

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply mutatis mutandis throughout this document including this cover page.

Holders of Esor Shares are entitled to participate in the Rights Offer in the same ratio of Entitlement in relation to one another.

Shareholders are referred to pages 2 to 3 of this Circular, which sets out the action required of them with regard to the Rights Offer, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your Broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Esor Shares, this Circular and the Form of Instruction should be forwarded to the purchaser to whom, or the Broker, CSDP or agent through whom you disposed of your Esor Shares.

The Rights that are represented by Letters of Allocation are valuable and may be renounced or sold on the JSE. Letters of Allocation, which are renounceable can, however, only be traded in Dematerialised form.

Only whole numbers of Esor Shares will be issued in terms of the Rights Offer. Excess applications will not be permitted.

The Letter of Allocation to which the Form of Instruction enclosed with this Circular (where applicable) relates is negotiable and may be sold on the JSE.



ESOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1994/000732/06)

JSE code: ESR

ISIN: ZAE000184669

JSE code for LAs: ESRN

ISIN for LAs: ZAE000237913

CIRCULAR TO ESOR SHAREHOLDERS

relating to:

a fully underwritten renounceable Rights Offer of 98 796 357 new Esor Shares, to be issued at a Subscription Price of 38 cents per Share, in the ratio of 25 Rights Offer Shares for every 100 Esor Shares held at the close of business on Friday, 3 February 2017, thereby raising R37,54 million;

and enclosing:

a Form of Instruction in respect of a Letter of Allocation (to be completed by holders of Certificated Shares only).

Rights Offer opens at the commencement of trade on

Monday, 6 February 2017

Rights Offer closes at 12:00 on

Friday, 17 February 2017

Shareholders are referred to paragraph 16 of this Circular, which outlines the Directors' responsibility in regard to this Circular.

Each of the Company's advisers, whose names are set out in the Corporate Information page of this Circular, have consented in writing to act in the capacity stated and to their names being stated and, where applicable, their reports being included, in the form and context in which they appear in this Circular and have not withdrawn such consent prior to the publication hereof.

A copy of this Circular, together with the Form of Instruction, were lodged and approved by the JSE.

VUNANI

CAPITAL

Corporate Adviser and Sponsor



Geomer Investments
Underwriter

Date of issue: Thursday, 2 February 2017

Copies of this Circular, which are available in English only, may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Thursday, 2 February 2017 up to and including Friday, 17 February 2017 or on the Company's website at www.esor.co.za.

CORPORATE INFORMATION

Directors

B Krone* (Chairman)
W van Zyl (CEO)
B Atkinson (Financial Director)
O Franks (Lead Independent Director)**
H Sonn**
R Masemene**
* *Non-executive*
** *Independent non-executive*

Company secretary and registered office

iThemba Governance and Statutory Solutions
(Proprietary) Limited, represented by
Ms Elise Beukes
(Registration number 2008/008745/07)

Monument Office Park
Suite 5 – 102
79 Steenbok Avenue
Monument Park, 0181

PO Box 25160, Monument Park, 0105

Registered office

30 Activia Road
Activia Park
Germiston
1429

PO Box 6478, Dunswart, 1508

Corporate advisor and sponsor

Vunani Corporate Finance
(Registration number 1998/001469/07)
Vunani House
Vunani Office Park
151 Katherine Street
Sandown
Sandton
2196

PO Box 652419, Benmore, 2010

Website

www.esor.co.za

Date and place of incorporation

8 February 1994
RSA

Transfer secretaries

Computershare Investor Services (Proprietary)
Limited

(Registration number 2004/003647/07)

Rosebank Towers
15 Biermann Avenue
Rosebank
2196

PO Box 61051, Marshalltown, 2107

Underwriter

Geomer Investments Proprietary Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1995/005532/07)

Registered office
225 Bree Street
Cape Town
8001

TABLE OF CONTENTS

Corporate information	IFC
Action required by Esor Shareholders	2
Salient dates and times	4
Definitions and interpretations	5
Circular to Shareholders	8
1. Introduction and purpose of Circular	8
2. Purpose of the Rights Offer	8
3. Nature of business and prospects	9
4. Particulars of the Rights Offer	10
5. Underwriting agreements	11
6. Procedure for acceptance of the Rights Offer	12
7. Excess applications for Rights Offer Shares	13
8. Sale or renunciation of Rights Offer Entitlement	13
9. Payment	14
10. Exchange Control Regulations	15
11. Tax consequences	16
12. South African law	16
13. Documents of title	16
14. Share capital	17
15. Directors	17
16. Directors' responsibility statement	18
17. Experts' consents	18
18. Costs	19
19. Documents available for inspection	19
Annexure 1 Table of Entitlement	20
Annexure 2 Information relating to the Underwriters	21
Annexure 3 Share price history	22
Annexure 4 Acquisition of Tuboseal Services Proprietary Limited ("Tuboseal Services") and the business assets and operations from Tuboseal Proprietary Limited ("Tuboseal")	23
Form of Instruction in respect of the Letter of Allocation (where applicable)	Attached

ACTION REQUIRED BY ESOR SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply, mutatis mutandis, to this section.

Please take careful note of the following provisions regarding the action required by Shareholders

1. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional adviser.
2. If you have disposed of all your Shares, please forward this Circular and accompanying Form of Instruction to the purchaser of such Esor Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.
3. Certificated Shareholders wishing to Dematerialise their Shares are advised that the Dematerialisation process can take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.
4. The Rights that are represented by Letters of Allocation are valuable and may be traded on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and accordingly, all Letters of Allocation will be issued in Dematerialised form.

Qualifying Dematerialised Shareholders

Qualifying Shareholders who have Dematerialised their Shares:

1. will NOT receive a "printed" Form of Instruction, but will have their accounts updated with their Rights Offer Entitlement by their CSDP or Broker;
2. should timeously instruct their CSDP or Broker as to whether they wish to subscribe for all or part of their Rights Offer Entitlement, sell all or part of their Rights Offer Entitlement or renounce all or part of their Rights Offer Entitlement, in the manner and by the time stipulated in the Custody Agreement;
3. who do not issue instructions to their CSDP or Broker, will result in the CSDP or Broker acting in accordance with the Custody Agreement;
4. should note that Esor assumes no responsibility and will not be held liable for any failure on the part of their CSDP or Broker to notify them of the Rights Offer and to receive instruction in regard thereto;
5. who do not take up their Rights will continue to own the same number of Shares, but their percentage holding in Esor will be diluted. Subject to exceptions applicable to those Shareholders domiciled in Excluded Territories, Rights not exercised will be deemed to have been declined and will lapse and the relevant Qualifying Shareholder shall not receive any economic benefit in respect of such lapsed Rights.

