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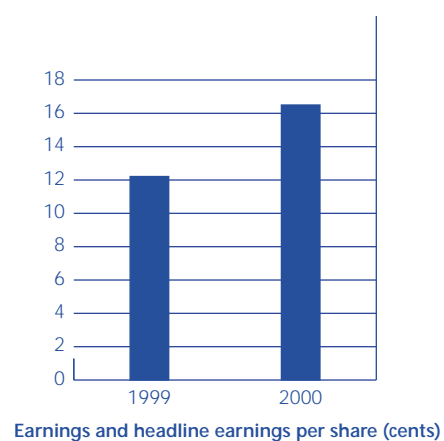
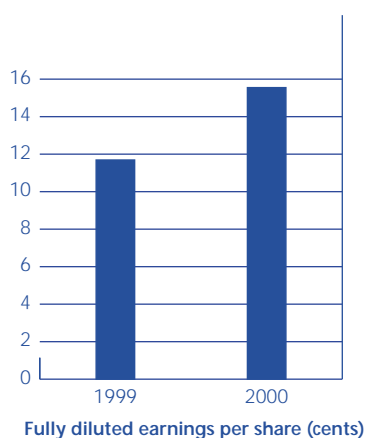
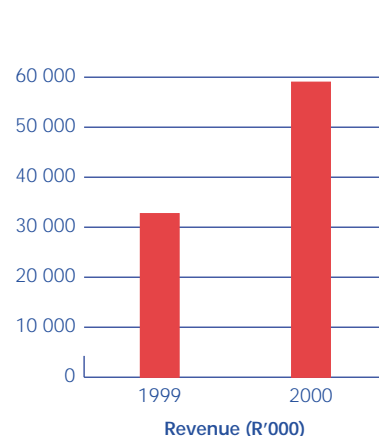
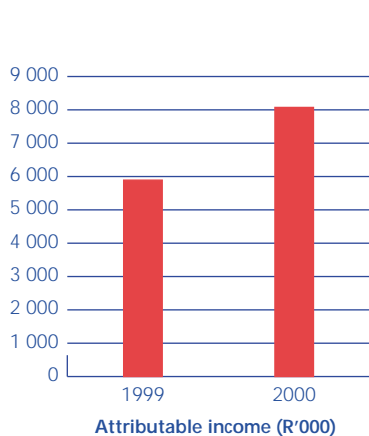
# Contents



# Group Financial Highlights

*for the year ended 31 July 2000*

	12 months to 31 July 2000	12 months to 31 July 1999
Revenue (R'000)	<b>58 988</b>	32 701
Attributable income (R'000)	<b>8 073</b>	5 892
Earnings and headline earnings per share (cents)	<b>16,05</b>	12,21
Fully diluted earnings per share (cents)	<b>15,55</b>	11,69



**Asher Bohbot** (47)  
Chief Executive Officer  
*B.Sc. Industrial Engineering, MAP*  
Appointed 6 August 1998

**Peter John Bartlett** (47)  
Executive Director  
Appointed 6 August 1998

**Antonio Coccianti** (30)  
Financial Director  
*CA (SA)*  
Appointed 20 August 1999

**Roedolf Jacobus du Toit** (42)  
Executive Director  
*B.Eng. (Hons) (Industrial), MBA*  
Appointed 6 August 1998

**Abré Pienaar** (46)  
Executive Director  
*D.Eng., B.Sc., CFPIM*  
Appointed 6 August 1998

**Robert Michael Maria Sporen** (50)  
Executive Director  
*CPIM*  
Appointed 6 August 1998

**Bernardus van den Berg** (42)  
Executive Director  
*B.Eng. (Industrial)*  
Appointed 6 August 1998

## Overview

All of us at Enterprise Outsourcing are proud of the achievement in our second year of operations. It has been a very challenging, exciting and rewarding year for all of us. The Company has managed to grow substantially for the second year in succession. This was achieved mainly organically augmented by three small strategic acquisitions. At the same time, the business continued to develop its infrastructure controls and culture essential for future growth.

During the year we have expanded our service offering to include all aspects of our eBusiness model including additional Enterprise Resource Planning (ERP) offerings, Customer Relationship Management (CRM) offerings, eCommerce applications, Advanced Planning Systems (APS) and Business Intelligence Systems (BI).

This year has seen the introduction of our unique Application Service Provision (ASP) offering and we are proud to be pioneers in this area in South Africa. This new software delivery concept will revolutionise, we believe, the use of IT for medium-size enterprises.

