

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 6 of the Circular apply *mutatis mutandis* to this cover page.

If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.

ACTION REQUIRED

If you have disposed of all of your Insimbi Shares, please forward this Circular to the purchaser of such Insimbi Shares or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

Insimbi Shareholders are referred to page 6 of this Circular, which sets out the action required by them.



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED
(Incorporated in the Republic of South Africa) (Registration number 2002/029821/06)
Share code: ISB ISIN: ZAE000116828 ("Insimbi" or "the company" or "the group")

CIRCULAR TO INSIMBI SHAREHOLDERS

Regarding

- a specific authority to implement the TP Hentiq repurchase, being the acquisition of TP Hentiq and the resultant repurchase by Insimbi Alloys, a wholly owned subsidiary of the Company, of 5 000 000 (five million) Insimbi shares owned by TP Hentiq.

Incorporating

- a notice convening a General Meeting of Insimbi Shareholders; and
- a form of proxy in respect of the General Meeting (for use by Certificated Insimbi Shareholders and "own-name" Dematerialised Insimbi Shareholders only).

Sponsor



Bridge Capital Advisors Proprietary Limited

Independent reporting accountant



PricewaterhouseCoopers

Date of issue: Wednesday, 11 February 2015

Copies of this Circular are available in English only and may be obtained during normal business hours from Wednesday, 11 February 2015 until Friday, 13 March 2015 at the registered office of the Company and the Sponsor, the addresses of which are set out in the "Corporate information and advisors" section hereof. In addition, this Circular is available in electronic form on the Company's website (www.insimbi-alloys.co.za).

CORPORATE INFORMATION AND ADVISORS

REGISTERED OFFICE OF INSIMBI

359 Crocker Road
Wadeville
Extension 4
Germiston
South Africa

LEGAL ADVISOR ON THE SETTLEMENT AGREEMENTS

Comninos Inc Attorney
(Registration number: 2010/020219/21)
41 Rivonia Road
Sandhurst
2196

LEGAL ADVISOR

Hogan Lovells (South Africa)
Incorporated as Routledge Modise Inc.
(Registration number 1992/006150/21)
22 Fredman Drive
Sandton
2196

INDEPENDENT REPORTING ACCOUNTANT

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
2 Elgin Road
Sunninghill, 2157
South Africa
(Private Bag X36
Sunninghill, 2157)

COMPANY SECRETARY OF INSIMBI

Kristell Holtzhausen
CIS Professional Advance Qualification:
Governance and Administration
359 Crocker Road
Wadeville
Extension 4
Germiston
South Africa

SPONSOR

Bridge Capital Advisors Proprietary Limited
(Registration number 1998/016302/07)
2nd Floor, 27 Fricker Road
Illovo Boulevard
Illovo, 2196
South Africa
(PO Box 651010, Benmore, 2010)

TRANSFER SECRETARIES (SA)

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

ACTION REQUIRED BY INSIMBI SHAREHOLDERS

PLEASE TAKE CAREFUL NOTE OF THE FOLLOWING PROVISIONS REGARDING THE ACTION REQUIRED BY INSIMBI SHAREHOLDERS:

1. If you have disposed of all of your Insimbi Shares, this Circular should be handed to the purchaser of such Insimbi Shares or the CSDP, broker, banker, attorney or other agent who disposed of your Insimbi Shares for you.
2. If you are in any doubt as to what action to take, consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
3. This Circular contains information relating to the repurchase. You should carefully read this Circular and decide how you wish to vote on the Resolution to be proposed at the General Meeting.

4. General Meeting

The General Meeting, convened in terms of the notice incorporated in this Circular, will be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, commencing on Friday, 13 March 2015 at 10:00

5. If you are a Certificated Insimbi Shareholder or are a Dematerialised Insimbi Shareholder with “own name” registration

You are entitled to attend the General Meeting in person and may speak at and vote at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented there at by proxy, you must complete and sign the attached form of proxy, in accordance with the instructions contained therein and return it to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107, to reach them by no later than 10:00 on Wednesday, 11 March 2015).

6. If you are a Dematerialised Insimbi Shareholder, other than with “own name” registration

If you wish to attend or be represented at the General Meeting, you must advise your CSDP or broker timeously. Your CSDP or broker will then be required to issue the necessary letter of representation to you to enable you to attend, speak and vote at the General Meeting or to be represented thereat. You must, however, not complete the attached form of proxy.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they may act in accordance with the agreement between you and them.

The definitions commencing on page 6 of this Circular apply mutatis mutandis to the following section on action required by Insimbi Shareholders.

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The definitions commencing on page 6 of this Circular apply to mutatis mutandis in this table of contents.

SALIENT DATES AND TIMES

2015

Record date to be entitled to receive notice of the General Meeting	Friday, 30 January
Circular posted to Insimbi Shareholders on	Wednesday, 11 February
Last day to trade to be eligible to participate and vote at the General Meeting	Friday, 27 February
Record date to be entitled to participate in and vote at the General Meeting	Friday, 6 March
Forms of proxy for the General Meeting to be received 10:00 on	Wednesday, 11 March
General Meeting to be held at 10:00 on	Friday, 13 March
Results of the General Meeting released on SENS on	Friday, 13 March
Results of the General Meeting released in the press on	Monday, 16 March

Notes

1. All dates and times are subject to change. Any change will be released on SENS and published in the press.
2. Insimbi shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore persons who acquire Insimbi shares after the voting last day to trade will not be eligible to vote at the general meeting.
3. If a form of proxy is not received by the time and date shown above or not less than 48 hours before recommencement of any adjourned or postponed meeting, it may be handed to the Chairman of the general meeting up until the start of the general meeting.
4. All times given in this circular are local times in South Africa.

The definitions commencing on page 6 of this Circular apply mutatis mutandis to these salient dates and times.

DEFINITIONS

In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning assigned to them in the second column. Words in the singular shall include the plural and vice versa, words and expressions denoting one gender shall include the other gender, and an expression denoting natural persons shall include juristic persons and associations of persons:

"BL Williams Family Trust"	Beneficial owner of 12,5% of TP Hentiq, a trust duly registered and incorporated in the Republic of South Africa (registration number: IT625/2007). See Annexure 5 for list of beneficiaries.
"Board" or "Directors"	The current Board of Directors of Insimbi whose names are reflected on page 8 of this Circular.
"Brian Craig"	Beneficial owner of 25% of TP Hentiq, an individual person born in the Republic of South Africa (identity number:651213 5265 088).
"Business Day"	A day other than a Saturday, Sunday or official public holiday in South Africa.
"Business Hours"	08:00 to 17:00 on a Business Day.
"Certificated Insimbi Shares"	Insimbi Shares, represented by a share certificate(s) or other physical Document(s) of Title, which have not been surrendered for dematerialisation in terms of the requirements of Strate.
"Certificated Insimbi Shareholder(s)"	Insimbi Shareholder(s) who hold Certificated Insimbi share(s).
"Circular"	This Circular, dated Wednesday, 11 February 2015, including all annexures, the notice of General Meeting and form of proxy contained herein.
"Claims"	The amounts due by TP Hentiq to Depfin in respect of the Preference Shares as set out in paragraph 2.8.
"CSDP"	A Central Securities Depository Participant, appointed by individual Insimbi Shareholder(s) for the purpose of and in regard to dematerialisation in terms of the Financial Markets Act (Act 19 of 2012), as amended.
"Dematerialised Insimbi share(s)"	Those Insimbi Shares that have been incorporated into the Strate system, the title to which is no longer represented by share certificates or other Documents of Title.
"Dematerialised Insimbi Shareholders"	Insimbi Shareholders who hold Dematerialised Insimbi Shares.
"Depfin"	Depfin Investments Proprietary Limited incorporated in the Republic of South Africa (registration number: 1982/006127/07), whose directors are Roger James Henwood Fuller-Good, Moss Stephen Brickman, Kevin Michael Barrett and Karel Janse Van Rensburg, is a wholly-owned subsidiary of Nedbank Group Limited.
"General Meeting"	The general meeting of Insimbi Shareholders to be held at 359 Crocker Road, Wadeville, Extension 4, Germiston on Friday, 13 March 2015 at 10:00 to consider and, if deemed appropriate, approve the resolutions.
"Insimbi" or "the Company"	Insimbi Refractory and Alloy Supplies Limited a public company incorporated in accordance with the laws of the Republic of South Africa (registration number: 2002/029821/06), the ordinary shares of which are listed and traded on the JSE.
"Insimbi Alloys"	Insimbi Alloy Supplies Proprietary Limited (registration number: 2006/009418/07) duly registered and incorporated in the Republic of South Africa. A wholly owned subsidiary of Insimbi.
"Insimbi Group"	Insimbi, its subsidiaries and associates.
"Insimbi Shares"	Ordinary shares of 0.0000025 each in the share capital of Insimbi.
"Insimbi Shareholders"	Holders of Insimbi Shares from time to time.

“Loan Period”	Period used to calculate accrued interest payable by Insimbi to Depfin, being 7 May 2009 until 1 July 2014.
“Preference Shares”	Means the 4 000 (four thousand) cumulative redeemable preference shares of R0.001 (one tenth of a cent) each representing a 100% of the total preference shares issued in TP Hentiq, at the subscription price of R4 000 000 (four million Rand), subscribed for by Depfin in terms of the Subscription Agreement.
“Put Option Agreement”	The put option agreement issued by Insimbi to Depfin, which agreement was signed on 9 February 2009 and which when exercised would force Insimbi to Purchase the Preference Shares.
“Rand”	South African Rand, being the currency of South Africa.
“Resolution”	The special resolution, to be considered and, if deemed fit, approved by the requisite majority of Insimbi Shareholders at the General Meeting, which authorises the TP Hentiq repurchase.
“SENS”	The Stock Exchange News Service of the JSE.
“TP Hentiq Shares”	Means 10 000 (ten thousand) shares representing 100% of all the ordinary issued shares in the capital of TP Hentiq.
“South Africa”	The Republic of South Africa.
“Sponsor” or “Bridge Capital”	Bridge Capital Advisor Proprietary Limited (registration number 1998/016302/07), a private company duly registered and incorporated in South Africa.
“Strate”	Strate Proprietary Limited (registration number 1998/022242/06), a private company duly registered and incorporated in South Africa and the electronic settlement system for Settlements that take place on the JSE and off-market trades.
“the Subscription Agreement”	The preference share subscription agreement entered into between TP Hentiq and Depfin in terms of which TP Hentiq allotted and issued the Preference Shares to Depfin in order to obtain funding which agreement was signed on 7 May 2009.
“the Agreement”	Sale of Shares and Claims Agreement entered into by Insimbi Alloys, TP Hentiq, BL Williams Family Trust, The Snowball Investment Trust, The Godfrey Johnson Family Trust and Brain Craig which agreement was signed on 23 June 2014.
“The Snowball Investment Trust”	Beneficial owner of 12,5% of TP Hentiq, a trust duly registered and incorporated in the Republic of South Africa (registration number: IT3179/97). See Annexure 5 for list of beneficiaries.
“The Godfrey Johnson Family Trust”	Beneficial owner of 50% of TP Hentiq, a trust duly registered and incorporated in the Republic of South Africa (registration number: IT657/98). See Annexure 5 for list of beneficiaries.
“Total Consideration”	The total amount in Rand, payable by Insimbi, for the shares and Claims in TP Hentiq as detailed in paragraph 2.8.
“Transfer Secretaries (SA)” or “Computershare (SA)”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in South Africa.
“TP Hentiq”	TP Hentiq 6064 Proprietary Limited (registration number: 2008/029228/07) a company duly registered and incorporated in South Africa whose solely owned assets include 5 000 000 Insimbi ordinary shares. The directors are: Mr. Brian Craig and Mr. Godfrey Johnson.
“TP Hentiq acquisition”	The purchase by Insimbi Alloys of all the shares and Claims of TP Hentiq.
“TP Hentiq repurchase”/ “specific repurchase”	The repurchase of 5 000 000 Insimbi Shares as a result of the purchase by Insimbi Alloys of a 100% of the share capital of TP Hentiq.
VWAP	Volume Weighted Average Price.

CIRCULAR TO INSIMBI SHAREHOLDERS



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED
(Incorporated in the Republic of South Africa) (Registration number 2002/029821/06)
Share code: ISB ISIN: ZAE000116828 ("Insimbi" or "the company" or "the group")

Directors

Daniel John O'Connor (Chairman)**
Gilimamba Sylvester Mahlati**
Lerato Yvonne Mashologu**
Pieter Jacobus Schutte (Chief Executive Officer)
Frederik Botha (Commercial and Financial Director)
Eduard Philipp Liechti (Executive)
Colin Francis Botha (Executive)

* Non-executive
* Independent

CIRCULAR TO INSIMBI SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 On 1 August 2014, Insimbi announced on SENS that Insimbi Alloys has entered into the Agreement on 23 June 2014 to purchase the shares and Claims of TP Hentiq ("TP Hentiq acquisition").
- 1.2 The TP Hentiq acquisition effectively results in the repurchase of 5 000 000 (five million) Insimbi shares resulting in a specific repurchase under the JSE Listing requirements and the Companies Act.
- 1.3 The purpose of this circular is to provide Insimbi shareholders with information relating to the TP Hentiq repurchase as set out in this circular and the attached notice of general meeting at which shareholders will be asked to approve the special resolution required to implement the TP Hentiq repurchase.

2. BACKGROUND TO AND RATIONALE FOR THE SPECIFIC REPURCHASE

- 2.1. On 4 February 2009 four of Insimbi's directors entered into an agreement with TP Hentiq in order to facilitate a BEE transaction, in which Insimbi would be awarded BEE points in terms of ownership measures ("the BEE Transaction"). The BEE Transaction involved the purchase of 5 000 000 (five million) shares from the four directors of Insimbi by TP Hentiq. TP Hentiq acquired the Insimbi shares at a purchase price of R0.80 (eighty cents) per share.
- 2.2. At the time TP Hentiq secured the necessary funding from Depfin for the purchase of the 5 000 000 (five million) Insimbi shares.

