
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to this cover page.

Action required

This entire Circular is important and should be read with particular attention to the section entitled "Action Required by Spur Shareholders" on page 2 of this Circular.

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, legal advisor or any other professional advisor immediately.

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

The General Meeting convened in terms of this Circular will be held on Wednesday 25 September 2019 at 10:00 at 14 Edison Way, Century Gate Business Park, Century City, Cape Town.



SPUR CORPORATION LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share code: SUR ISIN: ZAE000022653

CIRCULAR TO ORDINARY SHAREHOLDERS

Regarding:

- a specific repurchase of 10 848 093 Spur shares, constituting 10% of the total issued share capital of Spur, from GPI Investments 1 (RF) Proprietary Limited, a related party, at a price of 2400 cents per share in terms of sections 4, 48(8)(b) and 114 of the Act, read together with sections 115 and 164, the Listings Requirements and Spur's Memorandum of Incorporation;
- a specific repurchase of 6 635 901 Spur shares, constituting 6.12% of the total issued share capital of Spur, held in treasury by Share Buy-back Proprietary Limited, a wholly owned subsidiary of Spur, at a price of 2191 cents per share, being the market value at 25 June 2019, in terms of sections 4, 48(8)(b) and 114 of the Act, read together with sections 115 and 164, the Listings Requirements and Spur's Memorandum of Incorporation; and
- the delisting and cancellation of such repurchased Spur Shares.

and incorporating:

a notice of general meeting; and

a form of proxy for use by certificated and "own name" dematerialised shareholders only.

Sponsor
sasfin
CAPITAL

A member of the Sasfin Group

Reporting Accountants
KPMG

Legal Advisor
BVPG
BERNADT VUKIC POTASH & GETZ
ATTORNEYS

Independent Expert
BDO

Date of issue: 27 August 2019

CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office of Spur

Kilgetty Statutory Services (South Africa) Proprietary Limited
14 Edison Way
Century Gate Business Park
Century City 7441
(PO Box 166, Century City 7446)

Date and place of incorporation

1998, Cape Town

Legal Advisors

Bernadt Vukic Potash & Getz
11th Floor
No.1 Thibault Square
Cape Town 8001
(PO Box 252, Cape Town 8000)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue,
Rosebank Johannesburg 2196
(PO Box 61051, Marshalltown 2107)

Sponsor

Sasfin Capital Proprietary Limited
(A member of the Sasfin Group)
(Registration number 1997/013153/07)
29 Scott Street
Waverley 2090
Johannesburg
(PO Box 95104, Grant Park 2051)

Reporting Accountants

KPMG Inc.
The Halyard
4 Christiaan Barnard Street
Foreshore
Cape Town 8001
(PO Box 4609, Cape Town 8000)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
Wanderers Office Park, Corlette Drive
Illovo, 2196
(Private Bag X60500, Houghton 2041)

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ACTION REQUIRED BY SPUR SHAREHOLDERS

The definitions and interpretations commencing on page 4 of the Circular apply, *mutatis mutandis*, to this section.

Action required regarding the General Meeting:

The General Meeting will be held at 14 Edison Way, Century Gate Business Park, Century City, Cape Town, on Wednesday, 25 September 2019 at 10:00 to consider and, if deemed fit, approve the resolutions. The notice convening the General Meeting is attached to, and forms part of, this Circular.

1. IF YOU HAVE DEMATERIALIZED YOUR SPUR SHARES WITHOUT OWN NAME REGISTRATION

Voting at the General Meeting

Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the General Meeting and thereafter cast your vote in accordance with your instructions.

If you have not been contacted, it would be advisable for you to contact your CSDP or broker and to furnish them with your voting instructions.

If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

You must not complete the attached proxy form.

Attendance and representation at General Meeting

In accordance with the custody agreement between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the General Meeting in person and your CSDP or broker will issue the necessary letter of representation for you to attend the General Meeting.

2. IF YOU HAVE NOT DEMATERIALIZED YOUR SPUR SHARES OR HAVE DEMATERIALIZED YOUR SPUR SHARES WITH OWN NAME REGISTRATION

Voting, attendance and representation at the General Meeting

You may attend and vote at the General Meeting.

Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions therein, which form must be lodged with or posted to the Transfer Secretaries to be received by no later than 10:00 on Monday, 23 September 2019.

Any form of proxy not returned to the Transfer Secretaries by this time may be handed to the Chairperson of the General Meeting any time before the appointed proxy exercises any of the shareholder's rights at the General Meeting.

3. DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

Special Resolution number 1 and Special Resolution number 3

At any time before special resolution number 1 approving the GPI Repurchase and special resolution number 3 approving the Treasury Repurchase in terms of section 115 of the Act is to be voted on at the General Meeting, a Shareholder may give the Company written notice objecting to special resolution number 1 and/or special resolution number 3.

Within 10 business days of the Company having adopted special resolution number 1 and/or special resolution number 3, the Company must send a notice that special resolution number 1 and/or special resolution number 3 has been adopted to each Shareholder who gave the Company written notice of objection and has not withdrawn that notice and has voted against special resolution number 1 and/or special resolution number 3.

A Shareholder who has given the Company written notice objecting to special resolution number 1 and/or special resolution number 3, who is present at the General Meeting and votes against special resolution number 1 and/or special resolution number 3 and has complied with all the procedural regulations set out in section 164 of the Act may, if special resolution number 1 and/or special resolution number 3 has been adopted, then demand in writing within:

- 20 Business Days after receipt of the aforementioned notice; or
- if the Shareholder does not receive the aforementioned notice from the Company, 20 Business Days after learning that special resolution number 1 and/or special resolution number 3 has been adopted,

that the Company pay the Shareholder fair value for all the Shares in the Company held by that Shareholder.

A copy of section 164 of the Companies Act is set out in **Annexure C** to the Notice of General Meeting attached to this Circular.

4. TRP APPROVALS

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of affected transactions when it approves transactions.

IMPORTANT DATES AND TIMES

2019

Record date to determine which Shareholders are entitled to receive the Circular containing the Notice of General Meeting	Friday, 16 August
Circular posted to Spur Shareholders and announced on SENS	Tuesday, 27 August
Last date to trade to be eligible to participate in and vote at the General Meeting	Tuesday, 10 September
Publication of provisional results of Spur for the year ended 30 June 2019	Thursday, 12 September
Supplementary Circular posted (if required)	Friday, 13 September
Record date to be eligible to participate in and vote at the General Meeting	Friday, 13 September
Where applicable, forms of proxy to be lodged at Transfer Secretaries by 10:00 on	Monday, 23 September
Last date and time for Spur Shareholders to give notice to Spur objecting to the special resolution approving the GPI Repurchase and the Treasury Repurchase, by 10:00 on	Wednesday, 25 September
General Meeting of Spur to be held at 10:00 on	Wednesday, 25 September
Results of General Meeting announced on SENS	Wednesday, 25 September
If the GPI Repurchase and/or Treasury Repurchase is approved by Spur Shareholders at the General Meeting and, despite Spur Shareholders voting against either or both of the Repurchase Resolutions, these are not retracted or treated as a nullity:	
Submit special resolution 1 and 3 to CIPC for registration	Wednesday, 25 September
Last date for Spur Shareholders who voted against the GPI Repurchase and/or Treasury Repurchase to require the Company to seek Court approval for either or both Repurchase Resolutions in terms of section 115(3) of the Act, if at least 15% of the total votes of Spur Shares at the General Meeting were exercised against either or both Repurchase Resolutions	Wednesday, 2 October
Last day for the Company to send notice of adoption of either or both Repurchase Resolutions to Dissenting Shareholders, in accordance with section 164(4) of the Act	Wednesday, 9 October
Last day for Spur Shareholders who voted against the GPI Repurchase and/or the Treasury Repurchase to apply to Court for leave to apply to the Court for a review of either or both of the Repurchase Resolutions in terms of section 115(3)(b) of the Act	Wednesday, 9 October
Expected unconditional date of the GPI Repurchase and Treasury Repurchase	Thursday, 10 October
Finalisation and implementation announcement published on SENS	Thursday, 10 October
Receive confirmation by the CIPC of registration of special resolutions 1 and 3 on or about	Thursday, 10 October
Submit delisting application to JSE	Thursday, 10 October
Expected cancellation and delisting date of the repurchased Spur Shares	Wednesday, 16 October
If Shareholders do not exercise their rights in terms of section 115(3)(a) and 115(3)(b) of the Act:	
Expected unconditional date of the GPI Repurchase and Treasury Repurchase	Wednesday, 25 September
Finalisation announcement published on SENS	Thursday, 26 September
Submit delisting application to JSE	Thursday, 26 September
Expected Implementation Date of the GPI Repurchase and Treasury Repurchase	Monday, 30 September
Expected cancellation and delisting date of the repurchased Spur Shares	Tuesday, 1 October

Notes:

1. The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to the information on important dates and times.
2. The above dates and times are subject to amendment. Any such amendment will be published on SENS and in the press.
3. A Shareholder may submit a form of proxy at any time before the commencement of the General Meeting or hand it to the Chairperson of the General Meeting before the appointed proxy exercises any of the relevant shareholder rights at the General Meeting, provided that should a Shareholder lodge a form of proxy with the Transfer Secretaries less than 24 hours (excluding Saturdays, Sundays and official public holidays) before the General Meeting, such Shareholder will also be required to furnish a copy of such form of proxy to the Chairperson of the General Meeting before the appointed proxy/ies exercises any of such Shareholder's rights at the General Meeting.
5. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
6. All times given in this Circular are local times in South Africa.
7. This Circular is available in English only and copies thereof may be obtained from Spur's registered office and the office of the Sponsor, the addresses of which appear on the inside front cover of this Circular, from Tuesday, 27 August 2019 to Wednesday, 25 September 2019.

DEFINITIONS AND INTERPRETATIONS

In this Circular, and the annexures hereto, unless otherwise stated or the context otherwise clearly indicates, the words in the first column shall have the meaning stated opposite them in the second column. Words in the singular shall include the plural and *vice versa*; words signifying any one gender shall include the other genders and references to natural persons shall include juristic persons and associations of persons:

“Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Appraisal Rights”	the rights afforded to Spur Shareholders in terms of section 164 of the Act as set out in Annexure C to the Notice of General Meeting that forms part of this Circular;
“Associate/s”	an associate/the associates of a related party as defined in section 10.1 of the Listings Requirements;
“Board of Directors” or “Board” or “Directors”	the current board of directors of Spur, whose names appear in paragraph 20 below;
“Business Day”	a day other than a Saturday, Sunday or official public holiday in South Africa;
“Cautionary Announcement”	the cautionary announcement relating to the GPI Repurchase published by Spur on 3 June 2019;
“certificated shares”	Spur Shares held in the form of certificates or other documents of title and which have not yet been surrendered for dematerialisation in terms of Strate;
“certificated shareholders”	Spur Shareholders holding certificated shares;
“Cession and Pledge”	the Cession and Pledge agreement entered into between, <i>inter alia</i> , Standard Bank, GPI Investments and GPI, securing the GPI Investments Standard Bank Funding;
“Conditions Precedent”	the conditions precedent to the GPI Repurchase set out in paragraph 6 of this Circular;
“Court”	a division of the High Court of South Africa;
“Circular”	this circular and the annexures hereto;
“CSDP”	a Central Securities Depository Participant registered as a participant in terms of the Securities Services Act and licenced as a central securities depository under the Financial Markets Act, Act 19 of 2012;
“dematerialised”	the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of shares or uncertificated securities as contemplated in section 49 of the Act under the Strate system with a CSDP or stockbroker;
“dematerialised shares”	Spur Shares which have been dematerialised and incorporated into Strate and which are no longer evidenced by share certificates or other physical documents of title;
“dematerialised shareholders”	Spur Shareholders holding dematerialised shares;
“Dissenting Shareholders”	Spur Shareholders who validly exercise their Appraisal Rights by demanding, in terms of section 164 of the Act, that the Company pay them the fair value of all of such number of Spur Shares as may form the subject matter of their demand under section 164 of the Act, provided the Company does not elect to retract the Repurchase Resolutions or regard the Repurchase Resolutions as a nullity;
“Effective Date”	the Business Day following the date of fulfilment or waiver of the conditions precedent to the Transactions, which are detailed in paragraphs 6 and 13 of this Circular;
“General Meeting”	the general meeting of ordinary shareholders convened in terms of the notice accompanying this Circular, to be held at 10:00 on Wednesday, 25 September 2019 at 14 Edison Way, Century Gate Business Park, Century City, Cape Town, or any adjournment or postponement thereof;
“GPI”	Grand Parade Investments Limited (Registration number 1997/003548/06), a black owned and controlled public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the Main Board of the JSE, the holding company and Associate of GPI Investments;
“GPI Investments”	GPI Investments 1 (RF) Proprietary Limited (registration number 2014/094498/07), a limited liability private company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of GPI, and a related party of Spur;