Qualifying Certificated Shareholders

Qualifying Shareholders who **have not** Dematerialised their Shares:

1. will have their Letter of Allocation created in electronic form with the Transfer Secretaries to ensure that Certificated Shareholders have the same Rights and opportunities in respect of the Rights Offer as those who have already Dematerialised their Shares;
2. will receive a printed Form of Instruction in relation to the Letter of Allocation, providing for the subscription for all or part of their Rights Offer Entitlement, sale of all or part of their Rights Offer Entitlement or renouncement all or part of their Rights Offer Entitlement and must act in accordance with the instructions thereon; and
3. who wish to subscribe for all of their Rights Offer Entitlement, must complete blocks 5 and 6 of the Form of Instruction in accordance with the instructions contained therein, attach their cheques, bankers' draft or EFT Reference Document reflecting the appropriate amount and lodge same with the Transfer Secretaries in the manner as set out below so as to reach the Transfer Secretaries by no later than 12:00 on Friday, 17 February 2017;

Hand deliveries to:

Esor Limited
c/o Computershare Investor Services
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Postal deliveries to:

Esor Limited
c/o Computershare Investor Services
PO Box 61763
Marshalltown
2107

Faxed to (only in the case where payment is by way of EFT):

c/o Computershare Investor Services
Proprietary Limited
+27 (0)11 688 5210

Emailed to (only in the case where payment is by way of EFT):

corporate.events@computershare.co.za

(Payment of the Subscription Price may be effected by means of an EFT. Qualifying Certificated Shareholders may contact the Transfer Secretaries Call Centre – Corporate Actions on 0861 100 634 to obtain banking details and the EFT reference number for the deposits.)

4. will receive share certificates in respect of the Rights Offer Shares;
5. will only be able to trade their Rights Offer Shares on the JSE once they have been Dematerialised; this could take between 1 (one) and 10 (ten) days, depending on the volume being processed at the time;
6. who wish to sell all or part of their Rights Offer Entitlement, must complete Form A of the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than 12:00 on Tuesday, 14 February 2017;
7. who wish to renounce their Rights Offer Entitlement in favour of any named Renounee must complete Form B on the enclosed Form of Instruction and the Renounee must complete Form C on the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than 12:00 on Friday, 17 February 2017, together with a cheque, bankers draft or EFT Reference Document indicating the EFT payment for the appropriate amount;
8. who do not take up their Rights will continue to own the same number of Shares, but their percentage holding in Esor will be diluted. Subject to exceptions applicable to those Shareholders domiciled in Excluded Territories, Rights not exercised will be deemed to have been declined and will lapse and the relevant Qualifying Shareholder shall not receive any economic benefit in respect of such lapsed Rights.

SALIENT DATES AND TIMES

	2017
Rights Offer Declaration Data announcement released on SENS	Friday, 20 January
Rights Offer finalisation announcement released on SENS	Thursday, 26 January
Last day to trade in Esor Shares in order to participate in the Rights Offer	Tuesday, 31 January
Listing of and trading in the Letters of Allocation on the JSE under JSE code ESRN and ISIN ZAE000237913	Wednesday, 1 February
Esor Shares commence trading ex-rights on the JSE at 09:00 on	Wednesday, 1 February
Circular and Form of Instruction posted to Certificated Shareholders	Thursday, 2 February
Record Date for determination of Shareholders entitled to participate in the Rights Offer	Friday, 3 February
Rights Offer opens at 09:00 on	Monday, 6 February
Holders of Dematerialised Shares will have their accounts at their CSDP or Broker automatically credited with their Letters of Allocation on	Monday, 6 February
Holders of Certificated Shares will have their Letters of Allocation credited to an electronic register at the Transfer Secretaries on	Monday, 6 February
Rights Offer Circular posted to Dematerialised Shareholders	Tuesday, 7 February
Last day to trade Letters of Allocation on the JSE	Tuesday, 14 February
Maximum number of Rights Offer Shares listed and trading therein commences on the JSE	Wednesday, 15 February
Record Date for Letters of Allocation	Friday, 17 February
Rights Offer closes at 12:00 on	Friday, 17 February
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by certificated Shareholders by 12:00 (see Note 5 below)	Friday, 17 February
Rights Offer Shares issued and posted to Shareholders in Certificated form on or about	Monday, 20 February
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of payment for Rights Offer Shares)	Monday, 20 February
Results of Rights Offer announced on SENS on	Monday, 20 February

Notes:

- Dematerialised Shareholders are required to notify their duly appointed CSDP or Broker of their acceptance or otherwise of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between such Shareholder and their CSDP or Broker.
- All times indicated are South African times unless otherwise stated.
- Share certificates may not be Dematerialised or rematerialised between Wednesday, 1 February 2017 and Friday, 3 February 2017, both days inclusive.
- The CSDP/Broker accounts of Dematerialised Shareholders will be automatically credited with Esor Rights Offer Shares to the extent to which they have accepted the Rights Offer. Share certificates will be posted, by registered post at the Shareholders' risk, to Certificated Shareholders in respect of the Rights Offer Shares which have been accepted.
- CSDPs or Brokers effect payment in respect of Dematerialised Shareholders on a delivery versus payment method.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and vice versa. Words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders.