We are grateful for the full confidence which our investors, employees, customers and business partners have shown to us, affording Enterprise Outsourcing the right environment to grow the business.

## Transfer of sector

During the year the JSE approved the transfer of sector of Enterprise Outsourcing from the "Venture Capital Market" to the Industrial "Information Technology" sector of the JSE from 27 September 1999. The move demonstrates the growth and maturity level of the Company since its listing. The move was appropriate, as the Company no longer has the same risk profile for the investors.

## Financial performance

The board is satisfied with the overall performance for the year under review. Revenue has increased by 80% over the previous year. Profit has increased by 37% and earnings per share by 31%.

The balance sheet remains strong with the growth being fully financed internally. The existing cash resources are sufficient to support our growth plans.

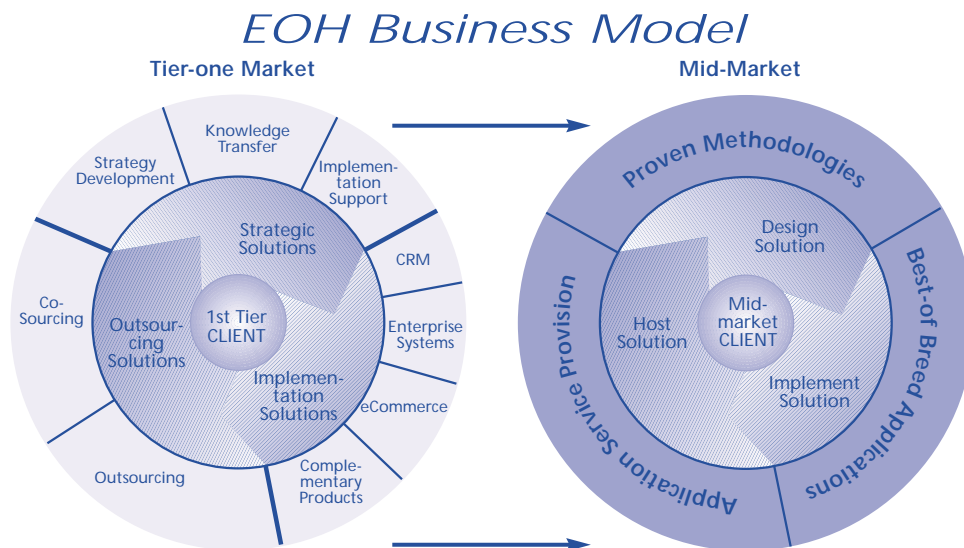
## Structure

The Company operates as one integrated business comprising four divisions:

- Strategic Solutions
- Implementation Solutions
- Outsourcing Solutions
- Mid-Market Solutions (ASP)

Our strategy remains as it was at the time of the business inception however, we are continuously updating and innovating within the business model, embracing new technology and modifying our tactics.





In order to cater for the different needs of our two market segments, Tier-one and Mid-Market, we have adopted our original Tier-one business model and created an additional model and a new division to cater for the needs of the Mid-Market customers using our Application Service Provision (ASP) model.

### Prospects

Local and international trends in our chosen area of business are experiencing strong growth and we expect this to continue well into the future. We have created the capacity to capitalise on these trends. Our unique business model allows us to take advantage of the foreseen strong need for organisations to adopt the full use of eBusiness as a strategic advantage, including ERP, CRM, eCommerce, Business Intelligence and Supply Chain Planning Systems.

Our early entry into the Application Service Provision (ASP) for the Mid-Market in Commerce and Industry is aimed at establishing us as the leader in this field in South Africa. The trend for IT Outsourcing in the world and in South Africa is getting stronger and is gathering momentum. Enterprise Outsourcing is well positioned to take advantage of this trend. As a focused organisation, Enterprise Outsourcing aims to retain the leadership in the field in which it operates. The Company intends to remain the employer of choice and will continue to attract the cream of South Africa's IT professionals.

### Summary

The creation of Enterprise Outsourcing and the subsequent successful first two years of operations could not have happened without the full involvement, intense contribution and support of our people, those who were with us from inception and those who joined us later. To them and their families, the board of directors conveys a hearty thanks and appreciation for their commitment.

Thanks to the shareholders of Enterprise Outsourcing for their trust in us by investing in our joint future. We will endeavour to continue to grow the business.