“GPI Investments Spur Funding” or “Spur Funding”	funding of R72.33 million of the GPI Investments Specific Issue by Spur Group, by means of a subscription for the GPI Investments Spur Preference Shares on the terms and conditions of the GPI Investments Spur preference share agreement, dated 30 July 2014;
“GPI Investments Spur Preference Shares”	C class variable rate, cumulative redeemable no par value preference shares in the share capital of GPI Investments, subscribed for by Spur Group for a purchase consideration of R72.33 million, as set out in the Specific Issue Circular;
“GPI Investments Standard Bank Funding” or “Bank Funding”	funding of R150 million of the GPI Investments Specific Issue by Standard Bank by means of, <i>inter alia</i> , a subscription for A class and B class preference shares in the issued share capital of GPI Investments on the terms and conditions of the GPI Investments Standard Bank preference share agreement, dated 30 July 2014;
“GPI Investments Standard Bank Preference Shares”	A class and B class variable rate, cumulative redeemable no par value preference shares in the share capital of GPI Investments subscribed for by Standard Bank for a purchase consideration of R150 million, as set out in the Specific Issue Circular;
“GPI Investments Specific Issue” or “Specific Issue”	the issue on 31 October 2014 of 10 848 093 Spur Shares to GPI Investments by means of the specific issue of shares for cash on the terms and conditions set out in the Specific Issue Circular;
“GPI Investments Specific Issue Agreement”	the agreement entered into between Spur, GPI and GPI Investments containing the terms and conditions of the GPI Specific Issue, dated 30 July 2014;
“GPI Repurchase”	the re-acquisition by Spur of 10 848 093 Spur Shares from GPI Investments at a price of 2400 cents per share, in terms of the GPI Repurchase Agreement as detailed in paragraph 2 of this Circular;
“GPI Repurchase Agreement”	the agreement dated 26 June 2019 governing the terms and conditions of the GPI Repurchase;
“GPI Repurchase Consideration”	R260 354 232, or 2400 cents per Share;
“GPI Repurchase Resolution”	special resolution number 1 in the Notice of General Meeting proposing the GPI Repurchase;
“GPI Repurchase Shares”	10 848 093 Spur Shares, subscribed for and held by GPI Investments in terms of the Specific Issue, the subject of the GPI Repurchase;
“the Group”	Spur and its subsidiaries, referred to collectively;
“IFRS”	International Financial Reporting Standards;
“Implementation Date”	the date on which the GPI Repurchase and Treasury Repurchase are undertaken and the Repurchase Shares are cancelled and delisted on the JSE, expected to be Wednesday, 16 October 2019;
“Independent Expert”	BDO Corporate Finance Proprietary Limited (registration number 1983/002903/07), a limited liability private company incorporated in accordance with the laws of South Africa, a person or entity with no material relationship with the Company, with the necessary qualification to deliver an opinion on the Transactions;
“JSE”	JSE Limited, a public company duly registered and incorporated with limited liability under the company laws of South Africa under registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act, No 19 of 2012;
“Last Practicable Date”	Thursday, 22 August 2019, being the last practicable date prior to finalisation of this Circular;
“Lock-in Agreement”	the agreement entered into between Spur, GPI Investments and GPI in terms of which GPI Investments, <i>inter alia</i> , were restricted from disposing of the Spur Shares that were the subject of the GPI Investments Specific Issue during the Lock-in Period, dated 30 July 2014;
“Lock-in Period”	a period of five years from 30 October 2014;
“Listings Requirements”	the listings requirements of the JSE, as amended from time to time by the JSE;
“Market Value”	the volume-weighted average trading price of Spur Shares on the JSE;
“Notice of General Meeting”	the notice convening the General Meeting of Spur Shareholders attached to this Circular, containing, <i>inter alia</i> , the special and general resolutions required to authorise the GPI Repurchase and the Treasury Repurchase;
“Related Party”	a related party as defined in section 10.1 of the Listings Requirements;
“Repurchase Resolutions”	the GPI Repurchase Resolution and the Treasury Repurchase Resolution, referred to collectively;
“Repurchase Shares”	the GPI Repurchase Shares and Treasury Repurchase Shares, referred to collectively;
“SENS”	Stock Exchange News Service of the JSE;

“Share Buy-back”	Share Buy-back Proprietary Limited (registration number 1999/010023/07), a private company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Spur, the holder of the Treasury Shares;
“Specific Issue Circular”	the circular to Spur Shareholders dated 4 September 2014;
“Spur” or “the Company”	Spur Corporation Limited (registration number 1998/000828/06), a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the Main Board of the JSE;
“Spur Group”	Spur Group Proprietary Limited (registration number 1999/011042/07), a private company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Spur;
“Spur Group Redemption Price”	the amount required for redemption of the GPI Investments Spur Preference Shares, which is estimated to amount to approximately R113 million at 30 September 2019 and which will be finally determined on the Effective Date;
“Spur Shareholders” or “Shareholders”	all registered holders of Spur Shares;
“Spur Shares” or “Ordinary Shares” or “Shares”	the ordinary shares in the capital of the Company with a par value of 0.001 cent each, which are listed on the JSE;
“Standard Bank”	The Standard Bank of South Africa Limited (registration number 1962/000738/06), the financial institution providing the GPI Investments Standard Bank Funding;
“Standard Bank Redemption Price”	the amount required for redemption of the GPI Investments Standard Bank Preference Shares, including taxes and costs, which is estimated to amount to approximately R153 million at 30 September 2019 and which will be finally determined on the Effective Date;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), the company operating the electronic settlement system for transactions that take place on the JSE and off-market transactions;
“Takeover Regulations”	the regulations published by the Minister of the Department of Trade and Industry in Chapter 5 of the Companies Regulations 2011;
“Transactions”	The GPI Repurchase and the Treasury Repurchase, referred to collectively;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07);
“Treasury Repurchase”	the repurchase of the Treasury Shares from Share Buy-back by Spur at the Treasury Repurchase Consideration, on the terms and conditions of the Treasury Repurchase Agreement as set out in paragraph 10 of this Circular;
“Treasury Repurchase Agreement”	the agreement between Spur and Spur Buy-back, dated 26 June 2019, governing the terms and conditions of the Treasury Repurchase;
“Treasury Repurchase Consideration”	R145 392 591, or 2191 cents per Share, being the Market Value of Spur Shares on 25 June 2019, being the day preceding signature of the Treasury Repurchase Agreement;
“Treasury Repurchase Resolution”	special resolution number 3 in the Notice of General Meeting proposing the Treasury Repurchase;
“Treasury Shares”	6 635 901 Spur Shares, currently held by Share Buy-back, the subject of the Treasury Repurchase; and
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Act.



SPUR CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/000828/06)

Share code: SUR ISIN: ZAE000022653

Directors

Executive:

P G van Tonder (*Chief Executive Officer*)

P Mathee (*Chief Financial Officer*)

M Farrelly (*Chief Operating Officer*)

Independent non-executive:

M Bosman (*Chairman*)

C Fernandez

M Kuzwayo

D Molefe

M Morojele

S Zinn

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 On 30 October 2014 the Company issued and allotted 10 848 093 Spur Shares, constituting 10% of the total issued share capital of Spur post issuance, to GPI Investments, in terms of the Specific Issue for a total subscription price of R294.66 million (R27.16 per Spur Share) on the terms detailed in the Specific Issue Circular.
- 1.2 In terms of the Lock-in Agreement concluded as part of the Specific Issue, GPI and GPI Investments were restricted from trading in the issued Spur Shares without the express permission of Spur during the Lock-in Period.
- 1.3 The Specific Issue was funded by a combination of cash and preference share funding as follows:
 - 1.3.1 Standard Bank partially funded the Specific Issue through a subscription for the GPI Investments Standard Bank Preference Shares, with a combined subscription value of R150.0 million. The Bank Funding is secured, *inter alia*, by the Cession and Pledge;
 - 1.3.2 Spur Group partially funded the Specific Issue through a subscription for the GPI Investments Spur Preference Shares with a subscription value of R72.33 million in GPI Investments. These preference shares are subordinate to the GPI Investments Standard Bank Preference Shares and are secured by a cession of GPI Investment's reversionary interest in the Spur Shares issued in terms of the Specific Issue, subsequent to being utilised to extinguish any liability arising from the GPI Investments Standard Bank Preference Shares; and
 - 1.3.3 GPI provided the balance of the funding required, being R72.33 million, from existing cash resources.
- 1.4 Shareholders are further referred to the announcement published on SENS on 27 June 2019, wherein they were advised that the Company had entered into: –
 - 1.4.1 the GPI Repurchase Agreement in terms whereof Spur will repurchase 10 848 093 Spur Shares from GPI Investments, a Related Party, at a repurchase price of 2400 cents per Spur Share; and
 - 1.4.2 the Treasury Repurchase Agreement, in terms whereof Spur will repurchase 6 635 901 Spur Shares from Share Buy-back, at 2191 cents per Spur Share, being the Market Value at 25 June 2019.
- 1.5 Shareholders should note that the GPI Repurchase and the Treasury Repurchase, as set out in this Circular, are independent of one another and are not inter-conditional.

The purpose of this Circular is to provide Shareholders with details of the Transactions, request Shareholders to approve the GPI Repurchase and Treasury Repurchase and to convene the General Meeting of Shareholders required to implement the Transactions.

A) THE GPI REPURCHASE

2. SALIENT TERMS OF THE GPI REPURCHASE

In terms of the GPI Repurchase:

- 2.1 Spur will repurchase the GPI Repurchase Shares from GPI Investments, representing 10% of the total issued share capital of Spur as a specific repurchase for a total consideration of R260 354 232.
- 2.2 The GPI Repurchase Consideration equates to 2400 cents per Spur Share, which represents a 9.1% premium to the 30 day volume-weighted average trading price of Spur Shares on the JSE as measured at the close of market on 2 June 2019, being the day prior to the date of the Cautionary Announcement.
- 2.3 The GPI Repurchase Consideration will be applied as follows:
 - 2.3.1 as to redemption of the GPI Investments Standard Bank Preference Shares constituting the Bank Funding, such that following the implementation of the GPI Repurchase, the amount owed by GPI Investments to Standard Bank including any taxes and costs, which is estimated to amount to approximately R153 million at 30 September 2019 (to be finally determined on the Effective Date) will be extinguished and the Cession and Pledge cancelled; and
 - 2.3.2 as to redemption of the GPI Investments Spur Preference Shares constituting the Spur Funding, such that following the implementation of the GPI Repurchase, the amount owed by GPI Investments to Spur Group, which is estimated to amount to approximately R113 million at 30 September 2019 (to be finally determined on the Effective Date) will be extinguished.
 - 2.3.3 The balance of the GPI Repurchase Consideration remaining after settlement of the Standard Bank Redemption Price and the Spur Group Redemption Price, if any, will be paid to GPI Investments; and
 - 2.3.4 in the event that upon settlement of the Standard Bank Redemption Price in terms of paragraph 2.3.1 above there is a shortfall in the amount required to settle the Spur Group Redemption Price, such shortfall shall be funded and discharged in full by GPI subscribing for one or more ordinary shares in GPI Investments to the value of any shortfall in the Spur Group Redemption Price.
- 2.4 The GPI Repurchase will therefore result in a net cash outflow of approximately R153 million for Spur.
- 2.5 On the Implementation Date and against settlement of the GPI Repurchase Consideration, GPI Investments will transfer the dematerialised GPI Repurchase Shares to Spur and the GPI Repurchase Shares will be delisted from the JSE and cancelled.

3. RATIONALE OF THE GPI REPURCHASE

In terms of the Lock-in Agreement concluded as part of the Specific Issue, the Lock-in Period expires at the end of October 2019, whereafter GPI Investments will be able to freely trade in the GPI Repurchase Shares. The Board does not regard this possibility as being aligned with the long term interests of the Company or those of its existing Shareholders. The Group has a sizeable cash balance with no immediate material investment opportunity that meets the investment criteria of the Board. It is envisaged that the utilisation of its cash resources to implement the GPI Repurchase will be beneficial to existing Shareholders of the Company as it will enhance the Company's earnings, return on equity and future dividends.

4. EFFECTIVE DATE OF THE GPI REPURCHASE

In terms of the GPI Repurchase Agreement, the effective date will be the Business Day following the date of fulfilment or waiver of the conditions precedent which are detailed in paragraph 6 below. The Implementation Date will be determined in accordance with the timetable at page 3 of this Circular and is expected to be on or about Wednesday, 16 October 2019.

5. REQUIRED SHAREHOLDER, JSE AND TRP APPROVALS

- 5.1 GPI Investments is a material Spur Shareholder and Related Party to Spur.
- 5.2 In terms of the JSE Listings Requirements, the GPI Repurchase constitutes a specific repurchase of shares from a Related Party which requires the approval by way of a special resolution by all Spur Shareholders, present or represented by proxy, excluding the Related Party and its Associates, at a general meeting. Spur is required to obtain a fairness opinion from an independent expert in compliance with the provisions of paragraph 5.69(e) of the JSE Listings Requirements in respect of the GPI Repurchase.
- 5.3 In addition, as the GPI Repurchase will result in the Company acquiring in excess of 5% of the entire issued share capital of the Company, the GPI Repurchase is, in terms of section 48.8(b) of the Act, subject to the provisions of section 114, read with sections 115 and 164 of the Act. Therefore: –
 - 5.3.1 In terms of section 48(8) of the Act, the GPI Repurchase may only be implemented if approved in terms of section 115 of the Act by the adoption of the GPI Repurchase Resolution by persons entitled to exercise voting rights on such matter at the General Meeting and at which General Meeting sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter;
 - 5.3.2 The Spur Shares held by GPI Investments, GPI and their Associates will not be included in calculating the percentage of voting rights:
 - 5.3.2.1 required to be present, or actually present, in determining whether the applicable quorum requirements for the General Meeting are satisfied; or

5.3.2.2 required to be voted in support of a resolution, or

5.3.2.3 actually voted in support of the resolution.

5.3.3 The special resolution in respect of the GPI Repurchase is contained in the Notice of General Meeting which is attached to and forms part of this Circular. The Board has passed a resolution acknowledging that it has applied the solvency and liquidity test, as set out in section 4 of the Act, and has reasonably concluded that Spur and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the proposed GPI Repurchase; and

5.3.4 The Act requires, *inter alia*, the preparation of a report by an independent expert on the GPI Repurchase.

5.4 Accordingly, Spur has appointed the Independent Expert to provide external advice to the Board in relation to the GPI Repurchase in terms of the Listings Requirements and the Act and Regulation 90 and 110 of the Takeover Regulations. The Independent Expert's report is attached as Annexure 1 to this Circular and the statements of the Board as to whether the GPI Repurchase is fair to Spur Shareholders, are included in paragraph 22 of this Circular.

5.5 Subsequent to the GPI Repurchase, GPI Investments will not hold any Spur Shares, but GPI will continue to hold 8 447 731 Spur Shares.

5.6 Spur is authorised to undertake the GPI Repurchase in terms of its Memorandum of Incorporation.

6. CONDITIONS PRECEDENT OF THE GPI REPURCHASE

The GPI Repurchase remains subject to the fulfilment or waiver, as the case may be, of the following material conditions precedent on or before Monday, 14 October 2019:

- 6.1 the passing of a special resolution, in accordance with the requirements of sections 4, 48(8), 114 and 115 of the Act and paragraph 5.69(c) of the Listings Requirements at the General Meeting, by the requisite majority of Spur Shareholders, excluding GPI Investments and its Associates;
- 6.2 in the event where the provisions of section 115(2)(c) of the Act become applicable, the Court approving the GPI Repurchase, to the extent required in the circumstances and manner contemplated in sections 115(3) to 115(6) of the Act, provided the Company has not exercised an election to treat the GPI Repurchase as a nullity in terms of section 115(5)(b) of the Act;
- 6.3 no Spur Shareholders, within the time period prescribed in section 164(7) of the Act, exercising any Appraisal Rights in terms of sections 164 of the Act, by giving valid demands in accordance with sections 164(5) to 164(8) of the Act;
- 6.4 the Board not having resolved at the time of the General Meeting to revoke the GPI Repurchase Resolution in circumstances where any Spur Shareholders have, in terms of section 164(3) of the Act, objected to the GPI Repurchase;
- 6.5 the Board not having resolved at the time of the General Meeting to revoke the GPI Repurchase Resolution in circumstances where any Spur Shareholders have exercised their Appraisal Rights in terms of, and in compliance with, section 164(5) of the Act; and
- 6.6 the Board not having resolved to treat the GPI Repurchase Resolution as a nullity in terms of section 115(5)(b) of the Act, in the circumstances where the GPI Repurchase Resolution was opposed by at least 15% of the voting rights that were exercised at the General Meeting and, within 5 (five) Business Days of the General Meeting, any Spur Shareholder who voted against the GPI Repurchase Resolution requiring the Company to seek Court approval.