- 2.3. TP Hentiq allotted and issued Preference Shares to Depfin in order to obtain funding to finance the acquisition of the 5 000 000 (five million) Insimbi shares. TP Hentiq entered into the Subscription Agreement with Depfin under which Depfin subscribed for the Preference Shares at a subscription price of R4 000 000 (four million Rand.)The loan amount of R4 000 000 (four million Rand) provided to TP Hentiq by Depfin was to be settled from the proceeds of the Insimbi dividends to be received by TP Hentiq.
- 2.4. Simultaneous to the above agreement discussed in paragraph 2.3, Insimbi issued a Put Option Agreement to Depfin which if exercised, would force Insimbi to purchase the Preference Shares.
- 2.5. Subsequently it has become apparent that the proceeds from dividends will not be sufficient to repay the outstanding loan amount; thus the TP Hentiq BEE structure is no longer sustainable, and the intended empowerment objectives of the transaction are not being achieved.
- 2.6. It was thus agreed between Insimbi Alloys and TP Hentiq shareholders to enter into a transaction whereby Insimbi Alloys acquires the entire share capital of TP Hentiq instead of Depfin exercising their rights under the Put Option Agreement whereby Insimbi would acquire the said Preference Shares.
- 2.7. In terms of the Agreement the parties have agreed that Insimbi undertakes to purchase 100% of the issued shares in TP Hentiq for a total purchase consideration of R4.00 (four Rand only), from the beneficial owners of TP Hentiq. The 5 000 000 (five million) Insimbi shares are the only underlying assets of TP Hentiq.
- 2.8. Insimbi also assumes and settles the Claims which amounts to R4 150 000 (four million one hundred and fifty thousand Rand); R4 000 000 (four million) of which is attributable to the 5 000 000 (five million) Insimbi Shares purchased for 80 cents (eighty cents) a share and R150 000 (One hundred and fifty thousand Rand) being attributable to the balance of accrued interest payable by Insimbi to Depfin, calculated over the Loan Period at 114% of the prime rate, and subsequently 125.4% of the prime rate from 1 April 2012. The Claims was paid to Depfin immediately upon signature of the Agreement. The Total Consideration payable by Insimbi is therefore R4 150 004 (four million, one hundred and fifty thousand and four Rand).
- 2.9. Since the Agreement had been made in terms of the TP Hentiq acquisition, the Company has become aware that Insimbi should have consolidated TP Hentiq in 2009 under SIC 12 and IFRS 10 due to the Put Option Agreement issued in 2009. The result is that the preference shares liability to Depfin should have been recognised in the consolidated financial statements of Insimbi as a financial liability under IAS 32. The result is furthermore reflected in the treatment of the 5 000 000 (five million) Insimbi shares as treasury shares.
- 2.10. Insimbi, due to the incorrect accounting of the Put Option Agreement restated their financial results to reflect for accounting purposes the consolidation of TP Hentiq. The interim financial results for the six months ended 31 August 2014 were published on SENS on 20 November 2014. With the Put Option now being accounted for correctly, the interim accounts in fact now report no change in treasury shares as these shares should have been included from 2009.
- 2.11. The acquisition by Insimbi Alloys of TP Hentiq is not categorised under the JSE Listing Requirements as the total purchase consideration is less than 5% of the total market cap of Insimbi calculated on signature date of the Agreement.
- 2.12. As the initial issue of the Put Option and subsequent TP Hentiq acquisition by Insimbi resulted in an increase in the aggregate number of Insimbi treasury shares, the JSE Listings Requirements pertaining to a specific repurchase of shares and the Companies Act pertaining to repurchases applies, requiring a special resolution for the specific repurchase of shares to be adopted by shareholders.
- 2.13. Insimbi Alloys decided to acquire the entire share capital of TP Hentiq in order to potentially use the subsidiary as a BBBEE entity or to fulfil its objectives regarding share incentive schemes going forward which will include broad based empowerment of all staff, succession planning and staff retention.

CIRCULAR TO INSIMBI SHAREHOLDERS CONTINUED

3. TERMS OF THE SPECIFIC REPURCHASE

- 3.1. The beneficial shareholders of TP Hentiq are BL Williams Family Trust, The Snowball Investment Trust, The Godfrey Johnson Family Trust and Brian Craig. The beneficial shareholders of TP Hentiq will be excluded from exercising their votes in respect of the special resolution to approve the TP Hentiq resolution. On the basis that TP Hentiq only holds 1.92% in Insimbi, there are no related party issues as defined by the JSE Listing Requirements. .
- 3.2. The transaction consideration implies a price per share of R0.83 (eighty three cents), which is the Total Consideration (i.e. the R4 150 004) divided by 5 000 000 shares, for settlement of the liability against the 5 000 000 (five million) Insimbi Shares. This is a 21.03% premium to the 30 day VWAP of Insimbi shares calculated on the date of the announcement of the repurchase.
- 3.3. The Insimbi shares will continue to be held as treasury shares by TP Hentiq, a wholly owned subsidiary of Insimbi Alloys once legally acquired,
- 3.4. The number of treasury shares will be unchanged after the TP Hentiq repurchase as per section 2.9 and 2.10 of this Circular. Insimbi will therefore hold 22 889 943 shares in treasury being 8.8% Insimbi shares in aggregate after the TP Hentiq repurchase.
- 3.5. The specific repurchase represents 1.92% of the Insimbi shares currently in issue.
- 3.6. The share repurchase will not result in Insimbi acquiring in excess of 5% of Insimbi's issued share capital therefore the transaction is not subject to the provisions of sections 48(b), 114 and 115 of the Companies Act.
- 3.7. Insimbi will utilise its own cash reserves for the share repurchase.

4. AUTHORISATION OF THE TP HENTIQ REPURCHASE IN TERMS OF THE MEMORANDUM OF INCORPORATION

The Company is authorised to effect the TP Hentiq repurchase in terms of paragraph 14.5 of its Memorandum of Incorporation, which paragraph is set out in Annexure 1.

5. SOLVENCY AND LIQUIDITY

The directors of Insimbi have considered the impact of the TP Hentiq repurchase and are of the opinion that, following the repurchase, the:

- provisions of section 4 and section 48 of the Companies Act have been complied with;
- Company and the group will be able in the ordinary course of business to pay its debt for a period of 12 months after the date of approval of the circular;
- assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of approval of the circular. For this purpose the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular;
- working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular.

In addition, in terms of section 46(1) of the Companies Act it states as follows:

- the board has authorised the specific repurchase by resolution; and
- the board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the specific repurchase. Since the test was performed there have been no material changes to the financial position of any company of the group.

6. SHARE CAPITAL OF INSIMBI

The table below sets out the share capital of Insimbi at the Last Practicable Date and after the implementation by Insimbi of the TP Hentiq repurchase:

	Number of Insimbi Shares	R'000
Before the specific repurchase		
Authorised		
Ordinary Insimbi Shares of 0.000025 cents each	12 000 000 000	300
Issued		
Ordinary Insimbi Shares of 0.000025 cents each	260 000 000	6.5
Share Premium		46 533
Total		

Insimbi currently holds 22 889 943 shares in treasury

After the specific repurchase		
Authorised		
Ordinary Insimbi Shares of 0.000025 cents each	12 000 000 000	300
Issued		
Ordinary Insimbi Shares 0.000025 cents each	260 000 000	6.5
Share premium		46 533
Total		

Insimbi will hold 22 889 943 share in treasury.

7. PRO FORMA FINANCIAL EFFECTS

The table below sets out the pro forma financial effects of the TP Hentiq repurchase on the published unreviewed consolidated condensed results of Insimbi for the six months ended 31 August 2014. The pro forma financial effects have been prepared for illustrative purposes only and because of their pro forma nature, may not fairly present Insimbi's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the TP Hentiq repurchase going forward.