The board wishes to thank Leon who for personal reasons departed on 7 July 2000 for his invaluable contributions in guiding and mentoring the young board in its first two years and wishes him every success for his future. Asher Bohbot (CEO) has taken up the role of acting Chairman until a permanent appointment is made.

Setter	Design	Reader	AE	P/M	Client
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## STRATE

STRATE is an electronic settlement and custody system which has been designed to achieve the contractual, rolling and irrevocable settlement of share transactions by electronic book entries.

The move to the STRATE system will involve many fundamental changes from the current paper-based settlement system. One of the primary responsibilities for investors as part of your preparation for the STRATE environment will be the submission of share certificates to a qualifying stockbroker or Central Securities Depository Participant (CSDP). CSDP is a name given to a custodian bank in the STRATE environment. The CSDP or stockbroker will open a share account for you and will ensure that your share certificates are converted into an electronic record – a process known as dematerialisation. Thereafter, you should treat the ownership of your shares as you treat the ownership of your cash in that you will regularly receive statements recording your ownership of these holdings.

The Johannesburg Stock Exchange ("JSE") will transfer our share capital to the electronic STRATE environment as of 23 April 2001. In terms of the JSE's revised listings requirements, our move to STRATE is obligatory and it will ensure we participate in a sophisticated settlement process which is on par with international best practice.

There are three significant dates which form part of our move to STRATE and which should be understood by our shareholders:

### Dematerialisation

The dematerialisation date for the share certificates in circulation representing the share capital of Enterprise Outsourcing Holdings Limited is 23 April 2001. This indicates the date from which investors' share can be converted into an electronic record in order to become eligible to settle in the STRATE environment. If your shares are not already in safe custody with a CSDP or qualifying stockbroker, they should be deposited with either a CSDP or qualifying

stockbroker on or soon after this date. Your selected agent will then ensure that your shares are converted into an electronic record and rendered eligible under STRATE.

### Trading for electronic settlement

Trading for electronic settlement begins 30 April 2001. As of this date, there is a legal requirement for our shareholders to deposit their shares with a CSDP or qualifying stockbroker prior to selling them in order for the trade to settle in STRATE. This means that as of 30 April 2001, you will not be able to sell your Enterprise Outsourcing Holdings Limited shares unless they exist in electronic form in the STRATE environment, i.e. unless you have deposited them first for conversion into an electronic record.

### Electronic settlement

Five business days after the above date, i.e. on 30 April 2001, electronic settlement of Enterprise Outsourcing Holdings Limited trades will take place for the first time. So, any trades that take place on or after 30 April 2001 will undergo simultaneous, final, irrevocable settlement in an electronic environment. In other words, the electronic share accounts of the buyer and the seller will be simultaneously updated exactly five business days after the transaction. For the first time, settlement will be contractual and guaranteed.

Paper share certificates will not lose their value once we move to the STRATE system, but they are no longer acceptable for the purpose of settlement. We encourage all shareholders to submit their shares prior to the conversion date for conversion into electronic form in the interests of efficiency and security. However, you are within your rights to retain these shares in paper form until you wish to sell them.

Should you require any further information in this regard, please feel free to contact our Transfer Secretary or contact STRATE's Information Centre on 0800 004 727.

STRATE



Strategically the business direction has not changed however, tactics and operating methodologies are continuously changing in order to keep Enterprise Outsourcing aligned with the ever-changing market trends. To this effect we have expanded our service offerings to include outsourcing and software solutions implementations of various vendors including those in the areas of Customer Relationship Management, eCommerce and Advanced Planning Systems. After careful consideration we have introduced the Application Service Provision (ASP) offering to medium-sized enterprises, which is discussed more fully further on in this review.

Enterprise Outsourcing is entering a development phase which will focus on aggressive market penetration in our area of business supported by a strong infrastructure.

## Strategic Solutions

This division develops and implements eBusiness technology to improve the supply chain performance, effecting use of IT, of companies in Commerce and Industry. Their focus is on realising the business benefits from Enterprise Resource Planning (ERP) systems, Advanced Planning and Scheduling (APS) systems, eCommerce applications and exchanges, Customer Relationship Management (CRM) systems and Business Intelligence.

The division provides the following services:

- Strategy Development to plan, budget and justify appropriate eBusiness projects.
- Project Management of eBusiness implementation projects.
- Knowledge Transfer on eBusiness and Supply Chain methods and practices.