7. WARRANTIES AND INDEMNITIES

The GPI Repurchase is subject to the undertakings, warranties and indemnities that are normal for a transaction of this nature.

8. FUNDING OF THE GPI REPURCHASE

Spur will utilise existing cash resources to fund the repurchase.

B) THE TREASURY REPURCHASE

9. INTRODUCTION

Share Buy-back, a wholly owned subsidiary of Spur designated to acquire Spur Shares on the open market, has been repurchasing Spur Shares on the open market in terms of the general authority to repurchase shares granted annually by Spur Shareholders at the annual general meeting of the Company since 2000 and currently holds 6 635 901 Spur Shares in treasury. The Treasury Shares have no voting rights.

10. SALIENT TERMS OF THE TREASURY REPURCHASE

In terms of the Treasury Repurchase Agreement:

- 10.1 Spur will repurchase the 6 635 901 Treasury Shares from Share Buy-back, representing 6.12% of the total issued share capital of Spur as a specific repurchase at market value;
- 10.2 The Treasury Repurchase Consideration is R145 392 591 (2191 cents per Treasury Share) which represents the Market Value of Spur Shares on the JSE as measured at the close of market on Tuesday, 25 June 2019, being the day prior to the signature date of the Treasury Repurchase Agreement, and will be paid from existing cash resources, which will remain in the Group as Share Buy-back is a wholly owned subsidiary; and
- 10.3 Spur is authorised to undertake the Treasury Repurchase in terms of its Memorandum of Incorporation.

11. RATIONALE OF THE TREASURY REPURCHASE

As subsidiary companies can only hold a maximum of 10% of the shares of their holding company in treasury, the Board considers it expedient to repurchase and cancel the Treasury Shares at this time and, in so doing, increase the capacity of the Group to acquire treasury shares in future.

12. EFFECTIVE DATE OF THE TREASURY REPURCHASE

In terms of the Treasury Repurchase Agreement, the effective date of the Treasury Repurchase will be the Business Day following the date of fulfilment or waiver of the conditions precedent which are detailed in paragraph 13 below. The Implementation Date will be determined in accordance with the timetable at page 3 of this Circular and is expected to be Wednesday, 16 October 2019.

13. CONDITIONS PRECEDENT OF THE TREASURY REPURCHASE

The Treasury Repurchase remains subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:

- 13.1 the passing of a special resolution, in accordance with the requirements of sections 4, 48(8), 114 and 115 of the Act and paragraph 5.69(c) of the Listings Requirements at the General Meeting, by the requisite majority of Spur Shareholders;
- 13.2 in the event where the provisions of section 115(2)(c) of the Act become applicable, the Court approving the Treasury Repurchase, to the extent required in the circumstances and manner contemplated in sections 115(3) to 115(6) of the Act, provided the Company has not exercised an election to treat the Treasury Repurchase as a nullity in terms of section 115(5)(b) of the Act;
- 13.3 no Spur Shareholders, within the time period prescribed in section 164(7) of the Act, exercising any Appraisal Rights in terms of section 164 of the Act, by giving valid demands in accordance with sections 164(5) to 164(8) of the Act;
- 13.4 the Board not having resolved at the time of the General Meeting to revoke the Treasury Repurchase Resolution in circumstances where any Spur Shareholders have, in terms of section 164(3) of the Act, objected to the Treasury Repurchase;
- 13.5 the Board not having resolved at the time of the General Meeting to revoke the Treasury Repurchase Resolution in circumstances where any Spur Shareholders have exercised their Appraisal Rights in terms of, and in compliance with, section 164(5) of the Act; and
- 13.6 the Board not having resolved to treat the Treasury Repurchase Resolution as a nullity in terms of section 115(5)(b) of the Act, in the circumstances where the Treasury Repurchase Resolution was opposed by at least 15% of the voting rights that were exercised at the General Meeting and, within 5 (five) Business Days of the General Meeting, any Spur Shareholder who voted against the Treasury Repurchase Resolution requiring the Company to seek Court approval.

14. REQUIRED SHAREHOLDER, JSE AND TRP APPROVALS

In terms of the JSE Listings Requirements, the Treasury Repurchase constitutes a specific repurchase of shares which requires the approval by way of a special resolution by all Spur Shareholders present or represented by proxy at the General Meeting. As the Treasury Repurchase will result in the Company acquiring in excess of 5% of the entire issued share capital of the Company, the Treasury Repurchase is, in terms of section 48.8(b) of the Act, subject to the provisions of sections 114 and 115 of the Act and, as such, also requires, *inter alia*, the preparation of a report by an independent expert on the Treasury Repurchase in terms of Regulation 90 and 110 of the Takeover Regulations. As indicated above, Spur has appointed BDO Corporate Finance Proprietary Limited as the independent expert to provide external advice to the Board of Directors of Spur, which report is included in this Circular as Annexure 1 in terms of the Act and Takeover Regulations.

The GPI Repurchase and the Treasury Repurchase, as set out in this Circular, are independent of one another and are not inter-conditional.

C) THE TRANSACTIONS

15. THE TRANSACTIONS IN TERMS OF SECTION 48(8)(B) AND SECTION 114 READ WITH SECTIONS 115 AND 164 OF THE ACT – DISSENTING SHAREHOLDERS

Extracts of sections 115 and 164 of the Act, containing details of the remedies available for aggrieved Shareholders, are set out in Annexures B and C of the Notice of General Meeting, which is attached to and forms part of this Circular. The GPI Repurchase Resolution and/or the Treasury Repurchase Resolution will only be proposed to Spur Shareholders at the General Meeting if no Spur Shareholders objected thereto in terms of section 164(3) of the Act, or in the case where any Spur Shareholders objected as aforesaid, the Directors have not resolved at the time of the General Meeting to retract the proposal of the respective Repurchase Resolution.

Spur Shareholders will be requested to specifically approve an authority for the Directors to revoke the respective Repurchase Resolutions in the event that any Spur Shareholders exercise their Appraisal Rights in respect of the GPI Repurchase and/or Treasury Repurchase and the Directors are of the opinion that it would be in the best interest of Spur to do so.

In addition, Spur Shareholders will be requested to approve an authority for the Directors to treat the respective Repurchase Resolutions as a nullity, in terms of section 115(5)(b) of the Act, if the GPI Repurchase and/or Treasury Repurchase is opposed by any of the voting rights that were exercised in respect thereof or to revoke the respective Repurchase Resolutions if, within 5 (five) Business Days after the vote, any person who voted against the GPI Repurchase and/or Treasury Repurchase requires the Company to seek Court approval in terms of section 115(3) of the Act.

The Directors will only utilise this authority if they are of the view that it is in the best interest of the Company to do so.

16. CANCELLATION AND DELISTING OF GPI REPURCHASE AND TREASURY REPURCHASE SHARES

The Repurchase Shares represent 16.12% of the total issued share capital of the Company at the date of this announcement. The Company proposes, subsequent to the approval of the Repurchase Resolutions at the General Meeting of Spur Shareholders, that these Spur Shares will revert to authorised but unissued shares in the share capital of the Company and will then be cancelled and delisted.

17. FINANCIAL INFORMATION

17.1 Share capital of Spur

The authorised and issued share capital of Spur, before and after the GPI Repurchase and Treasury Repurchase is set out below.

	R
Authorised share capital before and after the transactions	
201 000 000 ordinary shares of 0.001 cents each	
Total authorised share capital	2 010
Before the Transactions	
Issued share capital before the Transactions	
108 480 926 ordinary shares of 0.001 cents each	
Total issued share capital	1 085
Share premium	
On 108 480 926 ordinary shares of 0.001 cents each	294 662 556
Total share capital before the Transactions	294 663 641
After the GPI Repurchase	
Issued share capital after the GPI Repurchase	
97 632 833 ¹ ordinary shares of 0.001 cents each	
Total issued share capital	976
Share premium	
On 97 632 833 ordinary shares of 0.001 cents each	34 308 433
Total share capital after the GPI Repurchase	34 309 409
After the Treasury Repurchase	
Issued share capital after the GPI Repurchase	
101 845 025 ² ordinary shares of 0.001 cents each	
Total issued share capital	1 019
Share premium	
On 101 845 025 ordinary shares of 0.001 cents each	294 662 556
Total share capital after the Treasury Repurchase	294 663 575
After the Transactions	
Issued share capital after the Transactions	
90 996 932 ³ ordinary shares of 0.001 cents each	
Total issued share capital	910
Share premium	
On 90 996 932 ordinary shares of 0.001 cents each	34 308 433
Total share capital after the Transactions	34 309 343

¹ including the Treasury Shares, 390 800 Spur Shares held in treasury by Spur Group, 500 000 Spur Shares held by the Spur Foundation Trust that is consolidated for financial reporting purposes only, and 6 164 698 Spur Shares held by The Spur Management Share Trust that is consolidated for financial reporting purposes only. All of these shares have no voting rights.

² including the GPI Repurchase Shares, 390 800 Spur Shares held in treasury by Spur Group, 500 000 Spur Shares held by the Spur Foundation Trust that is consolidated for financial reporting purposes only, and 6 164 698 Spur Shares held by The Spur Management Share Trust that is consolidated for financial reporting purposes only. All of these shares, with the exception of the GPI Repurchase Shares, have no voting rights.

³ including 390 800 Spur Shares held in treasury by Spur Group, 500 000 Spur Shares held by the Spur Foundation Trust that is consolidated for financial reporting purposes only, and 6 164 698 Spur Shares held by The Spur Management Share Trust that is consolidated for financial reporting purposes only. All of these shares have no voting rights.

The Company has not issued or cancelled any Spur Shares in the 3 years preceding the Last Practicable Date.

As at 30 June 2019, Spur had 2 444 public shareholders, holding 75 439 903 Spur Shares, representing 69.5% of Spur's issued share capital.

17.2 Pro forma financial effects of the Transactions

The *pro forma* financial effects of each of the GPI Repurchase, the Treasury Repurchase and collectively the Transactions are provided for illustrative purposes only and, because of their nature, may not fairly present the financial position or results of operations of Spur and its subsidiaries. The *pro forma* financial information has been prepared to illustrate the impact of each of the GPI Repurchase, the Treasury Repurchase and collectively the Transactions on the published financial information of the Group for the six month ended 31 December 2018 based on the assumption that each of the GPI Repurchase, the Treasury Repurchase and collectively the Transactions took place on 1 July 2018 for purposes of the *pro forma* Condensed Consolidated Statement of Profit or Loss and Comprehensive Income and on 31 December 2018 for purposes of the *pro forma* Condensed Consolidated Statement of Financial Position. The *pro forma* financial information has been prepared using the accounting policies of Spur, which comply with IFRS and are consistent with those applied in Spur's consolidated annual financial statements for the year ended 30 June 2018 with the exception of *IFRS 9: Financial Instruments* and *IFRS 15: Revenue from Contracts with Customers*, which were adopted with effect from 1 July 2018 and have therefore been applied in the aforementioned *pro forma* financial information. The *pro forma* financial information is the responsibility of the Directors.

	Before Transactions (notes 1, 2, 3)	GPI Repurchase (note 4)	After GPI Repurchase (note 5)	% Change	Treasury Repurchase (note 6)	After Treasury Repurchase (note 7)	% Change	After Transactions (note 8)	% Change
Total number of shares in issue	108 480 926	(10 848 093)	97 632 833	(10.0%)	(6 635 901)	101 845 025	(6.1%)	90 996 932	(16.1%)
Number of shares in issue net of shares held by subsidiary companies	94 849 527	(10 848 093)	84 001 434	(11.4%)	–	94 849 527	0.0%	84 001 434	(11.4%)
Weighted average number of shares in issue	95 318 610	(10 848 093)	84 470 517	(11.4%)	–	95 318 610	0.0%	84 470 517	(11.4%)
Diluted weighted average number of shares in issue	95 544 714	(10 848 093)	84 696 621	(11.4%)	–	95 544 714	0.0%	84 696 621	(11.4%)
Basic earnings per share (cents)	88.01	10.61	98.62	12.1%	(0.02)	87.99	0.0%	98.60	12.0%
Diluted earnings per share (cents)	87.80	10.56	98.36	12.0%	(0.01)	87.79	0.0%	98.34	12.0%
Headline earnings per share (cents)	88.02	10.61	98.63	12.1%	(0.02)	88.00	0.0%	98.61	12.0%
Diluted headline earnings per share (cents)	87.81	10.56	98.37	12.0%	(0.02)	87.79	0.0%	98.34	12.0%
Net asset value per share (cents)	904.65	(186.05)	718.60	(20.6%)	(0.73)	903.92	(0.1%)	717.78	(20.7%)
Net tangible asset value per share (cents)	511.71	(236.79)	274.92	(46.3%)	(0.72)	510.99	(0.1%)	274.10	(46.4%)

The notes to the *pro forma* financial information are set out in Annexure 2 to this Circular. The reporting accountant's report thereon is set out in Annexure 3 to this Circular.

17.3 Pro forma Condensed Consolidated Statement of Profit or Loss and Comprehensive Income ("SOCl") and Condensed Consolidated Statement of Financial Position ("SOFP")

The *pro forma* SOCl and SOFP of the Group before and after each of the GPI Repurchase, the Treasury Repurchase and collectively the Transactions are set out in Annexure 2 to this Circular.

The *pro forma* SOCl and SOFP have been presented for illustrative purposes only to provide information on how each of the GPI Repurchase, the Treasury Repurchase and collectively the Transactions may have impacted on the Group's published results and financial position for the six months ended 31 December 2018 and, due to the nature thereof, may not give a fair reflection of the Group's results, financial position and changes in equity after the Transactions. The *pro forma* financial information is based on the assumption that each of the GPI Repurchase, the Treasury Repurchase and collectively the Transactions took place on 1 July 2018 for purposes of the *pro forma* SOCl and on 31 December 2018 for SOFP purposes. The *pro forma* financial information has been prepared using the accounting policies of Spur, which comply with IFRS and are consistent with those applied in Spur's consolidated annual financial statements for the year ended 30 June 2018 with the exception of *IFRS 9: Financial Instruments* and *IFRS 15: Revenue from Contracts with Customers*, which were adopted with effect from 1 July 2018 and have therefore been applied in the aforementioned *pro forma* financial information. The Directors of Spur are responsible for the preparation of the *pro forma* SOCl and SOFP.

The reporting accountants' report on the *pro forma* SOCl and SOFP is set out in Annexure 3 to this Circular.