The pro forma financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unreviewed consolidated condensed results of Insimbi for the six months ended 31 August 2014.

The directors of the Company are responsible for the compilation, contents and preparation of the pro forma financial effects of the TP Hentiq repurchase. Their responsibility includes determining that the pro forma financial effects have been properly compiled on the basis stated, which is consistent with the accounting policies of Insimbi and that the pro forma adjustments are appropriate for purposes of the pro forma financial effects disclosed pursuant to the JSE Listings Requirements.

The pro forma consolidated statement of financial position as at 31 August 2014 and the pro forma consolidated statement of comprehensive income of Insimbi for the six months then ended, and the explanatory notes thereto, are set out in Annexure 4 to this Circular and should be read in conjunction with the Independent Reporting Accountant's report thereon contained in Annexure 5.

CIRCULAR TO INSIMBI SHAREHOLDERS CONTINUED

Pro forma financial effects on the unreviewed consolidated condensed interim results of Insimbi for the six months ended 31 August 2014.

	Before ¹	Pro forma after TP Hentiq repurchase	% change
Basic and diluted earnings per share (cents) ²	3.42	3.25	(4.97 %)
Headline and diluted headline earnings per share (cents) ²	3.41	3.24	(4.99%)
Net asset value per share (cents) ²	49.68	49.06	(1.25%)
Tangible net asset value per share (cents) ²	31.47	30.85	(1.97%)
Weighted and diluted average number of shares at 31 August 2014 ('000)	237,386	237,386	
Shares in issue at 31 August 2014 ('000)	237,386	237,386	

Notes and assumptions:

1. Extracted from the published unreviewed consolidated condensed financial results of Insimbi for the six months ended 31 August 2014.
2. The pro forma financial effects of the TP Hentiq repurchase (including the TP Hentiq acquisition) on earnings, diluted earnings, headline earnings, diluted headline earnings, net asset value and tangible net asset value per share are based on the following assumptions:
 - (a) The TP Hentiq repurchase was effective 1 March 2014 for purposes of the pro forma financial effects on earnings, diluted earnings, headline earnings and diluted headline earnings per share and 31 August 2014 for purposes of the pro forma financial effects on net asset value and net tangible asset value per share;
 - (b) Once-off transaction costs are estimated at R332 000 (three hundred and thirty two thousand Rand)
 - (c) Interest received, net of tax, totaling R74 700 (seventy four thousand seven hundred Rand) calculated at an average rate of 5% (before taxation) is written back on the basis that it is assumed that the R4 150 000 (four million one hundred and fifty thousand Rand) liability due to Depfin, which is assumed by Insimbi, is settled from existing cash reserves; and
 - (d) The economic substance of the TP Hentiq repurchase is the acquisition by Insimbi of its own equity instruments in terms of IAS 32 – Financial Instruments: Presentation. The total cost of the TP Hentiq repurchase, including directly attributable transaction costs, is charged to the statement of comprehensive income.
3. The weighted and diluted weighted average number of shares, and shares in issue at 31 August 2014 are not adjusted as TP Hentiq has been consolidated into Insimbi Group since inception.
4. All adjustments, except for transaction costs, are expected to have a continuing effect on earnings per share.

8. DIRECTORS

Details relating to the Directors are set out below:

8.1 Directors' interests in Insimbi

As at the Last Practicable Date, the Directors (and associates) held the following Insimbi Shares, either beneficially or non-beneficially.

There have been no changes to the Directors' interests in Insimbi between the most recent financial year-end, being 28 February 2014, and the Last Practicable Date including the interests of Mr. Graham Ferns who resigned as financial director on 31 January 2014.

Director Name	Direct		Indirect		Associates	Percentage
	beneficial	Percentage	beneficial	Percentage		
CF Botha	45 047 000	17.33	–	–	250 000	0.10
PJ Schutte	45 197 000	17.38	–	–	312 500	0.12
F Botha	45 133 300	17.36	–	–	250 000	0.10
EP Liechti	45 047 000	17.33	–	–	250 000	0.10
DJ O'Connor	–	–	11 875 000	4.57	–	–
Total	180 424 300	69.40	11 875 000	4.57	1 062 500	0.42

8.2 Directors' responsibility statements

The Directors, whose names are given on page 8 of this document 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 all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by the JSE Listing Requirements.

9. MAJOR INSIMBI SHAREHOLDERS

Insofar as is known to Insimbi, there are no major Insimbi shareholders, other than the Directors, that directly or indirectly beneficially hold 5% or more of the issued Insimbi shares as at the Last Practicable Date.

10. SHARE PRICE HISTORY

The price history of Insimbi Shares on the JSE is summarised in Annexure 3 to this Circular.

11. WORKING CAPITAL STATEMENT

Having considered the effect of the TP Hentiq repurchase, the Directors are of the opinion that:

- Insimbi Alloys and the Insimbi Group will be able in the ordinary course of business to pay its debts for a period of twelve months after the date of the approval of this Circular;
- the assets of Insimbi Alloys and the Insimbi Group will be in excess of the liabilities of Insimbi and the Insimbi Group for a period of twelve months after the date of the approval of this Circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Insimbi Group;
- the share capital and reserves of Insimbi Alloys and the Insimbi Group will be adequate for ordinary business purposes for a period of twelve months after the date of the approval of this Circular;
- the working capital of Insimbi Alloys and the Insimbi Group will be adequate for ordinary business purposes for a period of twelve months after the date of the approval of this Circular; and
- A resolution by the board of directors that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group.

12. MATERIAL CHANGES

There have been no material changes in the trading or financial position of Insimbi and its subsidiaries since the publication of Insimbi's unreviewed condensed consolidated interim report six months ended 31 August 2014 and the Last Practicable Date.

13. EXPENSES RELATING TO THE REPURCHASE

The expenses, excluding VAT, relating to the Amendments are set out below:

Description	Payable to	ZAR
Sponsor	Bridge Capital	200 000.00
Legal advisor	Comninos Attorneys Inc	39 943.00
Reporting Accountant	PricewaterhouseCoopers	46 482.25
Transfer Secretaries	Computershare	1 733.00
Printing, publication and advertising	Rife Designs	24 323.00
JSE documentation fee	JSE	19 629.75
Total		332 111.00

14. CONSENTS

Bridge Capital, Computershare Investor Services Proprietary Limited, PricewaterhouseCoopers Inc. and Comninos Attorneys Inc, have provided their written consents to the inclusion of their names, and where applicable their reports in the form and context in which they appear in this Circular, and have not withdrawn their consents prior to the publication of this Circular.

CIRCULAR TO INSIMBI SHAREHOLDERS CONTINUED

15. GENERAL MEETING

A General Meeting of Insimbi Shareholders will be held at 359 Crocker Road, Wadeville, Extension 4, Germiston on Friday, 13 March 2015 at 10:00 to consider the Resolution to ratify and approve the TP Hentiq repurchase.

Insimbi Shareholders are referred to the "Action required by Insimbi Shareholders" section of this Circular, which contains information as to the action they need to take in regard to the General Meeting.

For the special resolution to be approved by Insimbi Shareholders the special resolution must be supported by 75% (seventy five) or more of the voting rights exercised.