## Strategy development

Companies in Commerce and Industry need to be sure the time, effort and cost of implementing eBusiness is likely to be worthwhile in terms of specific business benefits. We help our clients

create a business case, an implementation plan and a budget before a final decision is made to acquire eBusiness technology.

## Project management

Our project managers co-ordinate the different teams focusing on business processes, software applications, hardware configuration, integration with other systems and education and training programmes to ensure achievement of the objectives and critical success factors identified in the eBusiness strategy.

## Knowledge transfer

Systems make it possible but only people can make it work. We present seminars, workshops and courses on how to gain business benefits from eBusiness technology and supply chain best practices.

## Prospects

Although Strategic Solutions represents about 15% of the people in our company, its value add to the business is paramount and a prime differentiator for Enterprise Outsourcing. Strategic Solutions works at the boardroom level in client companies and is therefore also able to generate assignments for the other divisions.

eBusiness, even if only in the form of an ERP-system, is already a de facto requirement for companies in our target market, Commerce and Industry. Our expectation is that implementation of the newer systems such as APS, eCommerce and CRM will accelerate in the next year, simultaneously requiring integration with existing ERP-systems and making sure business processes and people expertise keep up with the momentous changes. The services of Strategic Solutions will be much in demand.

## Implementation Solutions

The division extended its service offering over the last year to provide implementation services around eCommerce, CRM and APS solutions in addition to ERP services. Services include project management, software configuration, program development, program modifications,

software training and technical support. The main packages supported within the different disciplines are:

ERP: BAAN, JDE, IMPACT, JBA, APPGEN, QAD

CRM: GOLDMINE, HEAT, MAXIMIZER, WINIT, TESSERACT, PIVOTAL

APS: I2, BAAN SUPPLY CHAIN SOLUTIONS, OPT SOLUTION SUITE

## Services provided:

### Project management

The service offers facilitation and change management, which are crucial for the successful implementation of business systems, using well-proven implementation methodologies.

### Software configuration

Implementation Solutions employs personnel with many years of experience in the implementation of software solutions. Customers are advised on the configuration of the system modules and the underlying technical parameter, as well as the set up of data to ensure correct and effective system utilisation and performance.

### Program development and modification

Additional functionality is developed and existing functionality is enhanced to suit the customer's needs, in cases where the original application software does not fully meet the client's requirements.

### Training

Successful implementation of a software solution is reliant upon the efficient transfer of application knowledge to the user. Training is geared to suit the client's needs, making use of those particular business procedures and work instructions developed when configuring the system.

During the period under review, performance for this division was outstanding with a number of implementation projects culminating in outsourcing contracts. Emphasis was placed on building resource skills to provide implementation support to customers implementing new economy

software solutions. Partnerships with certain software vendors operating in this arena are under way.

### Prospects

Companies are only starting to realise the value that the new economy solutions (eCommerce, CRM, APS) can bring in ensuring customer loyalty, improving customer retention and increasing customer profitability. The division is well positioned to realise the maximum benefit for the customer by providing new economy solutions that are integrated with the back office solutions and are geared towards supply chain optimisation.

Ongoing service provision to the existing client base in terms of upgrades, modifications, re-implementations and re-training will continue to form an important component of the division's revenue stream.

### Outsourcing Solutions

Outsourcing Solutions seeks to partner companies in the Commercial and Industrial sector who are looking to concentrate their organisation's resources on their primary business focus, but at the same time requiring a professional, world class IT operation to support their competitive business strategies. This is achieved through the overall management and integration of software applications used, the server and/or desktop environments, through the design, installation and administration of both Wide Area (WAN) and Local Area (LAN) networking environments.

### Prospects

There is a growing local and worldwide trend to outsource IT services. Latest studies in South Africa indicate that 90% of enterprises in South Africa are considering outsourcing in one form or another. This move is driven primarily by the lack of skilled IT manpower, and the difficulty of retaining the existing few within a non-IT environment. Another contributing factor to this trend is the need for enterprises to refocus on core business activities. Furthermore, the continuous technological advancements in enterprise systems, such as eCommerce, Business



Intelligence and Customer Relationship Systems, will further put pressure on enterprises to outsource their IT services.

As organisations in South Africa and Southern Africa continue to follow world-wide trends and outsource non-core business activities and the demand for limited technical skills increases, the future growth and the demand for IT outsourcing services is assured. Furthermore, through the comprehensive range of complementary service offerings available to existing and future outsourcing clients, Enterprise Outsourcing is strategically placed to capture a significant share of this market.