17.4 Annual financial statements

The integrated reports of Spur for the years ended 30 June 2018, 2017 and 2016 are incorporated in this Circular by reference in terms of a dispensation granted by the TRP, can be obtained from the Company, will be available for inspection as set out in paragraph 28 below and are available at the Company's website:

<https://www.spurcorporation.com/investors/results-centre/>

18. INTEREST IN SPUR SHARES

At the Last Practicable Date:-

- 18.1 GPI Investments held 10 848 093 (10%) Spur Shares. Subsequent to the GPI Repurchase, GPI Investments will not hold any Spur Shares;
- 18.2 GPI holds and will continue to hold 8 447 731 Spur Shares;
- 18.3 Share Buy-back held 6 635 901 Spur Shares. Subsequent to the Treasury Repurchase, Share Buy-back will hold no Spur Shares;
- 18.4 390 800 Spur Shares are held in treasury by Spur Group;
- 18.5 500 000 Spur Shares are held by The Spur Foundation Trust, a consolidated structured entity; and
- 18.6 6 164 898 Spur Shares are held by The Spur Management Share Trust, a consolidated structured entity.
- 18.7 Share Buy-back purchased the following Spur Shares, in terms of the general authority to repurchase Spur Shares granted by Shareholders at the annual general meeting on 6 December 2018, on the open market at the prices indicated in the 6 months preceding the Last Practicable Date:

Date	Volume	Price per Spur Share (cents)
11 March 2019	10 000	2197
12 March 2019	9 000	2200
13 March 2019	31 000	2179
14 March 2019	30 000	2196
15 March 2019	10 000	2191
19 March 2019	30 000	2182
28 March 2019	30 000	2150
29 March 2019	10 000	2149
1 April 2019	30 000	2136
2 April 2019	3 000	2130

Other than Share Buy-back, none of the parties listed under paragraphs 18.1 to 18.6 above dealt in any Spur Shares during the 6 months preceding the Last Practicable Date.

D) INFORMATION RELATING TO THE COMPANY

19. MAJOR SHAREHOLDERS

According to the information available to the Company at the Last Practicable Date, the following Spur Shareholders, other than Directors of the Company, either directly or indirectly, are beneficially interested in 5% or more of the issued share capital of the Company:

Shareholder	Number of shares before Transactions	% ¹	Number of shares after Transactions	% ²
GPI Investments	10 848 093	10.00	–	–
Coronation Fund Managers	9 603 170	8.85	9 603 170	10.55
Allan Gray	8 495 263	7.83	8 495 263	9.34
GPI	8 447 731	7.79	8 447 731	9.28
Fidelity	7 985 798	7.36	7 985 798	8.78
Share Buy-back	6 635 901	6.12	–	–
Spur Management Share Trust	6 164 698	5.68	6 164 698	6.77
Investec	5 581 801	5.15	5 581 801	6.13
Foord	4 780 660	4.41	4 780 660	5.25

¹ 108 480 926 Spur Shares in issue including Spur Shares held by subsidiary companies.

² 90 996 932 Spur Shares in issue including Spur Shares held by subsidiary companies.

20. DIRECTORS

20.1 The Board of Directors

The Board will not change following or as a result of the Transactions. Details relating to the Directors are set out below:

Name of director	Address	Designation
M Bosman (58) B.Com (Hons), LLM, Advanced Management Program (Harvard), CA(SA)	11 Gordonia Street, Gordon's Bay, 7140	Independent Non-executive Chairman
Pierre van Tonder (59)	14 Edison Way, Century Gate Business Park, Century City, Cape Town	Chief Executive Officer
Phillip Matthee (41) B.Com, Postgraduate diploma in Accounting, CA(SA)	14 Edison Way, Century Gate Business Park, Century City, Cape Town	Chief Financial Officer
Mark Farrelly (55) B.A.	14 Edison Way, Century Gate Business Park, Century City, Cape Town	Chief Operating Officer
Muzi Kuzwayo (51) B.Sc, MBA	23 Buffalo Road Emmerentia	Independent Non-executive Director
Dineo Molefe (41) BCompt (Hons), M.Com, CA(SA), Advanced Management Program (Penn)	082 Vodacom Boulevard, Commercial Park, Ground Floor, Noordwyk, Midrand. Gauteng	Independent Non-executive Director
Mtungwa Morojele (60) CA (Lesotho), HNDipl (Bus), BBusAdmin, M.Acc, MBA	39 Sandpiper Crescent, Tableview, Cape Town	Independent Non-executive Director
Shirley Zinn (57) B.A., HDip.Ed, B.Ed (Hons), M.Ed, Ed.M Ed.D *	56 Peak Road, Fishhoek, Cape Town	Independent Non-executive Director
Cora Fernandez (45) B.Com, B.Compt (Hons), CA(SA)*	3 Sonnedou Close, Platteklouf, Cape Town	Independent Non-executive Director

* Appointed with effect from 17 June 2019.

During the 18 months preceding this Circular, Messrs Allen Ambor, Keith Getz, Keith Madders and Dean Hyde and Ms Prabashinee Moodley retired, by rotation or otherwise; and Ms Ronel van Dijk and Tasneem Karriem resigned as Directors of Spur.

The executive Directors have entered into service contracts with the Company on such terms and conditions as are standard for contracts of this nature. Pierre van Tonder has a six month notice period, Mark Farrelly has a three month notice period and Phillip Matthee has a one month notice period.

20.2 Directors' interests in securities

At the Last Practicable Date, the Directors held, directly and indirectly, interests in the Company's issued ordinary share capital as reflected below:

	Direct beneficial	Indirect beneficial	Total	% before Transactions ¹	Number after Transactions	% after Transactions ²
Pierre van Tonder	15 000	-	15 000	0.01%	15 000	0.02%
Mark Farrelly	10 000	-	10 000	0.01%	10 000	0.01%
Phillip Matthee	5 000	-	5 000	0.00%	5 000	0.01%

¹ 108 480 926 Spur Shares in issue including Spur Shares held by subsidiary companies.

² 90 996 932 Spur Shares in issue including Spur Shares held by subsidiary companies.

The abovementioned Spur Shares were acquired by the Directors on 1 April 2019, after the date of the last published annual financial statements of the Company.

20.3 Independence of the Board

The independence of each of the Directors has been assessed in terms of the provisions of Regulation 108(7) of the Takeover Regulations and it has been determined that none of the Directors have any conflicts of interest, any interests in Shares or in the outcome of the Transactions that render them non-independent in relation to the GPI Repurchase or the Treasury Repurchase and that the entire Board is therefore independent as required in terms of the Act.

20.4 Directors' responsibility statement

The Board:

- 20.4.1 has considered all statements of fact and opinion in this Circular;
- 20.4.2 collectively and individually, accepts full responsibility for the accuracy of the information given;
- 20.4.3 certifies that, to the best of its knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading;
- 20.4.4 has made all reasonable enquiries in this regard; and
- 20.4.5 certifies that, to the best of its knowledge and belief, the Circular contains all information required in terms of the Act and the Listings Requirements.

21. MATERIAL CHANGES

The Directors report that there have been no material changes in the financial or trading position of the Group between 19 October 2018, being the date of the last published audited financial results of the Company for the year ended 30 June 2018 and the Last Practicable Date.

22. OPINIONS AND RECOMMENDATIONS

22.1 The Board

The Board has considered the terms and conditions of the Transactions and, taking into account the opinion of the Independent Expert in respect of the Transactions, is of the opinion that the terms and conditions thereof are fair and reasonable to Spur Shareholders and recommends that Spur Shareholders vote in favour of the Repurchase Resolutions at the General Meeting.

22.2 Opinion of the Independent Expert

BDO, acting as Independent Expert to the Board, has advised the Board that it has considered the terms and conditions of the Transactions in terms of the Act, Takeover Regulations and the Listings Requirements and is of the opinion that these terms and conditions are fair and reasonable to Spur Shareholders. The text of the letter from BDO is included as Annexure 1 to this Circular and such letter has not been withdrawn prior to the publication of this Circular.

22.3 Role of Reporting Accountant

KPMG Inc. is the independent auditor to Spur and has issued the necessary reporting accountant's report on the *pro forma* financial information of Spur presented in Annexure 2 to this Circular.

22.4 Role of Sponsor

Sasfin Capital is the Sponsor to Spur. The role of the sponsor included preparing the necessary circular to Spur Shareholders and advising the Board on the application of the Listings Requirements and the Act. Sasfin Capital did not provide any advice or opinion to the Board in respect of the fairness and reasonableness of the Transactions nor any recommendations with regard to its implementation.

23. SOLVENCY AND LIQUIDITY AND WORKING CAPITAL STATEMENT

The Directors are of the opinion that the working capital available to Spur subsequent to the Transactions is adequate for the requirements of the Group for a period of 12 months from the date of issue of this Circular. Having considered the effect of the Transactions, the Directors are of the opinion that:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of twelve months after the date of issue of this Circular;
- the 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 issue 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 Group with the exception of *IFRS 9: Financial Instruments* and *IFRS 15: Revenue from Contracts with Customers*, which were adopted with effect from 1 July 2018;
- the stated 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 issue of this Circular; and
- the 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 issue of this Circular.

The Board has authorised the Transactions 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 Act, and reasonably concluded that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the Transactions.

Since the solvency and liquidity test was performed, there have been no material changes to the financial position of the Group.

24. TRANSACTION EXPENSES

The estimated cost of concluding and implementing the Transactions is approximately R3 143 388 (costs are inclusive of VAT) and include the following:

	Amount (R)
Legal advisors – Bernadt Vukic Potash & Getz	517 500
Reporting accountants – KPMG	92 000
Independent Expert – BDO	310 500
JSE documentation fee	45 560
TRP inspection fee	258 750
Sponsor – Sasfin Capital	287 500
Securities transfer tax, brokerage and transaction levies	1 482 078
Printing and publishing – Greymatter & Finch	149 500
Total	3 143 388

Spur has not incurred any preliminary expenses during the three-year period prior to the issue of this Circular.

25. CONSENTS

Each of the Independent Expert, reporting accountants, legal advisers, sponsor and Transfer Secretary have consented in writing to act in the capacity stated and to their names being stated in this Circular and have not withdrawn their consent prior to the issue of this Circular.

The Independent Expert and independent reporting accountants have consented in writing to the inclusion of their report in this Circular in the form and context in which it appears and have not withdrawn such consent prior to the publication of this Circular.

26. SUPPLEMENTARY CIRCULAR

As this Circular was published and distributed during the prohibited period prior to the publication of the Group's financial results for the year ended 30 June 2019, and the General Meeting will be held after such publication, the Company is required to publish a supplementary circular in terms of section 11.56 of the Listings Requirements at least 10 calendar days before the date of the General Meeting if, after publication of the financial results on Thursday, 12 September 2019, any of the following applies:

- 26.1 there has been a significant change affecting any matter contained in this Circular;
- 26.2 a significant new matter has arisen, the inclusion of information on which new matter would have been required to be disclosed in this Circular had such information been known at the time of publication of this Circular;
- 26.3 a change of 10% or more from the *pro forma* financial effects of the Transactions included in this Circular has occurred when measured against the Company's published financial results for the year ended 30 June 2019; or
- 26.4 any other matter or element that could influence a Spur Shareholder's assessment of the Transactions has become apparent.

Should any of the aforesaid conditions apply, the Company will distribute and publish on SENS a supplementary Circular with details of the required information on Friday, 13 September 2019.

27. GENERAL MEETING AND ACTION REQUIRED

A General Meeting of Spur Shareholders will be held at 14 Edison Way, Century Gate Business Park, Century City, Cape Town at 10:00 on Wednesday, 25 September 2019, for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out in the Notice of General Meeting. The Notice convening the General Meeting is attached to and forms part of this Circular. Spur Shareholders are advised to follow the instructions set out in the "Action required by Spur Shareholders" section of the Circular in respect of voting.

28. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on Business Days at the registered office of Spur and its Sponsor at the addresses that appear on the inside front cover of this Circular, from Tuesday, 27 August 2019 to Wednesday, 25 September 2019:

- the Memoranda of Incorporation of Spur and its subsidiaries;
- the GPI Repurchase Agreement;
- the Treasury Repurchase Agreement;
- the audited consolidated financial statements of the Group for the three years ended 30 June 2018;
- the unaudited condensed consolidated results of the Group for the six months ended 31 December 2018;
- the *pro forma* financial information of Spur;
- the original report of the Independent Expert on the Transactions;
- the original report of the independent reporting accountants on the *pro forma* financial information of Spur;
- the letter of approval of this Circular from the TRP;
- the consent letters of the advisors to the Company; and
- a signed copy of this Circular.

By order of the Board



Phillip Matthee
Chief financial officer

Cape Town
27 August 2019

INDEPENDENT EXPERT'S REPORT

The Directors
 Spur Corporation Limited
 14 Edison Way
 Century Gate Business Park
 Century City
 Cape Town
 6 August 2019

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO SPUR CORPORATION LIMITED REGARDING THE PROPOSED REPURCHASE OF 10 848 093 SPUR CORPORATION LIMITED ORDINARY SHARES FROM A RELATED PARTY, AND REPURCHASE OF 6 635 901 ORDINARY SHARES FROM A WHOLLY OWNED SUBSIDIARY

Introduction

On 3 and 27 June 2019 Spur Corporation Limited ("Spur" or the "Company") announced on the Stock Exchange News Service of the JSE Limited ("JSE") ("SENS") that it has entered into an agreement ("GPI Repurchase Agreement") for the specific repurchase of ordinary shares in the issued share capital of the Company ("Spur Shares") from GPI Investments 1 (RF) Proprietary Limited ("GPI Investments") (the "GPI Repurchase").

Spur will repurchase 10 848 093 Spur Shares ("GPI Repurchase Shares") from GPI Investments at a price of 2400 cents per share ("GPI Repurchase Consideration"), representing 10% of the total issued share capital of Spur as a specific repurchase for a total consideration of R260 354 232 (the "GPI Repurchase Consideration").

On 26 June 2019, Spur entered into an agreement with Share Buy-back Proprietary Limited ("Share Buy-back") ("Treasury Repurchase Agreement") in terms of which, Spur will repurchase 6 635 901 Spur Shares in treasury ("Treasury Shares") from Share Buy-back, representing 6.12% of the total issued share capital of Spur as a specific repurchase at market value, for a total consideration of R145 392 591 (the "Treasury Repurchase Consideration") ("Treasury Repurchase").

The aforesaid Treasury Repurchase Consideration equates to 2191 cents per Treasury Share, the volume weighted average trading price ("VWAP") of Spur Shares on the JSE on 25 June 2019, being the day prior to the signature date of the Treasury Repurchase Agreement.

The GPI Repurchase and the Treasury Repurchase are independent of one another and are not inter-conditional.

BDO Corporate Finance Proprietary Limited ("BDO Corporate Finance") has been appointed by the board of directors ("Board" or the "Directors") of Spur to provide independent expert advice to Spur with regards to the GPI Repurchase Agreement and Treasury Repurchase.