A notice convening the General Meeting is attached to and forms part of this Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this Circular will be available in English only, along with the following documents, or copies thereof, which will be available for inspection, during normal Business Hours at the registered office of Insimbi and Bridge Capital, from the date of this Circular up to and including the date of the General Meeting:

- the memorandum of incorporation of Insimbi and its subsidiaries;
- Insimbi's interim financial results for the period ended 31 August 2014;
- Insimbi's audited annual financial statements for the three years ended 28 February 2014;
- Insimbi Alloys audited annual financial statements for the three years ended 28 February 2014;
- the written consents of the appointed professional advisors as set out in paragraph 14 of this Circular; and
- a signed copy of this Circular.

This Circular signed at Wadeville on behalf of all the Directors in terms of powers of attorney granted on Wednesday, 11 February 2015.



D O'Connor

Chairman

Wadeville

11 February 2015

EXTRACT OF PARAGRAPH 14.5 FROM THE INSIMBI MEMORANDUM OF INCORPORATION

14.5 REPURCHASE OF SECURITIES BY COMPANY OR SUBSIDIARY

- 14.5.1 The COMPANY may repurchase any of the SECURITIES of the COMPANY, subject to sections 48 and 36 of the ACT and the LISTING REQUIREMENTS.
- 14.5.2 Section 48 of the ACT does not apply in the event:
- 14.5.2.1 the making of a demand, tendering of SHARES and payment by the COMPANY to a SHAREHOLDER in terms of a SHAREHOLDER'S appraisal rights contemplated in section 164; or
 - 14.5.2.2 the redemption by the COMPANY of any redeemable SECURITIES in accordance with the terms and conditions of those SECURITIES.
- 14.5.3 Subject to sections 48(3) and 48(8) of the ACT, and if the decision by the COMPANY to acquire a number of its own SHARES satisfies the requirements of section 46 of the ACT:
- 14.5.3.1 the BOARD may determine that the COMPANY will acquire a number of its own SHARES; and
 - 14.5.3.2 the board of a SUBSIDIARY company may determine that it will acquire SHARES of its holding company, but:
 - 14.5.3.2.1 not more than 10% (ten percent), in aggregate, of the number of issued shares of any class of shares of a company may be held by, or for the benefit of, all of the SUBSIDIARIES of that company, taken together; and
 - 14.5.3.2.2 no VOTING RIGHTS attached to those shares may be exercised while the shares are held by the SUBSIDIARY, and it remains a SUBSIDIARY of the company whose shares it holds.
- 14.5.4 Notwithstanding any provision of any law, agreement, order or provision of this MOI, the COMPANY may not acquire its own SHARES, and a SUBSIDIARY of the COMPANY may not acquire SHARES in the COMPANY, if, as a result of that acquisition, there would no longer be any SHARES of the COMPANY in issue other than:
- 14.5.4.1 SHARES held by one or more SUBSIDIARIES of the COMPANY; or
 - 14.5.4.2 CONVERTIBLE or redeemable SHARES.
- 14.5.5 An agreement with the COMPANY providing for the acquisition by the COMPANY of its SHARES issued is enforceable against the COMPANY, subject to sections 48(2) and 48(3) of the ACT for the acquisition by the COMPANY of SHARES issued by it.
- 14.5.5.1 The COMPANY must apply to a court for an order in terms of section 48(5)(c) of the ACT as contemplated in clause 14.5.5.3;
 - 14.5.5.2 the COMPANY has the burden of proving that fulfilment of its obligations would put it in breach of section 48(2) or 48(3) of the ACT as contemplated in clause 14.5.3; and
 - 14.5.5.3 if the court is satisfied that the COMPANY is prevented from fulfilling its obligations pursuant to the agreement, the court may make an order that:
 - 14.5.5.3.1 is just and equitable, having regard to the financial circumstances of the COMPANY; and
 - 14.5.5.3.2 ensures that the person to whom the COMPANY is required to make a payment in terms of the agreement is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- 14.5.6 If the COMPANY acquires any SHARES contrary to section 46 of the ACT, or this section, the COMPANY must, not more than 2 (two) years after the acquisition, apply to a court for an order reversing the acquisition, and the court may order:
- 14.5.6.1 the PERSON from whom the SHARES were acquired to return the amount paid by the COMPANY; and
 - 14.5.6.2 the COMPANY to issue to that PERSON an equivalent number of SHARES of the same class as those acquired.

The definitions and interpretations commencing on page 6 of the Circular apply throughout this Annexure 1.

ANNEXURE 1 CONTINUED

- 14.5.7 A DIRECTOR of the COMPANY is liable to the extent set out in section 77 (3) (e) (vii) of the ACT, if the DIRECTOR:
- 14.5.7.1 was present at the meeting when the BOARD approved an acquisition of SHARES contemplated in this clause 14.5, or participated in the making of such a decision in terms of section 74 of the ACT; and
 - 14.5.7.2 failed to vote against the acquisition of SHARES, despite knowing that the acquisition was contrary to this clause 14.5 or section 46 of the ACT.
- 14.5.8 A decision by the BOARD of the COMPANY contemplated in clause 14.5.7.1,
- 14.5.8.1 must be approved by a SPECIAL RESOLUTION of the SHAREHOLDERS of the COMPANY if any SHARES will be acquired by the COMPANY from a DIRECTOR or PRESCRIBED OFFICER of the COMPANY, or
 - 14.5.8.2 a person related to a DIRECTOR or PRESCRIBED OFFICER of the COMPANY; and
 - 14.5.8.3 is subject to the requirements of section 114 of the ACT dealing with "Proposals for Scheme of Arrangements" and of section 115 of the ACT dealing with "Required Approval for Transactions Completed in Part", if, considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the COMPANY of more than 5% (five percent) of the issued SHARES of any particular class of the COMPANY'S SHARES.
- 14.5.9 In addition to the provision of the ACT contemplated in this clause 14.5, in the event that the SHAREHOLDER of the COMPANY exercises its rights in terms of section 164 of the ACT which provides for a Dissenting Shareholders Appraisal Rights, and the COMPANY, in terms of thereof, purchases its SHARES from the SHAREHOLDER, the purchase of such SHARES will not be regarded as a repurchase of securities in terms of the LISTING REQUIREMENTS. The COMPANY must, however, within 48 (forty eight) hours of repurchasing such SHARES from the SHAREHOLDER:
- 14.5.9.1 Apply to the JSE for the delisting of such SHARES in terms of schedule 22 of the LISTING REQUIREMENTS; and
 - 14.5.9.2 On the same day that the COMPANY applies to the JSE for the delisting of the SHARES, the COMPANY must make an announcement on SENS regarding the delisting of the SHARES in accordance with the LISTING REQUIREMENTS.
- 14.5.10 A pro rata repurchase by the COMPANY of its SECURITIES from all of its SHAREHOLDERS will not require SHAREHOLDER APPROVAL, save to the extent required in terms of the ACT. In all other instances an acquisition by the COMPANY of its own SECURITIES or a purchase by a SUBSIDIARY of SECURITIES in the COMPANY (in accordance with section 48 of the ACT), will be regarded as a "REPURCHASE OF SECURITIES" in terms of the LISTING REQUIREMENTS, in which case the COMPANY must comply with clause 14.5.9.2 and any other provisions contained in the LISTING REQUIREMENTS, from time to time:
- 14.5.10.1 on terms that are approved by SECURITIES holders in a GENERAL/ANNUAL GENERAL MEETING in respect of that particular repurchase ("SPECIFIC REPURCHASE"), which will be valid until such time as the approval is amended or revoked by a SPECIAL RESOLUTION; or
 - 14.5.10.2 generally approved by SECURITIES holders by giving of a renewable mandate, which will be valid until the COMPANY'S next ANNUAL GENERAL MEETING or for 15 (fifteen) months from the date of the SPECIAL RESOLUTION, whichever period is shorter, to the DIRECTORS to repurchase its SECURITIES subject to the requirements of the JSE and to any other restrictions set out in the mandate ("GENERAL REPURCHASE").
- 14.5.11 The GENERAL REPURCHASE by a COMPANY of its own securities may not, in the aggregate in any one FINANCIAL YEAR exceed 20% (twenty percent) of the COMPANY'S issued SHARE CAPITAL of that class.