## Mid-Market Solutions

During the year under review significant developments took place in the medium-size enterprise market. Trends in IT have seen a shift from ownership of the technology to having access to the technology, particularly since the rapid developments of e.g. eBusiness have made the cost of building and internally managing Information Technology prohibitive, especially for smaller organisations.

After a thorough investigation of its feasibility, Enterprise Outsourcing launched the Application Service Provision (ASP) offering to this market segment. With Application Service Provision, Enterprise Outsourcing enters into long-term contracts offering to deploy, host, manage and rent access to commercially available business applications from a centrally managed facility.

Rather than talking about the merits of the ASP model, we have contracted a number of clients, amounting to several hundred users being serviced from our Data Centre in Johannesburg since its launch earlier this year. We have partnered with some of the industry leaders in our field, such as JD Edwards, Syspro and Microsoft.

Because there is little up-front capital investment requirement from the client, this model is particularly suited to medium-size businesses in South Africa. With larger businesses already stressed to retain the necessary IT skills in this

country, smaller companies find it impossible to compete for the same, already in short supply, skills. Apart from all the now generally accepted benefits of IT outsourcing, with ASP, clients not only have access to world-class applications, but, with Enterprise Outsourcing, can draw on top-notch IT skills, as well as experienced business professionals in commerce and industry.

Enterprise Outsourcing's nationwide footprint allows it to sell and implement solutions regionally, whereas the central Data Centre, which was established during this year, allows for efficient use of the IT resources required to run a cost-effective operation. Providing immediate, on-line support for clients has proved to be one of the major attractions of the Data Centre with its dedicated Call Centre.

## Prospects

Enterprise Outsourcing, with its extensive experience in operating efficient IT operations to agreed service delivery standards, is ideally placed to take advantage of this new trend in IT service delivery. Our forecast shows that by 2003, 60% of all applications will be delivered via the ASP model.

Application Service Provision is the ultimate form of Information Technology partnering an enterprise can engage in. Using our core competencies of IT outsourcing, system implementation and business process re-engineering and our experience gained in the so-called 1st tier market, we developed fast-track implementation techniques, ensuring quick returns for the customer.

We anticipate ASP to be our top growth opportunity for the immediate future, and are well positioned to achieve our goal to be the Number One Application Service Provider in South Africa.

The board of directors is committed to the concept and principles of effective corporate governance. The directors recognise the need for adherence to generally accepted corporate governance practice in all sphere of business activities.

## The board of directors

Full details of the directorate are set out on page 2. The board meets regularly, retains full and effective control over the Company and monitors executive management. All directors are entitled to seek independent and professional advice about the affairs of the Group at the Company's expense.

## The audit committee

The audit committee meets periodically with IAPA Johannesburg, the Company's external auditors, to discuss accounting, auditing, internal control and financial reporting matters. The external auditors have unrestricted access to the audit committee.

## Directors' emoluments

Details of directors' emoluments are set out in the annual report. All employees of the Group are eligible to participate in the share incentive scheme, details of which also appear in the annual report. The remuneration of all directors is approved by the remuneration committee which has been constituted. Certain of the directors have service contracts.

## Going concern

The going concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources, the directors have no reason to believe that the Group will not continue as a going concern for the foreseeable future.

## Internal control

The directors report that the Group's internal control and accounting systems are designed to:

- provide reasonable assurance as to the integrity and reliability of the financial information
- adequately safeguard, verify and maintain accountability of its revenue and assets
- prevent and detect fraud.

Management is responsible for implementing internal controls, ensuring that such controls are implemented by suitable qualified personnel with an appropriate segregation of duties.

An internal control review was conducted by the external auditors as part of the statutory audit during the period under review. Nothing came to the attention of the directors or arose from the review performed to indicate that any material breakdown in the functioning of these controls, procedures and systems had occurred. The review by the external firm of auditors will be conducted annually and the findings used to improve systems.

## Worker participation

The Group has an established and well-recognised policy of encouraging employee involvement on a wide range of issues. Various participative structures are designed to achieve good employer/employee relationships through effective sharing of relevant information, consultation and the identification and resolution of conflict. The purpose is to ensure that all employees are afforded equal opportunity for reward and progress based on ability and merit.

## Empowerment strategy

The Group is committed to a work environment free of racial and gender discrimination and has accelerated its affirmative action plans over the last year. Particular progress has been made in the areas of education, training and employee equity.