As at the date of this report, the authorised and issued share capital of the Company comprises the following:

	Stated Capital (R)
Authorised share capital	
201 000 000 ordinary shares of 0.001 cents each	2 010
Issued share capital	
108 480 926 ordinary shares of 0.001 cents each	1 085
Share premium	
On 108 480 926 ordinary shares of 0.001 cents each	294 662 556

As at the last practicable date prior to the finalisation of this report, being 5 August 2019 (the "Last Practicable Date"), Directors directly held the following beneficial interests in Spur Shares:

Director	Number of ordinary shares
Pierre van Tonder	15 000
Mark Farrelly	10 000
Phillip Matthee	5 000
Total	30 000

Fair and reasonable opinions required in terms of the Companies Act, No. 71 of 2008

As the GPI Repurchase involves the acquisition by the Company of more than 5% of the Company's ordinary shares in issue, section 48(8)(b) of the Companies Act, No.71 of 2008 ("Act") specifies that the GPI Repurchase is subject to the requirements of section 114 and 115 of the Act. In terms of section 114(2) of the Act as read together with Regulation 90 of the Takeover Regulations, 2011 (the "Companies Regulations"), the Board must retain an independent expert to compile a report on the GPI Repurchase in compliance with section 114(3) of the Act and Regulation 90 of the Takeover Regulations (the "GPI Repurchase Fair and Reasonable Opinion").

As the Treasury Repurchase involves the acquisition by the Company of more than 5% of the Company's ordinary shares in issue, section 48(8)(b) of the Act specifies that the Treasury Repurchase is subject to the requirements of section 114 and 115 of the Act. In terms of section 114(2) of the Act as read together with Regulation 90, the Board must retain an independent expert to compile a report in compliance with section 114(3) of the Act and Regulation 90 of the Takeover Regulations (the "Treasury Fair and Reasonable Opinion").

Fairness opinion required in terms of the JSE Listings Requirements

GPI Investments is a material shareholder and related party to Spur as defined in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements ("Listings Requirements").

The GPI Repurchase Price equates to 2400 cents per Spur Share, which represents a 9.1% premium to the 30 day VWAP of Spur Shares on the JSE as measured at the close of market on 2 June 2019, being the day prior to the date of the cautionary announcement relating to the GPI Repurchase published by Spur on 3 June 2019 ("Cautionary Announcement") and in terms of paragraph 5.69(e) of the Listings Requirements the Board is required to obtain a fairness opinion from an independent expert confirming whether the Specific Repurchase is fair to shareholders (the "Fairness Opinion").

Responsibility

Compliance with the Act and Listings Requirements is the responsibility of the Directors. Our responsibility is to report on the fairness of the terms of the GPI Repurchase and to report on the fairness and reasonableness of the GPI Repurchase and Treasury Repurchase.

Explanation as to how the terms "fair" and "reasonable" apply in the context of the GPI Repurchase and the Treasury Repurchase

Schedule 5.7 of the Listings Requirements states that the "fairness" of a transaction is based on quantitative issues. A transaction will generally be considered fair to a company's shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value ceded by a company.

The GPI Repurchase would be considered fair to shareholders of Spur ("Spur Shareholders") if the GPI Repurchase Price is less than or equal to the fair value of a Spur Share, or unfair if the GPI Repurchase Price is more than the fair value of a Spur Share.

The Treasury Repurchase would be considered fair to Spur Shareholders if the Treasury Repurchase Price is less than or equal to the fair value of a Spur Share, or unfair if the Treasury Repurchase Price is more than the fair value of a Spur Share.

An assessment of reasonableness is generally based on factors other than quantitative considerations. Even though the GPI Repurchase Price and Treasury Repurchase Price may differ from the market value of Spur Shares, the GPI Repurchase and Treasury Repurchase may still be reasonable after considering other significant qualitative factors.

Details and sources of information

In arriving at our opinions we have relied upon the following principal sources of information:

- The GPI Repurchase Agreement and the Treasury Repurchase Agreement;
- Integrated report of Spur for the financial years ended 30 June 2017 and 2018;
- Results presentations in respect of the 30 June 2017 audited results, 30 June 2018 audited results, and 31 December 2018 interim results;
- Historical and forecast financial information of Spur, comprising:
 - Audited annual financial statements of Spur, for the years ended 30 June 2017 and 2018;
 - Unaudited interim financial results of Spur for the period ended 31 December 2018;
 - Management accounts for the years ended 30 June 2017, 30 June 2018 and for the year to date period ended 30 April 2019;
 - Budgeted financial information of Spur, on a consolidated basis, for the financial year ending 30 June 2019;
- Discussions with Spur Directors and management regarding the rationale for the GPI Repurchase and the Treasury Repurchase;
- Discussions with Spur Directors on key revenue and cost drivers of Spur; and
- Discussions with Spur Directors and management on prevailing market, economic, legal and other conditions which may affect underlying value.

The information above was secured from:

- Directors and management of Spur; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing, Spur.

Procedures and consideration

In arriving at our opinions we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Share Buy-Back Agreement and the Treasury Repurchase Agreement;
- Reviewed the audited and unaudited historical financial information and budgeted financial information related to Spur as detailed above;
- In conjunction with management, prepared a forecast for the financial years ending 30 June 2020 to 30 June 2023 by business segment and on a consolidated basis. The forecasts were prepared by considering historical performance by business segment as well as the outlook for the quick service restaurant industry in the regions in which the Spur business segments operate;
- Compiled forecast free cash flows for Spur by using the historical and forecast financial information as detailed above. Applied BDO Corporate Finance's assumptions of cost of capital to the forecast cash flows to produce a discounted cash flow ("DCF") valuation of Spur;
- Determined appropriate valuation discounts which we used in our valuation;
- Performed a sensitivity analysis on key assumptions included in the DCF valuation, specifically related to cost of capital and growth in franchisee turnover;

- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the quick service restaurant industry generally;
- Reviewed certain publicly available information relating to Spur and comparable publicly traded companies in the quick service restaurant industry that we deemed to be relevant;
- Where relevant, representations made by management and/or Directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the quick service restaurant industry, and to analyse external factors that could influence the business; and
- Held discussions with the Directors and management of Spur and their advisers as to their strategy and the rationale for the GPI Repurchase and Treasury Repurchase and assessed prevailing economic and market conditions and trends.

Assumptions

We arrived at our opinions based on the following assumptions:

- That all agreements that are to be entered into in terms of the GPI Repurchase and Treasury Repurchase will be legally enforceable;
- That the GPI Repurchase and Treasury Repurchase will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Spur; and
- That reliance can be placed on the financial information of Spur.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Spur and the economic environment in which the Company operates.

Limiting conditions

This opinion is provided to Directors and Shareholders in connection with and for the purposes of the GPI Repurchase and Treasury Repurchase. The opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders.

Individual Shareholders' decisions regarding the GPI Repurchase and Treasury Repurchase may be influenced by such Shareholders' particular circumstances and accordingly individual Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the GPI Repurchase and Treasury Repurchase.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the GPI Repurchase and Treasury Repurchase will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Spur and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence

We confirm that we have no direct or indirect interest in Spur Shares or the GPI Repurchase and Treasury Repurchase. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion on the GPI Repurchase and Treasury Repurchase.

Furthermore, we confirm, in terms of Regulation 90(6)(h) of the Takeover Regulations, that our professional fees of R310 500 (incl VAT), payable in cash, are not contingent upon the success of the GPI Repurchase and Treasury Repurchase.

Valuation approach

BDO performed a valuation of a Spur Share to determine whether the GPI Repurchase and Treasury Repurchase are fair to Spur Shareholders. The valuation of Spur was performed by applying the DCF methodology as our primary approach. In addition, we considered the market approach (based on financial data for comparable publicly traded companies) as a secondary methodology to support the results of the DCF valuation. The valuation was performed on a consolidated basis, using consolidated cash flow forecasts.

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

In performing our valuation analysis of Spur Shares we considered the sensitivity of the valuation to changes in assumptions around key value drivers. We found that the primary key internal value drivers of the valuation of a Spur Share is the level of turnover generated by franchisee stores. The growth in franchisee revenue is estimated primarily as a function of number of new franchisee stores net of franchisee stores closed, and menu price increases.

Free cash flow is sensitive to these assumptions. The key external value drivers relate to the rates of economic growth, inflation and prevailing interest rates as well as market and industry conditions specific to the quick service restaurant industry.

Key macro-economic assumptions are in respect of interest rates (the prime lending rate at 10.25% for the forecast period), headline inflation rates (maintained at 5%), and prevailing market and industry conditions were considered in assessing the forecast cash flows and risk profile of Spur.

Our valuation results are also sensitive to the compounded annual growth rate (“CAGR”) of revenue over the forecast period of 6.42% and the weighted average cost of capital (“WACC”) calculated as 13.54%, applied in the DCF valuation.

We performed a sensitivity analysis on key assumptions included in the DCF valuation, specifically growth in franchisee turnover and the WACC. The sensitivity analysis was performed by:

- increasing and decreasing the WACC rate by a maximum of 0.25%; and
- decreasing and increasing the revenue CAGR by a maximum of 0.25%.

These sensitivity analyses did not indicate a sufficient material effect to alter our opinion in respect of the GPI Repurchase and Treasury Repurchase.

Valuation results

In undertaking the valuation exercise above we determined a valuation range of 2407 cents to 2534 cents per Spur Share, with a most likely value of 2470 cents per Spur Share.

The valuation ranges are provided solely in respect of the GPI Fair and Reasonable Opinion and the Treasury Fair and Reasonable Opinion.

Section 114(3) requirements

As required in terms of section 114(3) of the Act (read together with section 48 of the Act), this report deals with the following:

a. state all prescribed information relevant to the value of the securities affected by the proposed arrangement;

Spur has undertaken to repurchase 10 848 093 ordinary shares from GPI Investments at 2400 cents per share. The GPI Repurchase is at an 8.5% premium to the closing trading price of Spur Shares on the JSE as measured at the close of market on 2 June 2019, being the day prior to the date of the Cautionary Announcement.

Spur has undertaken to repurchase 6 635 901 ordinary shares from Share Buy-back at 2191 cents per share. The Treasury Repurchase is at a 0.01% discount to the closing trading price of Spur Shares on the JSE as measured at the close of market on 2 June 2019, being the day prior to the date of the Cautionary Announcement.

The repurchase will result in the Company repurchasing c.16% of the issued share capital (including treasury shares):

	Number of shares (incl. treasury)	%
Impact on issued share capital of Proposed Repurchase		
Shares in issues	108 480 926	
GPI shares to be repurchased	(10 848 093)	(10%)
Treasury shares to be repurchased	(6 635 901)	(6%)
Shares in issue post repurchase	90 996 932	

b. identify every type and class of holders of the Company’s securities affected by the proposed arrangement;

The share capital of Spur immediately prior to the GPI Repurchase and Treasury Repurchase comprises of the 201 000 000 authorised ordinary shares of 0.001 cents each.

Per inspection of the share register, Memorandum of Incorporation of Spur (“MOI”), discussions with management of Spur and the signed 2018 Annual Financial Statements there are presently no other class of shares. At the date of this report, Spur has an issued share capital of 108 480 926 ordinary shares of 0.001 cents each. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

For the purposes of determining the impact on shareholders in the below table the value per share of 2407 cents (excluding treasury shares) was utilised (being the minimum fair value per Spur Share derived from the DCF valuation):

Shareholding as per the share register		Shareholding before the Repurchase			Shareholding after the Repurchase			Movement	
Shareholder	Number of shares held	% holding	Shareholders value (R'000)	Number of shares held	% holding	Shareholders value (R'000)	Shareholders value (R'000)	Shareholders value (%)	
GPI INVESTMENTS 1 RF PTY LTD	10 848 093	11%	R261 099 484	–	0.0%	R-	R(261 099 484)		
GRAND FOODS INVESTMENTS 3 PTY LTD	8 447 731	9%	R203 325 893	8 447 731	10.1%	R203 400 841	R74 947	0.04%	
INVESTEC OPPORTUNITY FUND	5 045 369	5%	R121 435 467	5 045 369	6.0%	R121 480 229	R44 762	0.04%	
FAST EMERGING MARKETS FUND	4 916 886	5%	R118 343 048	4 916 886	5.9%	R118 386 671	R43 622	0.04%	
STANDARD CHARTERED BANK AS TRUSTEE	4 039 873	4%	R97 234 487	4 039 873	4.8%	R97 270 328	R35 841	0.04%	
AND AFRICA FIDELITY FDS EMG EUROPE	3 949 182	4%	R95 051 672	3 949 182	4.7%	R95 086 709	R35 037	0.04%	
FRB ITF ALLAN GRAY BALANCED FUND	3 436 090	4%	R82 702 215	3 436 090	4.1%	R82 732 700	R30 485	0.04%	
FRB ITF ALLAN GRAY EQUITY FUND	3 416 285	4%	R82 225 535	3 416 285	4.1%	R82 255 844	R30 309	0.04%	
STANDARD CHARTERED BANK AS TRUSTEE	2 353 107	2%	R56 636 224	2 353 107	2.8%	R56 657 100	R20 877	0.04%	
FRB ITF FOORD EQUITY FUND	2 081 222	2%	R50 092 306	2 081 222	2.5%	R50 110 770	R18 464	0.04%	
GOVERNMENT EMPLOYEES PENSION FUND	1 916 814	2%	R46 135 219	1 916 814	2.3%	R46 152 225	R17 006	0.04%	
Other minority shareholders	44 398 875	47%	R1 068 623 152	44 398 875	52.9%	R1 069 017 054	R393 902	0.04%	
Total excluding treasury shares	94 849 527	100%	2 282 904 702	84 001 434	100%	2 022 550 470	(260 354 232)		
SHARE BUY-BACK (PTY) LTD	6 635 901	n/a	n/a	6 635 901	n/a	n/a	n/a	n/a	
SPUR MANAGEMENT SHARE TRUST	6 164 898	n/a	n/a	6 164 898	n/a	n/a	n/a	n/a	
OTHER TREASURY SHARES*	830 600	n/a	n/a	830 600	n/a	n/a	n/a	n/a	
Total including treasury shares	108 480 926								

c. describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);

Due to the GPI Repurchase, GPI Investments will no longer have any interest in Spur. Therefore they will no longer be entitled to vote on matters affecting Spur and further will no longer be entitled to dividends as and when they are declared and paid by Spur.

Due to the Treasury Repurchase, Share Buy-back will no longer have any interest in Spur. Therefore they will no longer be entitled to dividends as and when they are declared and paid by Spur. Share Buy-back was not entitled to vote on matters affecting Spur, in terms of the MOI.

The total fair value of equity that the remaining shareholders have a right to will decrease by the total cash outflow that will be required to settle the purchase price due to GPI Investments of R260 354 232. The remaining shareholders proportional right to the remaining equity value will increase by R261 099 484, being the minimum fair value of the GPI Repurchase Shares. The variance between the decrease in equity value and the increase in proportional attributable equity value arises due to the GPI Repurchase Price being at a discount to the fair value of the GPI Repurchase Shares.