PRICE HISTORY OF INSIMBI ORDINARY SHARES ON THE JSE

Date	High (cents)	Low (cents)	Value (Rands)	Volume (Insimbi Shares)
Quarterly				
30 January 2015	75	–	574 550	892 260
31 October 2014	78	–	676 793	1 132 513
31 July 2014	85	–	2 410 128	3 732 900
30 April 2014	61	–	2 476 715	4 335 584
31 January 2014	60	–	1 101 282	1 959 255
30 October 2013	61	–	1 759 262	3 143 411
30 July 2013	63	–	1 467 891	2 573 056
30 April 2014	62	–	782 168	1 361 064
30 January 2013	64	–	1 046 078	1 748 110
Monthly				
30 January 2015	64	–	107 293	183 894
31 December 2014	69	–	88 879	145 371
28 November 2014	70	–	235 845	357 537
31 October 2014	75	–	249 826	389 352
30 September 2014	65	–	154 282	260 741
29 August 2014	78	–	88 063	138 833
31 July 2014	78	–	434 448	732 939
30 June 2014	83	–	179 632	231 850
30 May 2014	85	–	1 120 053	1 672 231
30 April 2014	68	–	1 110 443	1 828 819
31 March 2014	61	–	1 446 990	2 514 298
28 February 2014	60	–	825 125	1 462 751

The definitions and interpretations commencing on page 6 of the Circular apply throughout this Annexure 2.

ANNEXURE 2 CONTINUED

Date	High (cents)	Low (cents)	Value (Rands)	Volume (Insimbi Shares)
Daily				
30 January 2015	-	-	-	-
29 January 2015	-	-	-	-
28 January 2015	-	-	-	-
27 January 2015	-	-	-	-
26 January 2015	-	-	-	-
23 January 2015	60	60	32 191	53 652
22 January 2015	-	-	-	-
21 January 2015	-	-	-	-
20 January 2015	-	-	-	-
19 January 2015	-	-	-	-
16 January 2015	-	-	-	-
15 January 2015	-	-	-	-
14 January 2015	-	-	-	-
13 January 2015	60	55	48 005	87 192
12 January 2015	63	63	1 378	2 188
9 January 2015	63	60	25 308	40 180
8 January 2015	-	-	-	-
7 January 2015	-	-	-	-
6 January 2015	-	-	-	-
5 January 2015	64	60	411	682
2 January 2015	-	-	-	-
31 December 2014	-	-	-	-
30 December 2014	66	66	418	634
29 December 2014	-	-	-	-
24 December 2014	-	-	-	-
23 December 2014	-	-	-	-
22 December 2014	-	-	-	-
19 December 2014	60	60	16 492	27 487
18 December 2014	-	-	-	-
17 December 2014	-	-	-	-

PRO FORMA FINANCIAL INFORMATION RELATING TO THE TP HENTIQ REPURCHASE

The tables below set out the pro forma financial information of Insimbi based on its published unreviewed consolidated condensed financial results for the six months ended 31 August 2014. The pro forma financial information has been prepared for illustrative purposes only and because of its pro forma nature, may not fairly present Insimbi's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the TP Hentiq repurchase going forward.

The purpose of the pro forma financial information is to illustrate the impact of the TP Hentiq repurchase had it been effective 31 August 2014 for purposes of the pro forma consolidated statement of financial position and 1 March 2014 for purposes of the consolidated statement of comprehensive income and on the assumptions set out below. It does not purport to be indicative of what the financial results would have been had the TP Hentiq repurchase been implemented on a different date.

The pro forma financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unreviewed condensed financial results of Insimbi for the six months ended 31 August 2014.

The directors of the Company are responsible for the compilation, contents and preparation of the pro forma financial information. Their responsibility includes determining that the pro forma financial information has been properly compiled on the basis stated, which is consistent with the accounting policies of Insimbi and that the pro forma adjustments are appropriate for purposes of the pro forma financial information disclosed pursuant to the JSE Listings Requirements.

The pro forma consolidated statement of financial position as at 31 August 2014 and the pro forma consolidated statement of comprehensive income for the six months then ended of Insimbi, should be read in conjunction with the Independent Reporting Accountant's report thereon contained in Annexure 5.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 AUGUST 2014

R'000	Before ¹	TP Hentiq repurchase ²	Pro forma after TP Hentiq repurchase
Continuing operations			
Revenue	458 981	–	458 981
Cost of sales	(409 214)	–	(409 214)
Gross profit	49 767	–	49 767
Other income	198	–	198
Operating expenses ³	(33 553)	(332)	(33 885)
Operating profit/(loss)	16 412	(332)	16 080
Investment revenue ⁴	219	(104)	115
Finance cost	(4 739)	–	(4 739)
Profit before taxation	11 892	(436)	11 456
Taxation ⁴	(3 766)	29	(3 737)
Profit for the year	8 126	(407)	7 719
Profit attributable to:			
Owners of the parent	8 120	(407)	7 713
Non-controlling interest	6	–	6
Profit for the year	8 126	(407)	7 719

The definitions and interpretations commencing on page 6 of the Circular apply throughout this Annexure 3.

ANNEXURE 3 CONTINUED

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 AUGUST 2014 CONTINUED

R'000	Before ¹	TP Hentiq repurchase ²	Pro forma after TP Hentiq repurchase
Reconciliation between basic earnings and headline earnings			
Basic earnings	8 120	(407)	7 713
Loss on sale of assets	(16)	–	(16)
Headline earnings	8 104	–	7 697
Weighted and diluted average number of shares ('000)	237 386	–	237 386
Earnings and diluted earnings per share (cents)	3.42	–	3.25
Headline and diluted headline earnings per share (cents)	3.41	–	3.24

Notes and assumptions:

1. Extracted from the published unreviewed consolidated condensed financial results of Insimbi for the six months ended 31 August 2014.
2. The "TP Hentiq repurchase" column reflects the pro forma adjustments made in respect of the TP Hentiq repurchase (including the TP Hentiq acquisition) on the unreviewed consolidated condensed financial results of Insimbi for the six months ended 31 August 2014 based on the assumption that the TP Hentiq repurchase was effective 1 March 2014.
3. Once-off transaction costs are estimated at R332 000 (three hundred and thirty two thousand Rand).
4. Interest received, net of tax, totaling R74 700 (seventy four thousand seven hundred Rand) calculated at an average rate of 5% (before taxation) is written back on the basis that it is assumed that the R4 150 000 (four million one hundred and fifty thousand Rand) liability due to Depfin, assumed by Insimbi, is settled from existing cash reserves.
5. Only the loss in investment revenue is expected to have a continuing effect on the earnings per share.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014