"Blocked Rand"	funds that, in terms of the Exchange Control Regulations, cannot be transferred outside of South Africa;
"Board of Directors"	board of directors of Esor, whose names are set out in the "Corporate information" section of this Circular;
"Broker"	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
"Business Day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"Certificated Shares"	Shares which are not Dematerialised, title to which is represented by physical Documents of Title;
"Certificated Shareholders"	Shareholders who hold Certificated Shares;
"Circular"	this Circular, dated Thursday, 2 February 2017, including the Form of Instruction and the annexures;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act 2008, (Act No. 71 of 2008), as amended;
"CSDP"	Central Securities Depository Participant as defined in the Financial Markets Act, No. 19 of 2012;
"Custody Agreement"	the agreement which regulates the relationship between the CSDP or Broker and each beneficial holder of Dematerialised Shares;
"Dematerialise" or "Dematerialisation"	means the process by which Certificated Shares are converted to an electronic form as Dematerialised Shares and recorded in the sub-register of Shareholders maintained by a CSDP;
"Dematerialised Shares"	Shares which have been incorporated into Strate and which are no longer evidenced by physical Documents of Title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
"Dematerialised Shareholders"	all registered holders of Dematerialised Shares;
"Designated Bank Account"	the bank account, the details of which will be provided on request from the representative of the Transfer Secretaries, contactable during ordinary business hours on 0861 100 634;
"Document of Title"	share certificates and/or certificated transfer deeds and/or balance receipts or any other documents of title in respect of Esor Shares in certificated form;
"EFT"	Electronic Funds Transfer;
"EFT Reference Document"	the proof of EFT into the Designated Bank Account, that must contain the EFT reference number and swift reference number (if applicable);

DEFINITIONS AND INTERPRETATIONS *(continued)*

"Emigrants"	former residents of the Common Monetary Area;
"Entitlement"	Shareholders' entitlements to Rights;
"Esor" or "the Company"	Esor Limited (Registration number 1994/000732/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa and whose Shares are listed on the JSE;
"Esor Construction"	Esor Construction Proprietary Limited (Registration number 1998/004367/07), a private company duly registered and incorporated in accordance with the company laws of South Africa and a wholly owned subsidiary of Esor;
"Esor Shareholders" or "Shareholders"	collectively, Dematerialised Shareholders and Certificated Shareholders holding Esor Shares;
"Esor Shares" or "Shares"	the ordinary shares in the capital of the Company of R0,001 each;
"Exchange Control Regulations"	Exchange Control Regulations of 1961, as amended, in terms of section 9 of the Currency and Exchange Act, 1933 (Act 9 of 1933), as amended;
"Excluded Territories"	any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations;
"Form of Instruction"	Form of Instruction (enclosed in this Circular in the case of Certificated Shareholders) in respect of the Letter of Allocation reflecting the entitlement of Certificated Shareholders and on which Certificated Shareholders are required to indicate whether they wish to take up, sell or renounce their Rights;
"Geomer"	Geomer Investments Proprietary Limited (Registration number 1995/005532/07), a private company duly incorporated and registered in accordance with the company laws of South Africa and a material shareholder of Esor;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated and registered with limited liability under the company laws of South Africa and licensed as an exchange under the SSA;
"Last Practicable Date"	the last practicable date prior to the finalisation of the Circular, being Thursday, 19 January 2017;
"Letters of Allocation"	the renounceable (nil paid) Letters of Allocation issued by Esor in electronic form to Qualifying Shareholders conferring the right to subscribe for Rights Offer Shares pursuant to the Rights Offer;
"Listings Requirements"	means the Listings Requirements of the JSE, as amended from time to time;
"Qualifying Certificated Shareholder"	Qualifying Shareholders holding Certificated Shares;
"Qualifying Dematerialised Shareholders"	Qualifying Shareholders holding Dematerialised Shares;
"Qualifying Shareholder"	shareholders entitled to participate in the Rights Offer, being those Certificated and Dematerialised Shareholders registered as such on the Record Date;

"Rand" or "R"	South African Rand, the official currency of South Africa;
"Record Date"	last date for Esor Shareholders to be recorded in the register in order to participate in the Rights Offer, being the close of trade on Friday, 3 February 2017;
"Register"	register of Shareholders, including all sub-registers;
"Renouncee"	means a person in whose favour a Qualifying Shareholder has renounced all or a portion of its Rights;
"Rights Offer"	a fully underwritten renounceable Rights Offer to Esor Shareholders of 98 796 357 ordinary Shares of R0.001 each in the ordinary share capital of Esor at a Subscription Price of 38 cents per Rights Offer Share, in the ratio of 25 Rights Offer Shares for every 100 ordinary Shares held in Esor at the close of trade on the Record Date;
"Rights Offer Entitlement" or "Right"	renounceable right of Esor Shareholders to subscribe for Rights Offer Shares in terms of the Rights Offer;
"Rights Offer Shares"	98 796 357 new Esor Shares to be issued in terms of the Rights Offer;
"SADC"	The Southern African Development Community
"SENS"	Securities Exchange News Service of the JSE;
"South Africa" or "RSA"	the Republic of South Africa;
"SSA"	Securities Services Act, 2004 (Act 36 of 2004), as amended;
"Strate"	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa and the CSDP registered in terms of the SSA;
"Subscription Price"	the issue price of the Rights Offer Shares of 38 cents per Share;
"Transfer Secretaries" or "Computer Investor Services"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
"Underwriter"	means Geomer, which has entered into the Underwriting Agreement in terms of which it has irrevocably undertaken to subscribe for 98 796 357 of the Rights Offer Shares, details of which are contained in Annexure 2;
"Underwriting Agreement"	means the agreement in terms of which the Underwriter has fully underwritten the Rights Offer by irrevocably subscribing for all of the Rights Offer Shares; and
"Vunani" or "Sponsor"	Vunani Corporate Finance (Registration number 1998/001469/07), a private company duly registered and incorporated under the laws of South Africa.



Esor Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1994/000732/06)

JSE code: ESR

ISIN: ZAE000184669

("Esor" or "the Company")

1. INTRODUCTION AND PURPOSE OF CIRCULAR

On Friday, 20 January 2017, it was announced on SENS that Esor intends to raise up to R37,54 million by way of an underwritten renounceable Rights Offer, in terms of which Esor will offer a total of 98 796 357 Rights Offer Shares to Shareholders.

The JSE has agreed to the listing of the Rights Offer Shares and the purpose of this Circular is to furnish Esor Shareholders with relevant information relating to the Rights Offer, the action required and the implications thereof, in accordance with the Companies Act and the Listings Requirements.

In terms of the Rights Offer, Esor Shareholders recorded in the Register at the close of trade on Friday, 3 February 2017 will be entitled to subscribe for the Rights Offer Shares in the ratio of 25 Rights Offer Shares for every 100 Shares held, at a subscription price of 38 cents per Rights Offer Share. Only whole numbers of Shares will be issued and Esor Shareholders will be entitled to a rounded number of Shares, as set out in Annexure 1 below, once the ratio has been applied.