The Treasury Repurchase will have no impact on the remaining shareholders' equity value, due to the mechanics of the transaction. In our view, the GPI Repurchase and Treasury Repurchase will have no material negative effect on the rights and interests of the remaining shareholders, as depicted in the tables above.

Article 10 of the MOI deals with votes of members. Article 14 of the MOI sets out the repurchase of shares requirements. The relevant sections of both articles are set out below:

- The numbers and classes of Shares which the Company is authorised to issue is 201 000 000 Ordinary Shares having the preferences, rights, limitations and other terms set out in the MOI. (Schedule 1)
- Every holder of an Ordinary Share shall have one vote in respect of each such share that they hold and must be entitled to vote at every Annual General Meeting or General Meeting, whether in person or by proxy. (Article 10)
- The Company is hereby authorised to undertake Repurchase of Securities in accordance with the Listings Requirements and the Act. (Article 14)

d. evaluate any material adverse effects of the proposed arrangement against-

i. the compensation that any of those persons will receive in terms of that arrangement; and

Management stated that no other parties are likely to be compensated for the GPI Repurchase and Treasury Repurchase. We are not aware of any other persons to be entitled to compensation as a result of the GPI Repurchase and Treasury Repurchase, apart from the transaction costs that are normally incurred in transactions of this nature, namely legal fees, secretarial fees, securities transfer tax, brokers' fees, JSE inspection fees, STRATE settlement fees and independent expert's fees.

ii. any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the Company;

BDO Corporate Finance understands that the settlement of the purchase price will be funded via the current cash reserves of Spur.

BDO Corporate Finance prepared a 3 year forecast together with Spur CFO (Phillip Matthee) and discussed the results with him. The cash reserves as well as the forecast indicate that the company has sufficient cash reserves to settle all debts when they become due and payable.

In addition, the Directors asserted at their board meeting held on 14 June 2019, that the Board has applied the solvency and liquidity test in respect of the GPI Repurchase and Treasury Repurchase, as set out in section 4 of the Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test upon passing their resolution and for a period of 12 months after the anticipated effective date of the GPI Repurchase and Treasury Repurchase.

e. state any material interest of any director of the Company or trustee for security holders;

All Directors of Spur registered with the Companies and Intellectual Property Commission have been included in the table below:

Director name	Executive Director	Shareholder	Material interest	Effect of the Proposed Repurchase on these interests
Pierre van Tonder	Yes	Yes	Directors emoluments, Direct and indirect shareholding	No effect noted
Mark Farrelly	Yes	Yes	Directors emoluments, Direct shareholding	No effect noted
Phillip Matthee	Yes	Yes	Directors emoluments, Direct shareholding	No effect noted
Muzi Kuzwayo	No	No	Directors emoluments	No effect noted
Dineo Molefe	No	No	Directors emoluments	No effect noted
Mtungwa Morojele	No	No	Directors emoluments	No effect noted
Shirley Zinn	No	No	Directors emoluments	No effect noted
Mike Bosman	No	No	Directors emoluments	No effect noted
Cora Fernandez	No	No	Directors emoluments	No effect noted

f. state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e);

There will be no effect on the Directors contemplated in paragraph (e).

g. and include a copy of sections 115 and 164

Copies of sections 115 and 164 of the Act are included as annexures to the Circular to Spur Shareholders dated on or about 27 August 2019.

Opinion

BDO Corporate Finance has considered the terms and conditions of the GPI Repurchase and, based on and subject to the conditions set out herein, for the purposes of paragraph 5.69(e) of the Listings Requirements, BDO Corporate Finance is of the opinion that the terms and conditions of the GPI Repurchase are fair to Spur Shareholders.

BDO Corporate Finance has considered the terms and conditions of the GPI Repurchase and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the GPI Repurchase are fair and reasonable to Spur Shareholders.

BDO Corporate Finance has considered the terms and conditions of the Treasury Repurchase and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Treasury Repurchase are fair and reasonable to Spur Shareholders.

Our opinion is necessarily based upon the information available to us up to 5 August 2019, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the GPI Repurchase and Treasury Repurchase have been fulfilled or obtained.

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

Yours faithfully

N Lazanakis CA(SA)

Director

BDO Corporate Finance Proprietary Limited

Wanderers Office Park, 52 Corlett Drive,
Illovo, 2196

PRO FORMA FINANCIAL INFORMATION OF THE GROUP

BASIS OF PREPARATION

The *pro forma* financial information of the Group is provided for illustrative purposes only and, because of its nature, may not fairly present the financial position or results of operations of Spur and its subsidiaries.

The *pro forma* financial information has been prepared to illustrate the impact of the Transactions on the published financial information of the Group for the six months ended 31 December 2018 based on the assumption that each of the GPI Repurchase, Treasury Repurchase and collectively the Transactions took place on 1 July 2018 for purposes of the *pro forma* Condensed Consolidated Statement of Profit or Loss and Comprehensive Income and on 31 December 2018 for purposes of the *pro forma* Condensed Consolidated Statement of Financial Position. The *pro forma* financial information has been prepared using the accounting policies of Spur, which comply with IFRS and are consistent with those applied in Spur's consolidated annual financial statements for the year ended 30 June 2018, with the exception of *IFRS 9: Financial Instruments* and *IFRS 15: Revenue from Contracts with Customers*, which were adopted with effect from 1 July 2018 and have therefore been applied in the aforementioned *pro forma* financial information.

The *pro forma* financial information is the responsibility of the Directors.

The reporting accountants' report on the *pro forma* financial information is set out in Annexure 3 to this Circular.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

R'000	Before Transactions ^{1,3}	GPI Repurchase ⁴		After GPI Repurchase ⁵		% Change		Treasury Repurchase ⁶		After Treasury Repurchase ⁷		% Change		After Transactions ⁸		% Change	
			Repurchase ⁴	After GPI Repurchase ⁵	% Change	Treasury Repurchase ⁶	After Treasury Repurchase ⁷	% Change	Treasury Repurchase ⁶	After Treasury Repurchase ⁷	% Change	Treasury Repurchase ⁶	After Treasury Repurchase ⁷	% Change	Treasury Repurchase ⁶	After Treasury Repurchase ⁷	% Change
Revenue	370 244	-	370 244	370 244	0.0%	-	370 244	-	370 244	0.0%	-	370 244	0.0%	-	370 244	0.0%	0.0%
Gross profit	271 302	-	271 302	271 302	0.0%	-	271 302	-	271 302	0.0%	-	271 302	0.0%	-	271 302	0.0%	0.0%
Operating profit before finance income	113 881	8 324 ^{9,14}	122 205	122 205		-	113 881	-	113 881		-	113 881		-	122 205		
Interest income	16 649	(10 568) ^{10,11}	6 081	6 081		(25) ¹²	16 624	(25) ¹²	16 624		-	16 624		-	6 056		
Interest expense	(10)	-	(10)	(10)		-	(10)	-	(10)		-	(10)		-	(10)		
Share of loss of equity-accounted investee	(547)	-	(547)	(547)		-	(547)	-	(547)		-	(547)		-	(547)		
Profit before income tax	129 973	(2 244)	127 729	127 729	(1.7%)	(25)	129 948	(25)	129 948	0.0%	(25)	129 948	0.0%	(25)	127 704	(1.7%)	(1.7%)
Income tax expense	(42 214)	1 657 ¹¹	(40 557)	(40 557)		7 ¹²	(42 207)	7 ¹²	(42 207)		-	(40 550)		-	(40 550)		
Profit for the period	87 759	(587)	87 172	87 172	(0.7%)	(18)	87 741	(18)	87 741	0.0%	(18)	87 741	0.0%	(18)	87 154	(0.7%)	(0.7%)
Other comprehensive income*	958	-	958	958		-	958	-	958		-	958		-	958		
Total comprehensive income for the period	88 717	(587)	88 130	88 130	(0.7%)	(18)	88 699	(18)	88 699	0.0%	(18)	88 699	0.0%	(18)	88 112	(0.7%)	(0.7%)
Profit attributable to:																	
Owners of the company	83 892	(587)	83 305	83 305	(0.7%)	(18)	83 874	(18)	83 874	0.0%	(18)	83 874	0.0%	(18)	83 287	(0.7%)	(0.7%)
Non-controlling interests	3 867	-	3 867	3 867		-	3 867	-	3 867		-	3 867		-	3 867		
Profit for the period	87 759	(587)	87 172	87 172	(0.7%)	(18)	87 741	(18)	87 741	0.0%	(18)	87 741	0.0%	(18)	87 154	(0.7%)	(0.7%)
Total comprehensive income attributable to:																	
Owners of the company	84 850	(587)	84 263	84 263	(0.7%)	(18)	84 832	(18)	84 832	0.0%	(18)	84 832	0.0%	(18)	84 245	(0.7%)	(0.7%)
Non-controlling interests	3 867	-	3 867	3 867		-	3 867	-	3 867		-	3 867		-	3 867		
Total comprehensive income for the period	88 717	(587)	88 130	88 130	(0.7%)	(18)	88 699	(18)	88 699	0.0%	(18)	88 699	0.0%	(18)	88 112	(0.7%)	(0.7%)
* All items included in other comprehensive income are items that are or may be reclassified to profit or loss.																	
Basic earnings per share (cents)	88.01	10.61	98.62	98.62	12.1%	(0.02)	87.99	(0.02)	87.99	0.0%	(0.02)	87.99	0.0%	(0.02)	98.60	12.0%	12.0%
Diluted earnings per share (cents)	87.80	10.56	98.36	98.36	12.0%	(0.01)	87.79	(0.01)	87.79	0.0%	(0.01)	87.79	0.0%	(0.01)	98.34	12.0%	12.0%

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Before Trans- actions ^{2,3}	GPI Repur- chase ⁴	After GPI Repur- chase ⁵	Treasury Repur- chase ⁶	After Treasury Repur- chase ⁷	After Trans- actions ⁸
ASSETS						
Non-current assets	495 313	–	495 313	–	495 313	495 313
Property, plant and equipment	98 263	–	98 263	–	98 263	98 263
Intangible assets and goodwill	368 508	–	368 508	–	368 508	368 508
Interest in equity-accounted investee	3 581	–	3 581	–	3 581	3 581
Loans receivable	20 773	–	20 773	–	20 773	20 773
Deferred tax	527	–	527	–	527	527
Leasing rights	3 661	–	3 661	–	3 661	3 661
Current assets	537 401	(254 421)	282 980	(692)	536 709	282 288
Inventories	15 216	–	15 216	–	15 216	15 216
Tax receivable	32 587	–	32 587	–	32 587	32 587
Trade and other receivables	124 579	–	124 579	–	124 579	124 579
Loans receivable	110 446	(96 916) ¹³	13 530	–	110 446	13 530
Contingent consideration receivable	594	–	594	–	594	594
Cash and cash equivalents	253 979	(157 505) ^{4,13,14}	96 474	(692) ¹⁶	253 287	95 782
TOTAL ASSETS	1 032 714	(254 421)	778 293	(692)	1 032 022	777 601
EQUITY						
Total equity	858 055	(254 421)	603 634	(692)	857 363	602 942
Ordinary share capital	1	–	1	–	1	1
Share premium	294 663	(260 354) ⁴	34 309	–	294 663	34 309
Shares repurchased by subsidiaries	(122 597)	–	(122 597)	110 434 ¹⁵	(12 163)	(12 163)
Foreign currency translation reserve	30 640	–	30 640	–	30 640	30 640
Share-based payments reserve	5 224	–	5 224	–	5 224	5 224
Retained earnings	639 977	5 933 ^{13,14}	645 910	(111 126) ^{15,16}	528 851	534 784
Total equity attributable to equity holders of the parent	847 908	(254 421)	593 487	(692)	847 216	592 795
Non-controlling interests	10 147	–	10 147	–	10 147	10 147
LIABILITIES						
Non-current liabilities	83 619	–	83 619	–	83 619	83 619
Contract liabilities	29 059	–	29 059	–	29 059	29 059
Operating lease liability	3 227	–	3 227	–	3 227	3 227
Deferred tax	51 333	–	51 333	–	51 333	51 333
Current liabilities	91 040	–	91 040	–	91 040	91 040
Bank overdrafts	–	–	–	–	–	–
Tax payable	1 781	–	1 781	–	1 781	1 781
Trade and other payables	68 353	–	68 353	–	68 353	68 353
Loans payable	15 980	–	15 980	–	15 980	15 980
Contract liabilities	4 255	–	4 255	–	4 255	4 255
Shareholders for dividend	671	–	671	–	671	671
TOTAL EQUITY AND LIABILITIES	1 032 714	(254 421)	778 293	(692)	1 032 022	777 601

RECONCILIATION OF EQUITY

	Share Premium R'000	Retained earnings R'000
Relating to the GRI Repurchase		
Balance at 31 December 2018 as reported	294 663	639 977
Repurchase of shares for cash and cancellation thereof	(260 354) ⁴	–
Gain on derecognition of a financial asset carried at amortised cost recognised in profit or loss	–	8 385 ¹³
Transaction costs relating to acquisition of the company's own shares charged directly to equity	–	(2 348) ¹⁴
Transaction costs relating to the early redemption of preference shares recognised in profit or loss	–	(104) ¹⁴
Pro forma balance at 31 December 2018 after GPI Repurchase	34 309	645 910

	Shares repurchased by subsidiaries R'000	Retained earnings R'000
Relating to Treasury Repurchase		
Balance at 31 December 2018 as reported	(122 597)	639 977
Cancellation of shares repurchased by subsidiaries	110 434 ¹⁵	(110 434) ¹⁵
Costs relating to the intragroup transfer of the company's own shares and cancellation thereof charged directly to equity	–	(692) ¹⁶
Pro forma balance at 31 December 2018 after Treasury Repurchase	(12 163)	528 851

RECONCILIATION OF HEADLINE EARNINGS

R'000	Before Transactions ^{1,3}	GPI Repurchase ⁴	After GPI Repurchase ⁵	% Change	Treasury Repurchase ⁶	After Treasury Repurchase ⁷	% Change	After Transactions ⁸	% Change
Profit attributable to ordinary shareholders	83 892	(587)	83 305	(0.7%)	(18)	83 874	0.0%	83 287	(0.7%)
Headline earnings adjustments:			–			–		–	
Loss on disposal of property, plant and equipment	10	–	10		–	10		10	
Income tax impact of above adjustments	(3)	–	(3)		–	(3)		(3)	
Headline earnings	83 899	(587)	83 312	(0.7%)	(18)	83 881	0.0%	83 294	(0.7%)