R'000	Before ¹	TP Hentiq repurchase ²	Pro forma after TP Hentiq repurchase
Assets			
Non-current assets			
Property, plant and equipment	77 147	–	77 147
Intangible assets	43 223	–	43 223
Deferred taxation	12 047	–	12 047
	132 417	–	132 417
Current assets			
Inventories	88 055	–	88 055
Other financial assets	599	–	599
Trade and other receivables	125 122	–	125 122
Cash and cash resources ^{3,4,3}	18 468	(4 482)	13 986
	232 244	(4 482)	227 762
Total assets	364 661	(4 482)	360 179

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014 CONTINUED

R'000	Before ¹	TP Hentiq repurchase ²	Pro forma after TP Hentiq repurchase
Equity and liabilities			
Equity			
Share capital	44 442	–	44 442
Reserves	21 657	–	21 657
Retained income ^{4.1–4.3}	66 133	(1 470)	64 663
Non-controlling interest ^{4.1}	(1 195)	987	(208)
Treasury shares	(14 295)	–	(14 295)
	116 742	(483)	116 259
Liabilities			
Non-current liabilities			
Other financial liabilities	19 041	–	19 041
Deferred taxation	16 554	–	16 554
	35 595	–	35 595
Current liabilities			
Other financial liabilities	52 977	–	52 977
Current taxation payable	288	–	288
Trade and other payables	155 060	–	155 060
Redeemable preference shares ^{4.2}	3 999	(3 999)	–
	212 324	(3 999)	208 325
Total liabilities	247 919	(3 999)	243 920
Total equity and liabilities	364 661	(4 482)	360 179
Shares in issue at 31 August 2014 ('000)	237 386		237 386
Net asset value per share (cents)	49.68		49.06
Net tangible asset value per share (cents)	31.47		30.85

Notes and assumptions:

1. Extracted from the published unreviewed consolidated condensed financial results of Insimbi for the six months ended 31 August 2014.
2. The "TP Hentiq repurchase" column reflects the pro forma adjustments made in respect of the TP Hentiq repurchase (including the TP Hentiq acquisition) on the unreviewed consolidated condensed financial results of Insimbi for the six months ended 31 August 2014 based on the assumption that the TP Hentiq repurchase was effective 1 March 2014.
3. Cash and cash resources are reduced with R4 150 000 (four million one hundred and fifty thousand Rand), on the basis that the liability due to Depfin, which is assumed by Insimbi, is settled from existing cash reserves, as well as by R332 000 (three hundred and thirty two thousand) which represents the transaction costs of the transaction.
4. Retained earnings are reduced with R1 470 000 (one million four hundred and seventy thousand Rand) as follows:
 - 4.1. R987 000 (nine hundred and eighty seven thousand Rand) being the at acquisition accumulated losses of TP Hentiq which are reversed from non controlling interest against retained earnings due to TP Hentiq being consolidated into the Insimbi Group since inception.
 - 4.2. The R151 000 (one hundred and fifty one thousand Rand) difference between the carrying amount of the cumulative redeemable preference liability of R3 999 000 (three million nine hundred and ninety thousand Rand) at its reported date and the total liability assumed by Insimbi of R4 150 000 (four million one hundred and fifty thousand Rand), which represents the accumulated interest which was not accrued for as at 31 August 2014.
 - 4.3. Transaction costs which are non-recurring, estimated at R332 000 (three hundred and thirty two thousand Rand) are assumed to be settled from cash and cash resources and are set off against equity.

ANNEXURE 4

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION

The Directors
Insimbi Refractory and Alloy Supplies Limited
359 Crocker Road
Wadeville
Extension 4
Germiston
South Africa

4 February 2015

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

Introduction

Insimbi Refractory and Alloy Supplies Limited ("Insimbi" or "the Company") is issuing a circular to its shareholders ("the Circular") regarding the repurchase of 5 000 000 Insimbi shares arising as a result of the acquisition of TP Hentiq 6064 Proprietary limited ("the TP Hentiq repurchase").

At your request and for the purposes of the Circular to be dated on or about 11 February 2015, we present our assurance report on the compilation of the pro forma financial information of Insimbi by the directors. The pro forma financial information, presented in paragraph 7 and Annexure 4 to the Circular, consists of the pro forma consolidated statement of financial position as at 31 August 2014, the pro forma consolidated statement of comprehensive income for the six months then ended and the pro forma financial effects ("the Pro Forma Financial Information"). The Pro Forma Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the TP Hentiq repurchase on the Company's reported financial position as at 31 August 2014, and the Company's financial performance for the six months then ended, as if the TP Hentiq repurchase had taken place at 31 August 2014 and 1 March 2014, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's published unreviewed consolidated condensed financial results for the six months ended 31 August 2014.

Directors' responsibility

The directors of Insimbi are responsible for the compilation, contents and presentation of the Pro Forma Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 7 and Annexure 4. The directors of Insimbi are also responsible for the financial information from which it has been prepared.

Reporting accountant's responsibility

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

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

The definitions and interpretations commencing on page 6 of the Circular apply throughout this Annexure 4.

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

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

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

OPINION

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 7 and Annexure 3 of the Circular.



PricewaterhouseCoopers Inc.

Director: Megan Naidoo

Registered Auditor

Sunninghill

ANNEXURE 5

BENEFICIARIES OF THE BL WILLIAMS FAMILY TRUST, THE SNOWBALL INVESTMENT TRUST AND THE GODFREY JOHNSON FAMIL TRUST

BL Williams Family Trust

Name	Surname
Basil Lloyd	Williams
Annalisa	Sonn
Cecilia Henrietta	Williams
Joshua	Francis
Charmaine Jeanne	Poole
Lebugang	Francis
Andrew Frederick Daniel	Poole
Franklin	Sonn
Michael Andrew	Poole
Emma	Sonn
Nicolas David	Poole
Andrew Lloyd	Poole
Robyn Karyn	Poole
Nicolas Adam	Schlapobersky
Evadne Donalda	Johnson
Marcia Elaine	Herman
Godfrey	Johnson
Harold Domelius	Herman
Eloise Lucelle	Johnson
Kurt Harold	Herman
Hayley Cecelia	Herman
Howard Lloyd	Williams
Charlene Ann (Jacobs)	Williams
Natalie Jane	Williams
Pamela Catherine	Williams
Katherine	Williams
Johnathan Luke	Williams
Richard David	Williams
Sheena	Kambaran
Helga	Loff
Melissa Marie	Sutton
Andie Katherine	Poole

Snowball Investment Trust

Name	Surname
Annalisa	Sonn
Joshua	Francis
Lebugang	Francis
Franklin	Sonn
Emma	Sonn

Godfrey Family Trust

Name	Surname
Evadne Donalda	Johnson
Godfrey	Johnson
Eloise Lucelle	Johnson

NOTICE OF ANNUAL GENERAL MEETING



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED
(Incorporated in the Republic of South Africa) (Registration number 2002/029821/06)
Share code: ISB ISIN: ZAE000116828 ("Insimbi" or "the company" or "the group")

NOTICE OF ANNUAL GENERAL MEETING OF INSIMBI SHAREHOLDERS

Notice is hereby given that a general meeting of Insimbi Shareholders of the Company will be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, at 10:00 on Friday, 13 March 2015, or at any adjournment thereof, if required for the purpose of considering and, if deemed fit, passing with or without modification, the special resolution set out below, in the manner required by the Companies Act, 2008 (Act 71 of 2008), as amended (the "Act").