Applications for excess Rights Offer Shares will not be permitted.

2. PURPOSE OF THE RIGHTS OFFER

2.1 Use of proceeds

Shareholders are referred to the announcement released on SENS on 10 October 2016 relating to the acquisition by the Company of Tuboseal Services Proprietary Limited and the Business Assets and Operations from Tuboseal Proprietary Limited ("the Acquisition").

The full proceeds from the Rights Offer will be used to repay a credit facility that was made available to Esor to fund the Acquisition by Geomer. The costs of the Rights Offer are being funded from internal cash resources.

2.2 Salient terms of the Heads of Agreement

On 6 October 2016 Geomer Investments and Esor entered into the Heads of Agreement the material details of which are as follows:

- 2.2.1 The Heads of Agreement are legally binding until formal written agreements detailing the matters covered in the Heads of Agreement are entered into.
- 2.2.2 A line of credit ("Credit Facility") shall be granted by Geomer Investments to Esor in the amount of R35 750 000.
- 2.2.3 The Credit Facility shall be used by Esor for the purpose of advancing its business.
- 2.2.4 The Credit Facility may be drawn upon by Esor Construction for the sole purpose of executing the Tuboseal Acquisition.

2. PURPOSE OF THE RIGHTS OFFER *(continued)*

2.2 Salient terms of the Heads of Agreement *(continued)*

- 2.2.5 Geomer Investments shall be entitled to the payment by Esor of interest on the drawn-down capital portion of the Credit Facility at the publicly quoted prime rate of interest of First National Bank, a division of First Rand Bank Limited, calculated on a net annual compounded monthly in arrears basis, from the date of drawn-down to date of repayment in full.
- 2.2.6 The Credit Facility shall be repaid in full by Esor to Geomer Investments by no later than close of business on 28 February 2017.
- 2.2.7 Esor shall undertake a rights issue in accordance with the listings requirements of JSE Limited, such that it shall offer up to 98 796 357 shares at an issue price of 38 cents per share in the ratio of 25 Rights Offer Shares for every 100 Esor Shares held.
- 2.2.8 Should the Proposed Rights Offer not be undertaken or not be completed by 28 February 2017, the interest rate referred to in 2.2.5 above shall be increased to the publicly quoted prime rate of interest plus 5% and Geomer Investments shall be entitled to a commitment fee of R536 250.
- 2.2.9 Esor shall be granted an option by Geomer, to acquire the fixed property acquired by Jaccoll Investments Proprietary Limited, a subsidiary of Geomer, from Lazercor Twenty One Proprietary Limited, the previous landlord of Tuboseal. The option does not have any cost associated with it and may only be exercised at Esor's election. Mr Jean Louis Frey, the disposing shareholder of Tuboseal as morefully set out in Annexure 4 below, was the majority shareholder of both Tuboseal and Lazercor Twenty One Proprietary Limited, prior to the Acquisition.
- 2.2.10 Geomer Investments shall underwrite the Proposed Rights Offer and shall be paid an underwriting fee equal to 1,5% of the amount underwritten.
- 2.2.11 All conditions precedent in terms of the Funding Heads of Agreement have been fulfilled.

Shareholders are advised that in terms of paragraph 2.2.5 and 2.2.6 above, the total amount of interest that would have been paid to Geomer assuming the credit facility is repaid in full on 28 February 2017 would be R1,36 million. This amount will change if the facility is repaid before or after 28 February 2017.

3. NATURE OF BUSINESS AND PROSPECTS

Esor is a multi-disciplinary construction and development group focused on niche sectors of the construction market and infrastructure development projects in southern Africa. Esor has evolved into a product delivery-focused group with service areas including:

- Infrastructure
- Building and housing
- Pipelines
- Pipe services, including pipejacking and trenchless rehabilitation
- Sanitation
- Property developments
- Geotechnical services in Zimbabwe

CIRCULAR TO SHAREHOLDERS *(continued)*

3. NATURE OF BUSINESS AND PROSPECTS *(continued)*

The current challenging market conditions are not expected to change in the short term. Nonetheless, Africa and specifically the SADC countries offer good growth prospects. We are currently completing nine pipejacks in Botswana with the possibility of additional works and are commencing with our largest piling job in Harare, Zimbabwe for Old Mutual. We also continue to actively tender in Swaziland and Zambia.

Work on hand has decreased marginally to R1,4 billion compared to R1,6 billion for the comparative period. However, there are a number of imminent outstanding awards which could positively boost the order book to R2,5 billion. Cash conversion rates from this pipeline will remain a challenge taking into account the secured margin and commercial terms.

4. PARTICULARS OF THE RIGHTS OFFER

4.1 *Terms of the Rights Offer*

Qualifying Shareholders are hereby offered the Right to acquire 25 Rights Offer Shares for every 100 Shares held on the Record Date at a subscription price of 38 cents per Rights Offer Share.

To the extent that the Rights Offer is fully subscribed, a maximum of 98 796 357 Rights Offer Shares will be issued, raising R37,54 million.

The Record Date for purposes of determining which Shareholders are entitled to participate in the Rights Offer is Friday, 3 February 2017.

Upon issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing ordinary Shares.

The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Wednesday, 1 February 2017 under JSE share code ESRN and ISIN ZAE000237913.

The Rights Offer Shares cannot be traded before such Shares are listed on the JSE on Wednesday, 15 February 2017.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and in such circumstances, this Circular and accompanying Form of Instruction, where applicable, are distributed for information purposes only.

The enclosed Form of Instruction, where applicable, contains details of the Rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those Rights. Qualifying Dematerialised Shareholders will be advised of the Rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those Rights by their CSDP or Broker in terms of the Custody Agreement.

The Subscription Price is payable in full, in Rand, by Qualifying Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDPs will make payment, on a delivery versus payment basis, in respect of Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

4. PARTICULARS OF THE RIGHTS OFFER *(continued)*

4.2 **Shareholder commitments**

As at the Last Practicable Date, the following Shareholders have irrevocably undertaken to renounce their Rights in terms of the Rights Offer to Geomer.