SHARE INFORMATION

	Before Transactions^{1,2,3}	GPI Repurchase⁴	After GPI Repurchase⁵	% Change	Treasury Repurchase⁶	After Treasury Repurchase⁷	% Change	After Transactions⁸	% Change
Total number of shares in issue	108 480 926	(10 848 093)	97 632 833	(10.0%)	(6 635 901)	101 845 025	(6.1%)	90 996 932	(16.1%)
Number of shares in issue net of shares held by subsidiary companies	94 849 527	(10 848 093)	84 001 434	(11.4%)	-	94 849 527	0.0%	84 001 434	(11.4%)
Weighted average number of shares in issue	95 318 610	(10 848 093)	84 470 517	(11.4%)	-	95 318 610	0.0%	84 470 517	(11.4%)
Diluted weighted average number of shares in issue	95 544 714	(10 848 093)	84 696 621	(11.4%)	-	95 544 714	0.0%	84 696 621	(11.4%)
Headline earnings per share (cents)	88.02	10.61	98.63	12.1%	(0.02)	88.00	0.0%	98.61	12.0%
Diluted headline earnings per share (cents)	87.81	10.56	98.37	12.0%	(0.02)	87.79	0.0%	98.34	12.0%
Net asset value per share (cents)	904.65	(186.05)	718.60	(20.6%)	(0.73)	903.92	(0.1%)	717.78	(20.7%)
Net tangible asset value per share (cents)	511.71	(236.79)	274.92	(46.3%)	(0.72)	510.99	(0.1%)	274.10	(46.4%)

NOTES

- 1 The *pro forma* Condensed Consolidated Statement of Profit or Loss and Comprehensive Income (“SOCL”) figures illustrate the possible financial effects as if the Transactions had taken place on 1 July 2018.
- 2 The *pro forma* Statement of Financial Position (“SOFP”) figures have been based on the assumption that the Transactions had taken place on 31 December 2018.
- 3 The *pro forma* SOCL and SOFP (“Before Transactions” column) are based on the published unaudited financial information of Spur for the six-month period ended 31 December 2018, as released on SENS on 28 February 2019.
- 4 The “GPI Repurchase” column relates to the following:
 - the repurchase of 10 848 093 Spur Shares for cash from GPI Investments at a price of 2400 cents per share, or R260 354 232 in aggregate, comprising a 9.1% premium to the 30 day volume-weighted Spur Share price as at 2 June 2019.
 - the redemption of the preference shares in GPI Investments constituting the Spur Group Funding (“Preference Shares”), such that following the implementation of the GPI Repurchase, the amount owed by GPI Investments to Spur Group will be extinguished, in the amount R100 624 100 as at 1 July 2018 or R105 301 051 at 31 December 2018.
- 5 The “After GPI Repurchase” column indicates the *pro forma* financial information after only the GPI Repurchase.
- 6 The “Treasury Repurchase” column relates to the following:
 - the repurchase of 6 635 901 Spur Shares for cash from Share Buy-back at 2191 cents per share, being the market price of the Spur Share on 25 June 2019, the day immediately preceding the signature date of the Treasury Repurchase Agreement (“Treasury Repurchase”), amounting to R145 392 591 in aggregate.
- 7 The “After Treasury Repurchase” column indicates the *pro forma* financial information after only the Treasury Repurchase.
- 8 The “After Transactions” column indicates the *pro forma* financial information after both the GPI Repurchase and Treasury Repurchase transactions.
- 9 The carrying value of the Preference Shares at 1 July 2018 amounted to R96 570 869. On the assumption that the Preference Shares are redeemed at 1 July 2018, the gross receivable would have amounted to R100 695 351 (including capitalised transaction costs), and cash inflow on redemption would have amounted to R100 624 100. Upon the adoption of *IFRS9 – Financial Instruments*, the Group impaired the Preference Share receivable to the extent of R4 124 482 as a result of expected credit losses, which impairment was charged directly to opening retained earnings at 1 July 2018. Had the Preference Shares been redeemed on 1 July 2018, the group would have recognised a gain on the derecognition of a financial asset carried at amortised cost amounting to R4 124 482 in profit or loss for the period ended 31 December 2018. In addition, the Group had recognised further impairment losses on the Preference Shares relating to expected credit losses in the period to 31 December 2018 amounting to R4 303 023, which would not have been necessary had the Preference Shares been redeemed on 1 July 2018. The sum of the aforementioned gain on derecognition of the financial instrument and the reversal of the impairment loss, less the costs relating to the early settlement of the Preference Shares (refer note 14 below), have been recognised in operating profit before finance income. Amortisation of capitalised transaction costs relating to the Preference Shares in the amount of R28 500, recognised as a reduction in finance income for the period to 31 December 2018, has also been reversed against finance income in profit or loss (refer note 10 below).
- 10 Dividend income of R4 648 451 on the Preference Shares earned by the Group (recorded as interest income as the Preference Shares are treated as a loan receivable), would not have been earned had the Preference Shares been redeemed on 1 July 2018. The dividend accruing on the Preference Shares is 90% of the prime overdraft rate of interest less amortised initial transaction costs (refer note 9). The dividend income is non-taxable. This dividend income has been reversed against interest income.
- 11 Interest of R5 919 630 that would have been forgone on the net cash outflow arising from the GPI Repurchase, had the transaction occurred on 1 July 2018, has been calculated at 7.3% nominal annual compounded monthly for the period to 31 December 2018. This is the average rate of interest which the Group earned on its short term deposits during the period. The interest has been reversed against interest income. This interest was taxable at the South African corporate tax rate of 28%, resulting in a reduction in the income tax expense of R1 657 496.
- 12 Interest of R25 254 forgone on the net cash outflow relating to transaction costs arising from the Treasury Repurchase has been calculated at 7.3% nominal annual compounded monthly for the period to 31 December 2018. This is the average rate of interest which the Group earned on its short term deposits during the period. This interest was taxable at the South African corporate tax rate of 28%, resulting a reduction in the income tax expense of R7 071.
- 13 The carrying value of the Preference Shares at 31 December 2018 amounted to R96 916 297. On the assumption that the Preference Shares are redeemed at 31 December 2018, the gross receivable would have amounted to R105 343 802 (including capitalised transaction costs), and cash inflow on redemption would have amounted to R105 301 051. Upon the adoption of *IFRS9 – Financial Instruments*, the Group impaired the Preference Share receivable to the extent of R4 124 482 as a result of expected credit losses, which impairment was charged directly to opening retained earnings at 1 July 2018. In addition, the Group had recognised further impairment losses on the Preference Shares relating to expected credit losses in the period to 31 December 2018 amounting to R4 303 023. On the basis that the Preference Shares are fully redeemed as at 31 December 2018, the Group would have recognised a gain on the derecognition of a financial asset carried at amortised cost, amounting to the aggregate of the aforementioned impairment losses, included in profit or loss. In addition, the balance of the capitalised transaction costs in the amount of R42 750 would also be reversed to profit or loss on the redemption of the Preference Shares at 31 December 2018.
- 14 One-off legal, advisory and transaction costs of an estimated R2 451 506 are expected to be incurred in respect of the GPI Repurchase transaction. These include VAT (as Spur is not in a position to claim the related input tax credits) and have been assumed to be non-tax deductible. Of these costs, R2 348 006 are in respect of costs that are directly attributable to the acquisition by the Company of the Company’s own shares and have accordingly been charged to equity (retained earnings). Costs of R103 500 relate to the redemption of the Preference Shares and have been charged to profit or loss. These costs are not expected to be tax deductible.
- 15 The original cost to the Group of the Treasury Shares referred to in note 6 as at 31 December 2018 was R110 434 482. Upon the acquisition of the Treasury Shares by Spur, and subsequent cancellation of those shares, the original cost of the Treasury Shares has been reallocated within equity from ‘Shares repurchased by subsidiaries’ to ‘Retained earnings’ in the SOFP.
- 16 One-off legal, advisory and transaction costs of an estimated R691 881 are expected to be incurred in respect of the Treasury Repurchase transaction. These include VAT (as Spur is not in a position to claim the related input tax credits) and have been assumed to be non-tax deductible. These costs are directly attributable to the intragroup transfer of treasury shares and have accordingly been charged to equity (retained earnings).

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

The Directors
Spur Corporation Limited
14 Edison Way
Century Gate Business Park
Century City
7441

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

To the directors of Spur Corporation Limited

Introduction

The definitions and interpretations commencing on page 4 of the Circular to which this letter is attached apply *mutatis mutandis* to this independent reporting accountant's assurance report on the compilation of the *pro forma* financial information of the Group ("**Report**").

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of the Group, by the Directors. The *pro forma* financial information consists of:

- the *pro forma* net asset value and net tangible asset value per share of the Group, set out in paragraph 17.2 to the Circular, the *pro forma* statement of financial position of the Group, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to the Group, and the related notes, set out in Annexure 2 of the Circular, (collectively the "**Pro forma SOFP**"), as if each of the GPI Repurchase, Treasury Repurchase and collectively the Transactions (collectively "**Transactions**") had taken place on 31 December 2018; and
- the *pro forma* basic earnings and diluted basic earnings, headline and diluted headline earnings per share of the Group, the *pro forma* statement of profit or loss and other comprehensive income of the Group and the related notes (collectively "**Pro forma SOCI**"), as if the Transactions detailed below had taken place on 1 July 2018.

The *Pro forma* SOFP and the *Pro forma* SOCI are collectively referred to as the *Pro forma* Financial Information of the Group for purposes of this Report. The applicable criteria on the basis of which the Directors have compiled the *Pro forma* Financial Information of the Group is specified in the Listings Requirements and described in the Basis of Preparation paragraph of Annexure 2 of the Circular.

The purpose of the *Pro forma* Financial Information of the Group included in the Circular is solely to illustrate the impact of the Transactions on the unadjusted Published Financial Information as if the Transactions had been undertaken on 1 July 2018 for purposes of the *Pro forma* SOCI and on 31 December 2018 for purposes of the *Pro forma* SOFP. Accordingly, we do not provide any assurance that the actual outcome of the Transactions, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Group.

As part of this process, the basic earnings, diluted basic earnings, headline earnings and diluted headline earnings, net asset value and net tangible asset value per share, statement of profit or loss and other comprehensive income and statement of financial position of the Group have been extracted by the Directors from the Group's published financial information as at and for the six-month period ended 31 December 2018 ("**Published Financial Information**").

Directors' Responsibility for the *Pro forma* Financial Information of the Group

The Directors are responsible for compiling the *Pro forma* Financial Information of the Group on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the Basis of Preparation paragraph of Annexure 2 of the Circular ("**Applicable Criteria**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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)*.

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

Independent Reporting Accountant's responsibilities

Our responsibility is to express an opinion, based on our procedures performed, about whether the *Pro forma* Financial Information of the Group has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information of the Group 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 of the Group, 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 of the Group.

The purpose of the *Pro forma* Financial Information of the Group included in the Circular is solely to illustrate the impact of the Transactions on the unadjusted Published Financial Information as if the Transactions had been undertaken on 1 July 2018 for purposes of the *Pro forma* SOCI and on 31 December 2018 for purposes of the *Pro forma* SOFP. Accordingly, we do not provide any assurance that the actual outcome of the Transactions, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Group.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Group has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Transactions and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Group reflects the proper application of those *pro forma* adjustments to the unadjusted Published Financial Information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the Transactions in respect of which the *Pro forma* Financial Information of the Group has been compiled and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Group.

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 of the Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

Restriction on use

This Report has been prepared for the purpose of satisfying the requirements of the JSE Listings Requirements, and for no other purpose.

KPMG Inc.
Registered Auditor

Per Ivan Engels
Chartered Accountant (SA)
Registered Auditor
Director
6 August 2019

KPMG Inc.
The Halyard
4 Christiaan Barnard Street
Foreshore
Cape Town
8001



SPUR CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/000828/06)

Share code: SUR ISIN: ZAE000022653

NOTICE OF GENERAL MEETING

The definitions commencing on page 4 of this Circular apply, *mutatis mutandis*, to the information in this Notice of General Meeting.

RECORD DATE

The Board has determined that the record date in terms of section 59(1) of the Act for the purpose of determining which Spur Shareholders are entitled to receive notice of the General Meeting is Friday, 16 August 2019 and the record date for purposes of determining which Spur Shareholders are entitled to participate in and vote at the General Meeting is Friday, 13 September 2019. Accordingly, only Spur Shareholders who are registered in the register of members of the Company on Friday, 13 September 2019, will be entitled to participate in the General Meeting.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Spur Shareholders will be held at 14 Edison Way, Century Gate Business Park, Century City, Cape Town at 10:00 on Wednesday, 25 September 2019, for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out below.

1. SPECIAL RESOLUTION NUMBER ONE – SPECIFIC AUTHORITY, IN TERMS OF THE ACT AND JSE LISTINGS REQUIREMENTS FOR THE REPURCHASE BY THE COMPANY OF 10 848 093 OF ITS OWN SPUR SHARES FROM GPI INVESTMENTS FOR A REPURCHASE CONSIDERATION OF R260 354 232.

“RESOLVED THAT the Company be and is hereby authorised, by way of a specific authority, in terms of sections 4, 48(8)(b) and 114 read together with section 115 of the Act, the Listings Requirements and paragraph 14.3 of the Memorandum of Incorporation of the Company, to acquire 10 848 093 Spur Shares from GPI Investments at a purchase consideration amounting to R260 354 232 and to cancel such shares in accordance with the applicable provisions of the Act.”

- 1.1 The Board is of the opinion that, after considering the effect of the GPI Repurchase:
 - 1.1.1 The Company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months from the date of approval of the Circular;
 - 1.1.2 The 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 from the date of approval of the Circular;
 - 1.1.3 The stated capital and the reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of the Circular;
 - 1.1.4 The working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of the Circular.
- 1.2 In addition, in terms of section 46(1) of the Act, it is stated as follows:
 - 1.2.1 The Board has authorised the GPI Repurchase by resolution; and
 - 1.2.2 The Board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Act, and reasonably concluded that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the GPI Repurchase.
- 1.3 If special resolution number 2 is passed and if the circumstances in special resolution number 2 are present and the Directors resolve to revoke this special resolution number 1, the GPI Repurchase will not be undertaken; and/or
- 1.4 In circumstances where:
 - 1.4.1 this special resolution number 1 is opposed by at least 15% (fifteen per cent) of the voting rights that were exercised on that resolution and, within 5 (five) Business Days after the vote, any person who voted against special resolution number 1 requires the Company to seek Court approval in terms of section 115(3)(a) of the Act, the Directors be and are hereby authorised, but not obliged, to treat this special resolution number 1 as a nullity, in terms of section 115(5)(b) of the Act, if the Directors are of the view that it is in the best interest of the Company to do so; and/or

- 1.4.2 the Court, on an application within 10 (ten) Business Days after the vote by any person who voted against this special resolution number 1, grants that person leave, in terms of section 115(3)(b) and section 115(6) of the Act, to apply to a Court for a review of the GPI Repurchase in accordance with subsection 115(7) of the Act, the Directors be and are hereby authorised, but not obliged, to revoke this special resolution number 1, if the Directors are of the view that it is in the best interest of the Company to do so, and therefore, if the Directors resolve to treat this special resolution number 1 as a nullity or to revoke this special resolution number 1 as aforesaid, the GPI Repurchase will not be undertaken.”

