time appointed for the holding of the AGM. Any form of proxy not so lodged beforehand may be submitted to the transfer secretaries at proxy@computershare.co.za at any time before the AGM commences at 10:00 on Monday, 8 May 2023.

Corporate Information

Company registration
Trencor Limited
Incorporated in the Republic of South Africa
on 28 September 1955
Registration number 1955/002869/06

Year listed
1955

Registered office and postal address
13th Floor, The Towers South
Heerengracht
Cape Town 8001
Tel: 021 421 7310
Fax: 021 419 3692
International: +27 21

Secretary
Trencor Services Proprietary Limited

Website
www.trencor.net

E-mail
info@trencor.net

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(Private Bag X9000 Saxonwold 2132)
Tel: 011 370 5000
Fax: 011 688 5200
Call Centre: 0861 100950 (within RSA)
or +27 11 370 5000 (outside RSA)
www.computershare.com

Auditor
KPMG Inc.
The Halyard
4 Christiaan Barnard Street
Cape Town City Centre 8000
(PO Box 4609 Cape Town 8000)

Designated auditor
GS Kolbé

Attorneys
Edward Nathan Sonnenbergs Inc

Sponsors
Investec Bank Limited

Industry Classification Benchmark
Industry: Industrial
Supersector: Industrial goods & services
Sector: Industrial transportation
Subsector: Transportation services

Market name
Trencor

JSE share code
TRE

ISIN
ZAE000007506

LEI
549300SQJU1J0D4CRR78