## Code of ethics

All employees of the Group are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all circumstances is above reproach. To this effect all employees are required to sign a "work life constitution" document. A culture involving the individual employee assuming personal responsibility for the actions of the business is encouraged, as is a culture of full disclosure.



To the members of

**ENTERPRISE OUTSOURCING HOLDINGS  
LIMITED**

We have audited the group annual financial statements set out on pages 12 to 28 for the year ended 31 July 2000. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

**SCOPE**

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management, and

- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

**AUDIT OPINION**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and group at 31 July 2000 and the results of its operations and cash flows for the year ended in accordance with South African generally accepted accounting practice, and in the manner required by the Companies Act.

*IAPA Johannesburg*

**IAPA Johannesburg**

*Registered Accountants and Auditors  
Chartered Accountants (SA)*

Johannesburg  
1 September 2000

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of Enterprise Outsourcing Holdings Limited and related information. The annual financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the Companies Act. The Group's independent auditors, IAPA Johannesburg, have audited the annual financial statements and their unqualified report appears on page 10.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for the foreseeable future.

The annual financial statements set out on pages 12 to 28 were approved by the board of directors on 1 September 2000 and are signed on its behalf by:



**Asher Bohbot**  
*Chief Executive Officer*



**Antonio Cocciante**  
*Financial Director*

## CERTIFICATION BY THE COMPANY SECRETARY

In terms of section 268 6(d) of the Companies Act, 1972 as amended, I certify that to the best of my knowledge and belief, the Company and the Group has lodged with the Registrar of Companies, for the financial year ended 31 July 2000, all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



**S Matheson**  
*Company Secretary*

1 September 2000

The directors have pleasure in submitting their report on the activities of the Company and the Group for the year ended 31 July 2000.

## Nature of business

Enterprise Outsourcing Holdings Limited ("EOH") is an IT company listed on the Main Board, Industrial – Information Technology sector of the Johannesburg Stock Exchange ("JSE").

EOH is an enterprise solutions provider creating lifelong information technology partnerships by developing strategy, implementing and operating enterprise-wide business systems for medium to large clients in the commercial industrial sector.

EOH operates in the following three areas as a fully integrated business:

**Strategic Solutions** – is the initial point of contact with EOH clients through IT strategy development, management consulting, IT-enabled business process re-engineering, software selection and Supply Chain Logistics education to support world-class enterprise systems.

**Implementation Solutions** – supports the implementation of enterprise business solutions through project management, software configuration, modification, training and support. Solutions offered are Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), eCommerce solutions and Supply Chain Planning and Business Intelligence.

**Outsourcing Solutions** – involves comprehensive maintenance and support of the clients' IT infrastructure and applications through the offering of full IT outsourcing, Hosting and Application Service Provision (ASP).

## Trading results

The results of operations for the year ended 31 July 2000 are detailed in the accompanying table. Earnings attributable to ordinary shareholders amounted to R8,1 million representing earnings and headline earnings per share of 16,05 cents. The Group's operating income is attributable to its core business, namely enterprise solutions.

A summary of the Group's trading results is set out below:

	Audited 2000	Audited 1999
Income before interest and taxation (R'000)	10 693	7 684
Income after taxation and attributable to ordinary shareholders (R'000)	8 073	5 892
Earnings per share (cents)	16,05	12,21
Headline earnings per share (cents)	16,05	12,21
Fully diluted earnings per share (cents)	15,55	11,69

## Group's financial position

The financial position of the Company and Group are set out in the balance sheet and cash flow statements.

## Dividends

The present policy is not to declare or distribute dividends.

## Share capital

During the financial year the authorised share capital has remained unchanged whilst the issued share capital has increased by 1 007 061 ordinary shares, which were issued to vendors for acquisitions at an average issue price of 211 cents per share.