Reason for and effect of special resolution number 1

The reason for and effect of special resolution number 1, if adopted and if the resolution is not revoked or treated as a nullity as contemplated above, will be the repurchase by the Company of 10 848 093 of its own Spur Shares from GPI Investments for a purchase consideration amounting to R260 354 232 and the subsequent cancellation of such shares.

In order for special resolution number 1 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Spur Shareholders present in person, or represented by proxy, excluding GPI Investments, GPI and their Associates, at the General Meeting is required. The GPI Repurchase Resolution will only be proposed to Spur Shareholders at the General Meeting if no Spur Shareholders objected thereto in terms of section 164(3) of the Act, or if any Spur Shareholders objected as aforesaid and the Directors have not resolved at the time of the General Meeting to retract the proposal of the GPI Repurchase Resolution.

2. SPECIAL RESOLUTION NUMBER 2 – POTENTIAL REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IN THE EVENT OF SPUR SHAREHOLDERS EXERCISING THEIR APPRAISAL RIGHTS

“RESOLVED THAT, subject to the passing of special resolution number 1 and in the event that any Spur Shareholders exercise their Appraisal Rights (“Dissenting Shareholders”), the Directors be and are hereby authorised, but not obliged, to revoke special resolution number 1, in terms of section 164(9)(c) of the Act, if the Directors are of the view that it is in the best interest of the Company to do so.”

Reason for and effect of special resolution number 2

The effect of special resolution number 2, if adopted, will be to enable the Company to revoke special resolution number 1, in the event that there are Dissenting Shareholders. In order for special resolution number 2 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Spur Shareholders present in person, or represented by proxy, at the General Meeting is required.

3. SPECIAL RESOLUTION NUMBER THREE – SPECIFIC AUTHORITY, IN TERMS OF THE ACT AND JSE LISTINGS REQUIREMENTS, FOR THE REPURCHASE BY THE COMPANY OF 6 635 901 OF ITS OWN SPUR SHARES FROM SHARE BUY-BACK FOR A REPURCHASE CONSIDERATION OF R145 392 591.

“RESOLVED THAT the Company be and is hereby authorised, by way of a specific authority, in terms of sections 4, 48(8)(b) and 114 read together with section 115 of the Act, the Listings Requirements and paragraph 14.3 of the Memorandum of Incorporation of the Company, to acquire 6 635 901 Spur Shares held in treasury from Share Buy-back at a purchase consideration amounting to R145 392 591 and to cancel such shares in accordance with the applicable provisions of the Act.”

- 3.1 The Board is of the opinion that, after considering the effect of the Treasury Repurchase:
- 3.1.1 The Company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months from the date of approval of the Circular;
 - 3.1.2 The 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 from the date of approval of the Circular;
 - 3.1.3 The stated capital and the reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of the Circular;
 - 3.1.4 The working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of the Circular.
- 3.2 In addition, in terms of section 46(1) of the Act it is stated as follows:
- 3.2.1 The Board has authorised the Treasury Repurchase by resolution; and
 - 3.2.2 The Board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Act, and reasonably concluded that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the Treasury Repurchase.
- 3.3 If special resolution number 4 is passed and if the circumstances in special resolution number 4 are present and the Directors resolve to revoke this special resolution number 3, the Treasury Repurchase will not be undertaken; and/or
- 3.4 In circumstances where:
- 3.4.1 this special resolution number 3 is opposed by at least 15% (fifteen per cent) of the voting rights that were exercised on that resolution and, within 5 (five) Business Days after the vote, any person who voted against special resolution number 3 requires the Company to seek Court approval in terms of section 115(3)(a) of the Act, the Directors be and are hereby authorised, but not obliged, to treat this special resolution number 3 as a nullity, in terms of section 115(5)(b) of the Act, if the Directors are of the view that it is in the best interest of the Company to do so; and/or

- 3.4.2 the Court, on an application within 10 (ten) Business Days after the vote by any person who voted against this special resolution number 3, grants that person leave, in terms of section 115(3)(b) and section 115(6) of the Act, to apply to a Court for a review of the Treasury Repurchase in accordance with subsection 115(7) of the Act, the Directors be and are hereby authorised, but not obliged, to revoke this special resolution number 3, if the Directors are of the view that it is in the best interest of the Company to do so, and therefore, if the Directors resolve to treat this special resolution number 3 as a nullity or to revoke this special resolution number 3 as aforesaid, the Treasury Repurchase will not be undertaken.”

Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3, if adopted and if the resolution is not revoked or treated as nullity as contemplated above, will be the repurchase by the Company of 6 635 901 of its own Spur Shares from Share Buy-back for a purchase consideration amounting to R145 392 591 and the subsequent cancellation of such shares.

In order for special resolution number 3 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Spur Shareholders present in person, or represented by proxy, at the General Meeting is required. The Treasury Repurchase Resolution will only be proposed to Spur Shareholders at the General Meeting if no Spur Shareholders objected thereto in terms of section 164(3) of the Act, or if any Spur Shareholders objected as aforesaid and the Directors have not resolved at the time of the General Meeting to retract the proposal of the Treasury Repurchase Resolution.

4. SPECIAL RESOLUTION NUMBER 4 – POTENTIAL REVOCATION OF SPECIAL RESOLUTION NUMBER 3 IN THE EVENT OF SPUR SHAREHOLDERS EXERCISING THEIR APPRAISAL RIGHTS

“RESOLVED THAT, subject to the passing of special resolution number 3 and in the event that any Spur Shareholders exercise their Appraisal Rights, the Directors be and are hereby authorised, but not obliged, to revoke special resolution number 3, in terms of section 164(9)(c) of the Act, if the Directors are of the view that it is in the best interest of the Company to do so.”

Reason for and effect of special resolution number 4

The effect of special resolution number 4, if adopted, will be to enable the Company to revoke special resolution number 3, in the event that there are Dissenting Shareholders. In order for special resolution number 4 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Spur Shareholders present in person, or represented by proxy, at the General Meeting is required.

5. ORDINARY RESOLUTION NUMBER 1 – SIGNING AUTHORITY

“RESOLVED THAT each Director, or the secretary of the Company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of the Repurchase Resolutions passed at the General Meeting of the Company and set out in this notice.”

In order for this ordinary resolution number 1 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Spur Shareholders present in person, or represented by proxy, at the General Meeting is required.

6. REQUIREMENTS FOR THE PASSING OF RESOLUTIONS UNDER SECTION 114 AND SECTION 115 OF THE ACT AND APPLICATIONS TO COURT IN TERMS OF SECTION 115 OF THE ACT

Section 115 of the Act sets out the requisite approval for undertaking transactions in terms of Chapter 5, Part A of the Act. Section 115 of the Act provides, *inter alia*, that:

- (a) certain parties will be precluded from voting at a general meeting, in the event that such party is considered to be an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them; and
- (b) a resolution, despite having been adopted in terms of the Act, may not be implemented, and would be subject to Court approval, if:
 - (i) the resolution was opposed by at least 15% (fifteen per cent) of the voting rights that were exercised on such resolution and within 5 (five) Business Days after the vote, any person who voted against the resolution requires the Company to seek Court approval; and
 - (ii) the Court, on an application within 10 (ten) Business Days after the vote by any person who voted against the resolution, grants that person leave, to apply to a Court for a review of the transaction, and section 115 of the Act provides for the process to be followed under these circumstances.

A copy of section 115 of the Act is attached as Annexure B to this notice of General Meeting.

7. APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

7.1 In terms of section 164 of the Act, at any time before special resolutions number 1 and 3 as set out in this Notice of General Meeting is to be voted on, a Dissenting Shareholder may give the Company a written notice objecting to special resolution number 1 and/or special resolution number 3. Within 10 (ten) Business Days after the Company has adopted special resolution number 1 and/or special resolution number 3, the Company must send a notice that special resolution number 1 and/or special resolution number 3 has been adopted to each Spur Shareholder who:

- (a) gave the Company a written notice of objection; and
- (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.

- 7.2 A Spur Shareholder may demand that the Company pay such Spur Shareholder the fair value for all the Spur Shares held by that person if:
- (a) the Spur Shareholder has sent the Company a notice of objection;
 - (b) the Company has adopted special resolution number 1 and/or special resolution number 3; and
 - (c) the Spur Shareholder voted against special resolution number 1 and/or special resolution number 3 and has complied with all of the procedural requirements of section 164 of the Act.

A copy of section 164 of the Act is attached as Annexure C to this notice of General Meeting.

VOTING AND PROXIES

Each Spur Shareholder who, being a natural person is present in person or by proxy, or, being a company, is present by representative proxy, at the General Meeting is entitled to one vote on a show of hands. On a poll, each Spur Shareholder, whether present in person or by proxy, or by representation, is entitled to one vote for each share held.

A form of proxy is attached for use by certificated or "own name" shareholders who are unable to attend the General Meeting but wish to be represented thereat. They are required to complete and return the form of proxy so as to be received by the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), by not later than 10:00 on Monday, 23 September 2019.

A summary of the rights established by section 58 of the Act, as required by subsection 58(8)(b)(i), is attached as Annexure A to this Notice of General Meeting.

In terms of the custody agreements entered into by dematerialised shareholders and their CSDP's or stockbrokers:

- dematerialised shareholders other than own name shareholders who wish to attend the General Meeting must instruct their CSDP, banker or stockbroker to issue them with the necessary letter of representation to attend the General Meeting;
- dematerialised shareholders other than own name shareholders who wish to be represented at the General Meeting by way of proxy must provide their CSDP, banker or stockbroker with their voting instructions by the cut-off time or date advised by their CSDP, banker or stockbroker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the General Meeting may appoint one or more proxies (none of whom need be a Spur Shareholder) to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed.

By order of the Board



Phillip Matthee
Chief financial officer

Cape Town

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, 71 OF 2008 (“ACT”), AS REQUIRED IN TERMS OF SUBSECTION 58(8)(B)(I)

1. A Spur Shareholder may at any time appoint any individual, including a non-Spur Shareholder of the Company, as a proxy to participate in, speak and vote at a Spur Shareholders’ meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the Spur Shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the Spur Shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 (section 58(2)).
3. A Spur Shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the Spur Shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the Spur Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy (“proxy instrument”) (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the Spur Shareholder at a Spur Shareholders’ meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation of the Company at least 24 hours before the General Meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy –
 - 6.1 the appointment is suspended at any time and to the extent that the Spur Shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the Spur Shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 (section 58(5)).
8. If the proxy instrument has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Act or the Company’s Memorandum of Incorporation to be delivered by the Company to the Spur Shareholder must be delivered by the Company to the Spur Shareholder (section 58(6)(a)), or the proxy or proxies, if the Spur Shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Spur Shareholder without direction, except to the extent that the Memorandum of Incorporation or proxy instrument provides otherwise (section 58(7)).
10. If the Company issues an invitation to Spur Shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every Spur Shareholder entitled to notice of the General Meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a Spur Shareholder to write the name, and if desired, an alternative name of a proxy chosen by the Spur Shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the Spur Shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the General Meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the General Meeting at which it was intended to be used, subject to paragraph 7 (section 58(8)(d)).

SECTION 115 OF THE ACT – REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART A

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter 5, and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement, the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), "act in concert" has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).

- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

SECTION 164 OF THE ACT – DISSENTING SHAREHOLDERS APPRAISAL RIGHTS

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.



SPUR CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/000828/06)

Share code: SUR ISIN: ZAE000022653

**FORM OF PROXY FOR USE BY CERTIFICATED AND “OWN NAME”
DEMATERIALIZED ORDINARY SHAREHOLDERS ONLY**

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to the information in this form of proxy.

A certificated or own name dematerialised Spur Shareholder entitled to attend and vote at the General Meeting to be held at 14 Edison Way, Century Gate Business Park, Century City, Cape Town at 10:00 on Wednesday, 25 September 2019 is entitled to appoint a proxy, or proxies, to attend, speak and vote thereat in his/her stead. A proxy need not be a shareholder of the Company.

Forms of proxy may be presented at any time prior to or at the General Meeting and also at the Company's registered office, or the Company's Transfer Secretaries. Should forms of proxy be presented at the Company's Transfer Secretaries, these must be completed and received by Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Postal Address: PO Box 61051, Marshalltown, 2107) by 10:00 on Monday, 23 September 2019.

Dematerialised shareholders who wish to attend the General Meeting or vote by way of proxy must contact their CSDP, banker or stockbroker who will provide them with the necessary letter of representation to vote or carry out their instructions. This must be effected in terms of the custody agreement entered into between the shareholder and the CSDP, banker or stockbroker.

I/We (NAME IN FULL – IN BLOCK LETTERS) _____

Of (address) _____

Telephone number () _____ Cellphone number _____

e-mail address _____

being the holder(s) of: _____ ordinary shares

in the Company, hereby appoint (see note 1):

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the general meeting

as my/our proxy to act for me/us on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for or against the said resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name(s), in accordance with the following instructions (see note 2):

	For	Against	Abstain
Special resolution number 1 Authority to repurchase Spur Shares from GPI Investments			
Special resolution number 2 Authority to revoke Special Resolution number 1			
Special resolution number 3 Authority to repurchase Spur Shares from Share Buy-back			
Special resolution number 4 Authority to revoke Special Resolution number 3			
Ordinary resolution number 1 To allow a director and company secretary to do all such things and to sign all such documents as may be necessary to implement the resolutions set out above			

Insert an “X” in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote (see note 2).

Signed at _____ on _____ 2019

Signature _____

Assisted by me (where applicable)

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

Notes:

1. A Spur Shareholder 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 chairman of the General Meeting", but any such deletion must be initialled by the member. The person whose name stands first on the 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.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of Spur Shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the members' votes exercisable thereat. A Spur Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or by his/her proxy.
3. Forms of proxy may be presented at any time prior to or at the General Meeting and also at the Company's registered office, or the Company's Transfer Secretaries. Should forms of proxy be presented at the Company's Transfer Secretaries, these must be completed and received by Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Postal Address: PO Box 61051, Marshalltown, 2107) by 10:00 on Monday, 23 September 2019.
4. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's Transfer Secretaries or waived by the chairman of the General Meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/(ies).
7. 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 Transfer Secretaries of the Company.
8. The chairman of the General Meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the General Meeting is satisfied as to the manner in which the Shareholder wishes to vote.
9. The date must be filled in on this form of proxy when it is signed.