The definitions commencing on page 6 of the Circular apply to this notice of general meeting.

The date in terms of section 59 of the Act for Insimbi Shareholders to be recorded in the Register in order to be able to attend, participate and vote at the general meeting is Friday, 6 March 2015.

SPECIAL RESOLUTION NUMBER 1

"RESOLVED THAT:

The Company be and is hereby authorised as a specific approval in terms of section 48 of the Act and in terms of the JSE Listings Requirements, to repurchase 5 000 000 (five million) Insimbi Shares which shares form part of the TP Hentiq acquisition as detailed in the circular to Insimbi Shareholders dated Wednesday, 11 February 2015.

Reason for and effect

The reason and effect of the special resolution number 1 is to authorise the Company to make the repurchase of Insimbi Shares in terms of the Share Buy-back from specific shareholders, the details of which are contained in the circular to Insimbi Shareholders, dated Wednesday, 11 February 2015.

THRESHOLD FOR RESOLUTION APPROVAL

For special resolutions to be approved by Insimbi Shareholders each special resolution must be supported by 75% or more of the voting rights exercised. For special resolution 1 no votes will be excluded.

VOTING AND PROXIES

Insimbi shareholders who have not dematerialised their Insimbi Shares or who have dematerialised their Insimbi Shares with "own-name" registration, and who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be an Insimbi Shareholder and shall be entitled to vote on a show of hands or poll. It is requested that Forms of Proxy be forwarded to reach the Transfer Secretaries no later than 10:00 on Wednesday, 11 March 2015. If Insimbi Shareholders with "own-name" registration, and who are entitled to attend and vote at the General Meeting do not deliver Forms of Proxy to the Transfer Secretaries by 10:00 on Wednesday, 11 March 2015, such Insimbi Shareholders will nevertheless at any time prior to the commencement of

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

the voting on Resolutions at the General Meeting be entitled to lodge the Form of Proxy in respect of the General Meeting, in accordance with the instructions therein with the chairman of the General Meeting. Forms of Proxy must only be completed by Insimbi Shareholders who have not dematerialised their Insimbi Shares or who have dematerialised their Insimbi shares with "own-name" registration.

On a show of hands, every Insimbi Shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of Insimbi shares such member holds. On a poll, every Insimbi Shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for every share held or represented by that Insimbi Shareholder. On a poll taken at any such meeting an Insimbi Shareholder entitled to more than one vote need not, if he votes, use all of his votes, or cast all the votes he uses in the same way.

Insimbi Shareholders who have dematerialised their Insimbi Shares, other than those Insimbi Shareholders who have dematerialised the Insimbi Shares with own-name Registration, should contact their CSDP or broker in the manner and time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instruction; or
- in the event that they wish to attend the General meeting, to obtain the necessary Letter of Representation to do so.

FURTHER INFORMATION

A person attending the General Meeting in person must present reasonably satisfactory identification. The chairman of the General Meeting must be reasonably satisfied that the right of a person to participate and vote (in person) at the General Meeting, either as an Insimbi Shareholder, beneficial Insimbi Shareholder or as a proxy for a Insimbi Shareholder, has been verified.

By order of the Board

Kristell Holtzhausen
11 February 2015

Transfer Secretaries

Computershare Investor Service Proprietary Limited

Hand deliveries to:

Ground Floor,
70 Marshall Street
Johannesburg
2001

Postal deliveries to:

PO Box 61051
Marshalltown
2107

Registered office

359 Crocker Road
Wadeville
Extension 4
Germiston



INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED
(Incorporated in the Republic of South Africa) (Registration number 2002/029821/06)
Share code: ISB ISIN: ZAE000116828 ("Insimbi" or "the company" or "the group")

FORM OF PROXY

Unless specifically defined herein, the definitions commencing on page 6 of the Notice to the 13 March 2015 General Meeting to which this Form of Proxy forms part apply, mutatis mutandis, to this Form of Proxy. To the extent that a term used herein is defined as aforesaid but is also defined in the Companies Act, then it will have the meaning set out in the Companies Act.

FOR USE BY CERTIFICATED ORDINARY SHAREHOLDERS AND "OWN NAME" DEMATERIALIZED ORDINARY SHAREHOLDERS AT THE 2014 GENERAL MEETING OF INSIMBI TO BE HELD AT 359 CROCKER ROAD, WADEVILLE, EXTENSION 4, GERMISTON ("THE GENERAL MEETING") AT 10:00 ON FRIDAY, 13 MARCH 2015.

I/We (PLEASE PRINT FULL NAMES IN BLOCK CAPITALS)

of (PLEASE PRINT ADDRESS)

Telephone number ()

Cellphone number

e-mail address

being the registered holder(s) of: _____ ordinary shares in the capital of the Company hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her

3. the Chairman of the General Meeting,

As my/our proxy to attend, speak and vote on my/our behalf at the General Meeting to be held at 359 Crocker Road, Wadeville, Extension 4, Germiston, at 10:00 on Friday, 13 March 2015 and at any adjournment thereof, and to vote or to abstain from voting on the ordinary and special resolutions to be proposed at the 2015 General Meeting, as follows:

Resolution to be proposed at the General Meeting:		For	Against	Abstain
Special resolution 1	Authority to repurchase of Insimbi Shares			

Signed at (place) _____ on this _____ day of _____ 2015

Signature of shareholder(s)

Assisted by (where applicable)

Please read the notes and instructions on the reverse hereof.

NOTES TO THE PROXY

Notes:

1. Each ordinary shareholder entitled to attend and vote at the General Meeting is entitled to appoint 1 (one) (or more) proxies (none of whom need be a member of Insimbi) to attend, speak and vote in place of that ordinary shareholder at the General Meeting.
2. An ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting" but the ordinary shareholder must initial any such deletion. The person whose name stands first on form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. An ordinary shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the ordinary shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the Chairman of the General Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions proposed, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the ordinary shareholder's votes exercisable at the meeting. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the transfer secretaries to be received by no later than 10:00 on Wednesday, 11 March 2015.
4. at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or handed to the Chairman of the General Meeting before the appointed proxy exercises any of the relevant ordinary shareholder's rights at the General Meeting (or any adjournment of the General Meeting), provided that should an ordinary shareholder lodge a form of proxy with the Transfer Secretaries at either of the below addresses less than 48 hours before the General Meeting, such ordinary shareholder will also be required to furnish a copy of such form of proxy to the Chairman of the General Meeting before the appointed proxy exercises any of such ordinary shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
5. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such ordinary shareholder wish to do so.
6. The Chairman of the General Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the Memorandum of Incorporation of Insimbi.
7. Any alteration or correction made to this form of proxy must be initialled by the signatories.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Insimbi or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Insimbi or the Transfer Secretaries or waived by the Chairman of the General Meeting.
10. Where shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor ordinary shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Insimbi or the Transfer Secretaries.
12. Dematerialised shareholders who do not own Insimbi ordinary shares in "own-name" dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the ordinary shareholder and his/her CSDP or Broker.
13. This form of proxy shall be valid at any resumption of an adjourned General Meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant ordinary shareholder.
16. In terms of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.