Name of Shareholder	Number of ordinary Shares held before the Rights Offer	Share-holding (%)
The Esor Broad Based Share Ownership Scheme	21 012 250	5,32
Mr Bernard Krone	10 000 000	2,53
Mr Wessel Cornelius van Zyl	815 250	0,21
Esor Construction Pty Ltd	9 231 762	2,34
Wheatfield Estate Foundation Trust	230 000	0,06
Total	41 289 262	10,45

4.3 **Opening and closing dates of the Rights Offer**

The Rights Offer will open at 09:00 on Monday, 6 February 2017, and will close at 12:00 on Friday, 17 February 2017.

4.4 **JSE Listings**

The JSE has granted listings for the Letters of Allocations and the Rights Offer Shares as follows:

- 4.4.1 Letters of Allocation in respect of new Esor Shares will be listed from the commencement of business on Wednesday, 1 February 2017 to the close of business on Tuesday, 14 February 2017, both days inclusive, under the JSE code: ESRN and ISIN: ZAE000237913; and
- 4.4.2 98 796 357 new Esor Shares will be listed with effect from the commencement of business on Wednesday, 15 February 2017.

4.5 **Minimum subscription**

The Rights Offer is not conditional on any minimum subscription being obtained.

5. UNDERWRITING AGREEMENTS

Esor has entered into the Underwriting Agreement with Geomer in terms of which Geomer will fully underwrite the Rights Offer up to the total amount of 98 796 357 Rights Offer Shares, which equates to a maximum underwriting commitment of up to R37,54 million.

In terms of the Underwriting Agreement, the underwriting fee will be 1,5% of the underwriting commitment and will be settled in cash and is only payable on fulfilment of the underwriting commitments by the Underwriter.

In this regard, the Board has received sworn declarations from the Underwriter that they will be able to meet their underwriting commitments and has made due and careful enquiry to confirm that the Underwriter is able to meet their commitments in terms of the Underwriting Agreements.

CIRCULAR TO SHAREHOLDERS *(continued)*

5. UNDERWRITING AGREEMENTS *(continued)*

The underwriting agreements will become irrevocable by no later than 16:30 on the Business Day prior to the date upon which the "finalisation announcement" relating to the Rights Offer is released on SENS, which date is expected to be Thursday, 26 January 2017.

The underwriting fees are, in the opinion of the Board, not greater than the current market rate charged by independent underwriters.

Full particulars of the Underwriter is set out in Annexure 2 to this Circular.

6. PROCEDURE FOR ACCEPTANCE OF THE RIGHTS OFFER

Full details of the procedure for acceptance by Certificated Shareholders are contained in paragraph 3 of the accompanying Form of Instruction or in the case of Dematerialised Shareholders, as advised by their CSDP or Broker.

The following should be noted:

- 6.1 acceptances are irrevocable and may not be withdrawn; and
- 6.2 Dematerialised Shareholders must contact their CSDP or Broker with regard to the procedure to be followed for acceptance of their Rights Offer Entitlement and must act in accordance with the instructions received from their CSDP or Broker.
- 6.3 Certificated Shareholders should note the following:
 - 6.3.1 acceptances by Certificated Shareholders may only be made by means of the accompanying Form of Instruction;
 - 6.3.2 any instruction to sell or renounce all or parts of the Rights Offer Entitlement must be done in accordance with the requirements set out in paragraph 8 below and may only be made by means of the accompanying Form of Instruction;
 - 6.3.3 Certificated Shareholders who wish to subscribe for only a portion of their Rights Offer Entitlement must indicate the number of Rights Offer Shares for which they wish to subscribe on the accompanying Form of Instruction;
 - 6.3.4 payment of the Rand value of the Subscription Price may be made:
 - 6.3.4.1 by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to **"Esor Limited – Rights Offer"**;
 - 6.3.4.2 by banker's draft (drawn on a registered bank) payable to **"Esor Limited – Rights Offer"**; or
 - 6.3.4.3 by EFT into the Designated Bank Account (details of which is available from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634);
 - 6.3.5 properly completed Forms of Instruction together with the cheque, or banker's draft or EFT swift reference number must be received from Certificated Shareholders by the Transfer Secretaries at the address referred to in paragraph 9.2 by not later than 12:00 on Friday, 17 February 2017. Certificated Shareholders are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after 12:00 on Friday, 17 February 2017. Each cheque or banker's draft will be deposited immediately upon receipt for collection;

6. PROCEDURE FOR ACCEPTANCE OF THE RIGHTS OFFER *(continued)*

- 6.3 Certificated Shareholders should note the following: *(continued)*
- 6.3.6 payment referred to in paragraph 9 will, when the cheque or banker's draft has been paid and/or the EFT cleared into the Designated Bank Account, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and the accompanying Form of Instruction and may not be withdrawn. Should any cheque or banker's draft be subsequently dishonoured, Esor may, in its sole discretion, and without prejudice to any Rights that the Company may have, regard the Form of Instruction as null and void or take such steps in regard thereto as they deem fit; and
 - 6.3.7 if any Form of Instruction and cheque, banker's draft or EFT is not received as set out above, the Rights Offer Entitlement will be deemed to have been declined by the Shareholder to whom the Form of Instruction is addressed and the Right to subscribe for the Rights Offer Shares offered to such Shareholder or renounced in favour of his Renouncee in terms of such Form of Instruction, will lapse, no matter who then holds it.

Please note that should your cheque, banker's draft or EFT swift reference number not accompany your Form of Instruction, the Transfer Secretaries will treat your Application as invalid.

7. EXCESS APPLICATIONS FOR RIGHTS OFFER SHARES

No applications for excess Rights Offer Shares will be allowed.

8. SALE OR RENUNCIATION OF RIGHTS OFFER ENTITLEMENT

- 8.1 Dematerialised Shareholders must contact their CSDP or Broker with regard to the procedure to be followed in respect of the sale or renunciation of their Rights Offer Entitlement.
- 8.2 Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction, must complete Form A of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Tuesday, 14 February 2017. The Transfer Secretaries will endeavour to procure the sale of the Rights Offer Entitlement on the JSE on behalf of such Certificated Shareholder and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of Brokerage charges and associated expenses. Neither the Transfer Secretaries, any Broker appointed by them nor Esor will have any obligation nor will any of these parties be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained, or any failure to sell such Rights Offer Entitlement. References in this paragraph to Certificated Shareholders include references to the person or persons executing the Form of Instruction and any person or persons on whose behalf such person or persons executing the Form of Instruction is/are acting and in the event of more than one person executing the Form of Instruction, the provisions of this paragraph shall apply to them, jointly and severally.
- 8.3 Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement will be liable for the costs as set out in Form A of the Form of Instruction.