At the year end, the shares of the Company were held by the following categories of shareholders:

	July 2000 %	July 1999 %
Non-public		
– Directors	55,9	64,2
– The EOH Share Incentive Trust	13,1	13,1
Public	31,0	22,7
	100,0	100,0

According to the records of the Company, the only shareholders registered as holding five per cent or more of the Company's shares at 30 June 2000, other than directors are the following:

	Number of shares July 2000
Standard Bank Nominees Tvl (Proprietary) Limited	5 437 841
ABSA Nominees (Proprietary) Limited	2 980 300
Nedcor Bank Nominees (Limited)	2 999 729

## Investments in subsidiary companies

Details of interests in subsidiaries, all of which are wholly owned and with the principal business of Information Technology Consultants, are set out below:

	Issued capital	Cost of shares 2000	1999
<b>Direct subsidiaries</b>			
Enterprise Outsourcing (Proprietary) Limited (Formerly Enterprise Outsourcing Solutions (Proprietary) Limited)	100	100	100
Enterprise Logistics Solutions (Proprietary) Limited	100	100	100
Enterprise Implementation Solutions (Proprietary) Limited	300	300	300
Enterprise Outsourcing Solutions (Proprietary) Limited	100	100	–
Technolease (Proprietary) Limited (Formerly Enterprise Outsourcing Staff Holdings (Proprietary) Limited)	100	100	100



	Issued capital	Cost of shares	
		2000	1999
<b>Indirect subsidiaries</b>			
Enterprise Outsourcing (Western Cape) (Proprietary) Limited (Formerly Logman Logistics (Proprietary) Limited)	100	100	100
Enterprise Outsourcing (Eastern Cape) (Proprietary) Limited (Formerly Southern Innovations Import Export (Proprietary) Limited)	100	100	–
Enterprise Outsourcing KZN (Proprietary) Limited (Formerly Vebus Business Systems (Proprietary) Limited)	100	100	100
		<b>1 000</b>	<b>800</b>

As at year end an amount of R9 353 000 was advanced by the holding company to Enterprise Outsourcing (Proprietary) Limited. There were no other loans advanced by the holding company to its direct or indirect subsidiaries. Refer note 5 to the annual financial statements for details.

#### Acquisitions

The following material acquisitions were completed during the period under review.

- Acquisition of the business of Software Express with effect from 1 August 1999 as a going concern for a total consideration of R1,3 million, of which R0,5 million was settled through the issue of shares at an issue price of 320 cents per share.
- Acquisition of the professional services business of JBA South Africa with effect from 1 August 1999 for a total cash consideration of R3,2 million.
- Acquisition of the business of Frank H Collier & Associates with effect from 1 August 1999 for a total consideration of R2,8 million, of which R2,0 million is to be settled through the issue of shares at an issue price of 250 cents per share.

#### Directorate

The following directors served throughout the period:

Peter John Bartlett  
Asher Bohbot  
Antonio Cocciante  
Roedolf Jacobus du Toit  
Abre Pienaar  
Robert Michael Maria Sporen (Dutch)  
Bernardus van den Berg

Leon Andrew Hirsch Cohen, the non-executive Chairman, resigned from the board on 7 July 2000.

Antonio Cocciante was appointed as Financial Director on 20 August 1999.

There were no other changes in the composition of the board during the year.

#### Directors' interest in contracts

None of the directors and officers of the Company had an interest in any contract of significance during the financial year.

## Directors' interest in the share capital of the company

At 31 July 2000 the directors' direct and indirect interest in the Company's issued shares were as follows:

	Beneficial		Non-beneficial	
	July 2000	July 1999	July 2000	July 1999
Ordinary shares				
– directly				
Leon Andrew Hirsch Cohen		200 000		
- indirectly				
Bernardus van den Berg	2 730 797	3 074 025		
Roedolf Jacobus du Toit	2 730 797	3 074 025		
Asher Bohbot	13 047 766	14 683 743	18 000	18 000
Robert Michael Maria Sporen	3 412 795	3 840 641	30 000	30 000
Abre Pienaar	3 412 795	3 840 641	12 000	12 000
Peter John Bartlett	2 730 797	3 074 025	15 000	15 000

All the above directors hold in excess of 1% of the shares of the Company.

## Ordinary shares

No significant changes in the shareholding have taken place subsequent to year end.

## Share option scheme

The Company has a share option scheme giving all directors and staff the opportunity to participate in the growth of the Group. At 31 July 2000, 5 075 902 options had been granted but not exercised, at an average exercise price of 133 cents. Options must be exercised within ten years of award.

Under the terms of the current scheme up to 10% of the issued share capital is reserved for share options.

## Borrowing powers

The borrowing powers of the Group are unlimited.

## Year 2000

Compliance was achieved with no materially adverse effect on the Group's businesses or financial results.

## Post balance sheet events

No significant post balance sheet events occurred up to the date of the audit report.