CIRCULAR TO SHAREHOLDERS *(continued)*

8. SALE OR RENUNCIATION OF RIGHTS OFFER ENTITLEMENT *(continued)*

- 8.4 Certificated Shareholders who do not wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction and who do not wish to subscribe for any of the Rights Offer Shares offered in terms of the Form of Instruction, but who wish to renounce their Rights Offer Entitlement, must complete Form B of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 17 February 2017.

9. PAYMENT

- 9.1 Payment of the Rand value of the Subscription Price may be made:
- 9.1.1 by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "**Esor Limited – Rights Offer**";
 - 9.1.2 by banker's draft (drawn on a registered bank) payable to "**Esor Limited – Rights Offer**"; or
 - 9.1.3 by EFT into the Designated Bank Account (details of which is available from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634).
- 9.2 A cheque, a banker's draft or EFT swift reference number for the amounts payable in accordance with paragraph 6 above, together with a properly completed Form of Instruction, must be lodged by Certificated Shareholders with the Transfer Secretaries, as follows:

Hand deliveries to:

Esor Limited
c/o Computershare Investor Services
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Postal deliveries to:

Esor Limited
c/o Computershare Investor Services
PO Box 61763
Marshalltown
2107

Faxed to (only in the case where payment is by way of EFT):

c/o Computershare Investor Services
Proprietary Limited
+27 (0)11 688 5210

Emailed to (only in the case where payment is by way of EFT):

corporate.events@computershare.co.za

so as to reach the Transfer Secretaries by no later than 12:00 on Friday, 17 February 2017.

Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Computershare Investor Services.

- 9.3 Please note that the Transfer Secretaries will affect delivery of share certificates against payment and should a cheque, banker's draft or EFT swift reference number not accompany the Form of Instruction, the application will be treated as invalid.

9. PAYMENT *(continued)*

- 9.4 No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.
- 9.5 "Blocked Rand" may be used by Emigrants and non-residents of the Common Monetary Area for payment in terms of the Rights Offer. In this regard, reference should be made to paragraph 10, which deals with Exchange Control Regulations.
- 9.6 Dematerialised Shareholders must timeously instruct their CSDP or Broker as to the action they must take to enable the CSDP or Broker to act on their behalf in terms of the agreement entered into between such Dematerialised Shareholders and the CSDP or Broker.

10. EXCHANGE CONTROL REGULATIONS

- 10.1 The following guideline is not a comprehensive statement of Exchange Control Regulations. If Shareholders or their Renounees are in any doubt as to the action they must take, they are advised to consult their professional advisers immediately.
- 10.2 In terms of the Exchange Control Regulations, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:
 - 10.2.1 take up the Rights Offer Entitlement allocated to them in terms of the Rights Offer;
 - 10.2.2 purchase Letters of Allocation on the JSE; and
 - 10.2.3 subscribe for Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE, provided payment is received either through normal banking channels from abroad or from a non-resident account.
- 10.3 All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Rights Offer share certificates issued pursuant to such applications will be endorsed "**non-resident**".
- 10.4 Where a Rights Offer Entitlement in terms of the Rights Offer falls due to a former resident of the Common Monetary Area, which Rights Offer Entitlement is based on Shares blocked in terms of the Exchange Control Regulations, Emigrant blocked funds may be used to take up these Rights Offer Shares and may be used to:
 - 10.4.1 take up the Rights Offer Entitlement allocated to them in terms of the Rights Offer;
 - 10.4.2 purchase Letters of Allocation on the JSE; and
 - 10.4.3 subscribe for Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE.
- 10.5 All applications by Emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Share certificates issued to such Emigrants will be endorsed "**non-resident**" and placed under the control of the authorised dealer through whom the payment was made. The proceeds due to Emigrants from the sale of Letters of Allocation, if applicable, will be returned to the authorised dealer for credit to such Emigrants' blocked accounts. Electronic statements issued in terms of Strate and any Rights Offer share certificates issued pursuant to blocked Rand transactions will be endorsed "**non-resident**" and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Rights Offer Shares will be credited to the blocked accounts of the Emigrant concerned.

CIRCULAR TO SHAREHOLDERS *(continued)*

10. EXCHANGE CONTROL REGULATIONS *(continued)*

- 10.6 Any Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/or any other formality must be observed to enable such a subscription to be made in terms of such Form of Instruction.
- 10.7 A new share certificate issued pursuant to the Rights Offer to an Emigrant will be endorsed "**non-resident**" and forwarded to the address of the relevant authorised dealer controlling such Emigrant's blocked assets for control in terms of the Exchange Control Regulations. Where the Emigrant's Shares are in Dematerialised form with a CSDP or Broker, a statement issued in terms of Strate will be despatched by the CSDP or Broker to the address of that the Emigrant in the records of such CSDP or Broker.
- 10.8 The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.
- 10.9 The Rights Offer contained in this Circular does not constitute an offer in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer ("**Non-Qualifying Shareholder**"). Non-Qualifying Shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their Entitlement. To the extent that Non-Qualifying Shareholders are not entitled to participate in the Rights Offer, such Non-Qualifying Shareholders should not take up their Rights Offer Entitlement or trade in their Rights Offer Entitlement and should allow their Rights in terms of the Rights Offer to lapse.

11. TAX CONSEQUENCES

Shareholders are advised to consult their professional advisors regarding the tax implications of the Rights Offer.

12. SOUTH AFRICAN LAW

All transactions arising from the provisions of this Circular and the accompanying Form of Instruction shall be governed by and be subject to the laws of South Africa.

13. DOCUMENTS OF TITLE

- 13.1 Share certificates to be issued to Certificated Shareholders pursuant to the Rights Offer will be posted to persons entitled thereto by registered post, at the risk of the Shareholders concerned, on or about Monday, 20 February 2017.
- 13.2 Certificated Shareholders receiving new Certificated Shares must note that they will not be able to trade such Shares on the JSE until these Shares have been Dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.
- 13.3 Dematerialised Shareholders will have their accounts updated at their CSDP or Broker in respect of the Rights Offer Shares to be issued to them on or about Monday, 20 February 2017.
- 13.4 CSDPs will effect payment on a "delivery versus payment basis" in respect of the holders of Dematerialised Shares.

14. SHARE CAPITAL

The tables below set out the authorised and issued share capital of Esor, as at the Last Practicable Date, before and after the Rights Offer.

Authorised and issued share capital of Esor **before** the Rights Offer:

	R'000
Authorised	
500 000 000 ordinary Shares of R0,001 each	500
Issued share capital before the Rights Offer	
395 185 430 ordinary Shares of R0,001 each	395
Less 30 244 012 treasury Shares*	(30)
Share premium	580 649
Total issued share capital	581 014

Authorised and issued share capital of Esor **after** the Rights Offer:

	R'000
Authorised	
500 000 000 ordinary Shares of R0,001 each	500
Issued share capital after the Rights Offer	
493 981 787 ordinary Shares of R0,001 each	494
Less 30 244 012 treasury Shares*	(30)
Share premium	618 093
Total issued share capital	618 557

* The treasury Shares are held by the Esor Broad-Based Share Ownership Scheme and Esor Construction, both of which will not be following their Rights.

15. DIRECTORS

15.1 Change in Directors

No changes in the executive and non-executive Directors of Esor, nor the directors and management of Esor's major subsidiary will occur as a result of the Rights Offer.

CIRCULAR TO SHAREHOLDERS (continued)

15. DIRECTORS (continued)

15.2 Directors' interests in Securities

The direct and indirect beneficial interests of the Directors of Esor and their associates as at the Last Practicable Date, are set out below:

Director	Direct beneficial interest	Indirect beneficial interest	Number of Esor Shares	Percentage of Esor Shares owned
B Krone	10 000 000	–	10 000 000	2,530%
W van Zyl	815 250	–	815 250	0,206%
B Atkinson	8 000	–	8 000	0,002%
O Franks	10 150	–	10 150	0,003%
H Sonn	–	–	–	0,000%
R Masemene	–	–	–	0,000%
K Moloko*	–	–	–	0,000%
E Dube**	–	–	–	0,000%

* K Moloko resigned on 24 June 2016.

** E Dube resigned as Director of Esor on 17 July 2015.

No change in any Directors interests, as shown in the table above, has occurred between 1 March 2016 and the last practicable date of this Circular.

15.3 Directors' remuneration

There will be no variation in the remuneration receivable by any of the Directors as a consequence of the Rights Offer.

15.4 Directors' service contracts

Each of the executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which service contracts are available for inspection as set out in paragraph 19.

16. Directors' responsibility statement

The Directors, whose names are given in paragraph 15 above, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

17. Experts' consents

The Corporate Adviser and Sponsor, and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and have not withdrawn their consents prior to publication of this Circular.

18. Costs

The total estimated costs of the Rights Offer, which amount to approximately R1,008 million excluding VAT, are detailed in the table below:

Description	Estimated amount (Rand)
Sponsor – Vunani Capital	100 000
Corporate Advisor – Vunani Capital	175 000
Underwriting fees – Geomer	563 139
Printing and related costs – Maxx Corporate Communications Proprietary Limited	49 825
Transfer Secretary – Computershare	43 172
JSE documentation fees	23 684
JSE listing fees	53 271
Total	1 008 091

19. Documents available for inspection

The following documents, or copies thereof, will be available for inspection by Esor Shareholders at the registered offices of Esor and the Sponsor and Corporate Advisor during business hours from Thursday, 2 February 2017, until Friday, 17 February 2017:

- the MOI of Esor and its major subsidiaries;
- Esor's audited financial statements for the three financial periods ended 29 February 2016, 28 February 2015 and 28 February 2014;
- The signed sale of shares and sale of business agreements in respect of the Acquisition;
- Esor's interim results for the 6 months ended 31 August 2016;
- copies of service level agreements with the Directors;
- signed Underwriting Agreement;
- signed irrevocably commitments by the Esor Shareholders referred to in paragraph 4.2 above to renounce their Rights in terms of the Rights Offer to Geomer;
- a resolution of the Board of Directors authorising the Rights Offer and the signing of this Circular;
- a signed version of this Circular;
- the Form of Instruction; and
- the letters of consent referred to in paragraph 17 above.

ANNEXURE 1: TABLE OF ENTITLEMENT

In terms of the Rights Offer, Esor Shareholders recorded in the Register at the close of trade on Friday, 3 February 2017 will be entitled to subscribe for the Rights Offer Shares in the ratio of 25 Rights Offer Shares for every 100 Shares held, at a subscription price of 38 cents per Rights Offer Share. Only whole numbers of Shares will be issued and Esor Shareholders will be entitled to a rounded number of Shares, as set out in this Annexure 1, once the ratio has been applied.

If after applying the ratio, an Esor Shareholder is entitled to a fraction of a Rights Offer Share, and should such fraction of a Rights Offer Share:

- be less than one-half of a Rights Offer Share, it will be rounded down to the nearest whole number; or
- be equal to or greater than one-half of a Rights Offer Share, it will be rounded up to the nearest whole number.

The rounded number of Rights Offer Shares to which an Esor Shareholder will become entitled will be as follows:

Number of Esor Shares held	Rights Offer Shares Entitlement	Number of Esor Shares held	Rights Offer Shares Entitlement	Number of Esor Shares held	Rights Offer Shares Entitlement
1	–	36	9	71	18
2	1	37	9	72	18
3	1	38	10	73	18
4	1	39	10	74	19
5	1	40	10	75	19
6	2	41	10	76	19
7	2	42	11	77	19
8	2	43	11	78	20
9	2	44	11	79	20
10	3	45	11	80	20
11	3	46	12	81	20
12	3	47	12	82	21
13	3	48	12	83	21
14	4	49	12	84	21
15	4	50	13	85	21
16	4	51	13	86	22
17	4	52	13	87	22
18	5	53	13	88	22
19	5	54	14	89	22
20	5	55	14	90	23
21	5	56	14	91	23
22	6	57	14	92	23
23	6	58	15	93	23
24	6	59	15	94	24
25	6	60	15	95	24
26	7	61	15	96	24
27	7	62	16	97	24
28	7	63	16	98	25
29	7	64	16	99	25
30	8	65	16	100	25
31	8	66	17	1 000	250
32	8	67	17	10 000	2 500
33	8	68	17	100 000	25 000
34	9	69	17	1 000 000	250 000
35	9	70	18	10 000 000	2 500 000

ANNEXURE 2: INFORMATION RELATING TO THE UNDERWRITERS

The following information relating to the Underwriters is disclosed in accordance with the Listings Requirements:

Company name

Geomer Investments Proprietary Limited

Registration number

1995/005532/07

Date of incorporation

19 June 1995

Place of Incorporation

Republic of South Africa

Registered office

225 Bree Street
Cape Town
8001

Directors

Marcel Golding

Company Secretary

No company secretary has been appointed

Auditors

Grant Thornton Johannesburg

Bankers

Investec Bank Limited

Authorised share capital

20 000 ordinary shares

Issued share capital

13 870 ordinary shares

ANNEXURE 3: SHARE PRICE HISTORY

	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
Month ended					
31 January 2016	25	22	23	902 163	205 446
29 February 2016	25	22	23	2 728 249	631 528
31 March 2016	26	22	23	6 171 400	1 434 269
30 April 2016	28	22	28	4 911 471	1 199 294
31 May 2016	40	26	35	14 581 957	4 969 526
30 June 2016	36	29	29	7 287 643	2 217 102
31 July 2016	34	31	32	5 207 115	1 499 150
31 August 2016	41	33	37	7 941 990	2 930 994
30 September 2016	40	36	37	81 282 015	31 524 370
31 October 2016	49	37	38	58 681 865	27 046 869
30 November 2016	40	36	37	8 770 959	3 263 053
31 December 2016	42	36	40	2 825 356	1 074 731
Day ended					
5 December 2016	38	37	38	95 000	35 750
6 December 2016	38	37	37	122 183	45 507
7 December 2016	37	37	37	15 500	5 735
8 December 2016	39	37	38	182 470	68 839
9 December 2016	37	37	37	20 000	7 400
12 December 2016	38	37	38	196 186	73 116
13 December 2016	38	37	37	273 500	103 895
14 December 2016	38	37	37	1 500	560
15 December 2016	38	37	37	111 090	41 133
19 December 2016	38	38	38	335 846	127 621
20 December 2016	39	37	37	637 165	241 777
21 December 2016	–	–	37	–	–
22 December 2016	38	37	37	257 630	95 823
23 December 2016	–	–	37	–	–
28 December 2016	42	39	42	418 000	166 600
29 December 2016	42	40	40	52 286	21 364
30 December 2016	40	40	40	2 000	800
3 January 2017	41	40	40	34 876	13 989
4 January 2017	41	40	40	323 581	130 778
5 January 2017	41	37	38	624 831	243 369
6 January 2017	40	39	39	20 000	7 900
9 January 2017	40	39	40	154 000	61 560
10 January 2017	40	38	38	359 237	137 719
11 January 2017	38	38	38	28 600	10 868
12 January 2017	40	38	38	11 000	4 200
13 January 2017	40	39	40	55 326	21 630
16 January 2017	40	40	40	93 674	37 669
17 January 2017	40	38	38	12 062	6 772
18 January 2017	39	38	38	32 425	12 571
19 January 2017*	–	–	38	–	–

* Last practicable date.

ANNEXURE 4: ACQUISITION OF TUBOSEAL SERVICES PROPRIETARY LIMITED (“TUBOSEAL SERVICES”) AND THE BUSINESS ASSETS AND OPERATIONS FROM TUBOSEAL PROPRIETARY LIMITED (“TUBOSEAL”)

This annexure 4 sets out the announcement which was released on SENS on Monday, 10 October 2016 in respect of the Acquisition.

1. INTRODUCTION

Esor hereby advises its shareholders that it has acquired through Esor Construction (Pty) Ltd, a 100% held subsidiary, and in separate transactions, a 100% interest in Tuboseal Services from Mr Jean-Louis Frey for a consideration of R15 million, and the business assets and operations of Tuboseal for a consideration of R18,25 million, (together “Tuboseal Group”) (the “Transactions”). The binding agreements were entered into on 6 October 2016 with the effective date of the transaction being 1 September 2016. Esor will also be responsible for settling the balance of R3 million owing on certain assets acquired as part of the Transactions.

The consideration will be settled by means of a cash payment of R17,45 million on 7 October 2016 and the balance on 31 October 2016.

As at 29 February 2016 (the “Last Reporting Date”), the value of net assets acquired and net profit after tax were as follows:

	Net asset value	Net profit after tax
Tuboseal Services	R13 435 160	R2 856 167
Tuboseal	R6 119 167	R5 707 508
Total	R19 554 327	R8 563 675

2. NATURE OF THE BUSINESS OF TUBOSEAL GROUP

Established in 1987, Tuboseal Group has developed into the foremost pipeline rehabilitation company in Cape Town, South Africa. As a frontrunner in the pursuit of world class trenchless technologies in local municipalities and industries, Tuboseal Group has played an instrumental part in ensuring credibility, acceptance and success of trenchless rehabilitation methods in South Africa.

The rehabilitation methods offered are all geared towards minimising disruption to the immediate environment, traffic, the public and commercial activities.

3. RATIONALE FOR THE TRANSACTION

The Transaction:

- expands Esor’s existing product offering and provides vertical integration in the maintenance of infrastructure;
- offers attractive margins that can only be achieved in niche businesses;
- provides a platform for Esor to grow its geographic footprint with a presence in the Western Cape; and
- provides an opportunity to participate in the expected growth of infrastructure maintenance contracts and expansion of the products across Southern Africa.

ANNEXURE 4: ACQUISITION OF TUBOSEAL SERVICES PROPRIETARY LIMITED (“TUBOSEAL SERVICES”) AND THE BUSINESS ASSETS AND OPERATIONS FROM TUBOSEAL PROPRIETARY LIMITED (“TUBOSEAL”) *(continued)*

4. CONDITIONS PRECEDENT TO THE TRANSACTIONS

All conditions precedent to the Transactions have been fulfilled.

5. CATEGORISATION OF THE TRANSACTION

The Transactions have been categorised as a Category 2 acquisition in terms of the Listings Requirements of the JSE. It is therefore not subject to the approval of Esor's shareholders and accordingly no circular to Esor shareholders is required. None of the parties are related to Esor.

6. MEMORANDUM OF INCORPORATION

Esor undertakes that the memorandum of incorporation of Tuboseal Services will conform to Schedule 10 of the JSE Listings Requirements, as required.