## balance sheets at 31 July 2000

		Group		Company	
	Notes	2000 R'000	1999 R'000	2000 R'000	1999 R'000
ASSETS					
Non-current assets		7 459	7 320	801	841
Tangible assets		31 338	612	–	–
Intangible assets		46 121	6 693	800	840
Investments in subsidiary companies		5–	–	1	1
Investments		–	15	–	–
Current assets		32 968	20 711	10 359	9 618
Inventories		6173	5	–	–
Trade and other receivables		713 796	7 550	1 006	1 006
Inter-company loans		5–	–	9 353	8 612
Cash and cash equivalents		18 999	13 156	–	–
Total assets		40 427	28 031	11 160	10 459
EQUITY AND LIABILITIES					
Capital and reserves		20 055	14 532	10 961	8 687
Issued capital		8502	492	502	492
Share premium		810 262	8 148	10 262	8 148
Distributable reserves		99 291	5 892	197	47
Non-current liabilities		4 726	7 382	46	1 650
Amounts due to vendors		104 737	7 328	–	1 628
Interest bearing borrowings		1159	–	–	–
Deferred tax		12(70)	54	46	22
Current liabilities		15 646	6 117	153	122
Trade and other payables		1312 124	3 616	95	122
Bank overdraft		329	18	–	–
Taxation		3 193	2 483	58	–
Total equity and liabilities		40 427	28 031	11 160	10 459



for the year ended 31 July 2000 *income statements*

	Notes	Group		Company	
		2000 R'000	1999 R'000	2000 R'000	1999 R'000
Revenue	15	<b>58 988</b>	32 701	<b>280</b>	280
Profit from operations	16	<b>10 693</b>	7 684	<b>272</b>	69
Net interest received	18	<b>860</b>	745	<b>–</b>	–
Profit before tax		<b>11 553</b>	8 429	<b>272</b>	69
Taxation	19	<b>3 480</b>	2 537	<b>82</b>	22
Net profit for the period		<b>8 073</b>	5 892	<b>190</b>	47
Number of shares in issue ('000)	20	<b>50 207</b>	49 200	<b>50 207</b>	49 200
Weighted average number of shares in issue ('000)	20	<b>50 294</b>	48 273	<b>50 294</b>	48 273
Earnings per ordinary share (cents)	20	<b>16,05</b>	12,21	<b>0,38</b>	0,10
Headline earnings per share (cents)	20	<b>16,05</b>	12,21	<b>0,38</b>	0,10
Fully diluted earnings per share (cents)	20	<b>15,55</b>	11,69	<b>0,37</b>	0,09



## statements of changes in equity for the year ended 31 July 2000

<b>Group – R'000</b>	Issued capital	Share premium	Distributable reserves
Balance at 31 July 1999	492	8 148	5 892
Net profit for the period			8 073
Issue of share capital	10	2 114	
Goodwill written off			(4 674)
<b>Balance at 31 July 2000</b>	<b>502</b>	<b>10 262</b>	<b>9 291</b>
<b>Company – R'000</b>	Issued capital	Share premium	Distributable reserves
Balance at 31 July 1999	492	8 148	47
Net profit for the period			190
Issue of share capital	10	2 114	
Goodwill written off			(40)
<b>Balance at 31 July 2000</b>	<b>502</b>	<b>10 262</b>	<b>197</b>



for the year ended 31 July 2000 *cash flow statements*

		Group		Company	
	Notes	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>Cash flows from operating activities</b>					
Cash generated by operations	26.1	11 243	7 823	272	69
Movements in working capital	26.2	2 094	(3 939)	(27)	(884)
Cash generated by operating activities		13 337	3 884	245	(815)
Net Interest paid	18	860	745	–	–
Taxation paid	26.3	(2 894)	–	–	–
Net cash flows from operating activities		11 303	4 629	245	(815)
<b>Cash flows from investing activities</b>					
Additions of tangible assets	26.4	(1 276)	(751)	–	–
Movement in tradenames		(1 290)	(3 200)	–	–
Movement in goodwill		(3 354)	(3 493)	–	(840)
Project in progress		(3 156)	–	–	–
Movement in loan accounts of subsidiary		–	–	(741)	(8 612)
Movements in investments in subsidiaries		–	–	–	(1)
Movements in investments		15	(15)	–	–
Net cash flows from investing activities		(9 061)	(7 459)	(741)	(9 453)
<b>Cash flows from financing activities</b>					
Short-term borrowings raised		59	–	–	–
Net proceeds from share issue	26.5	2 124	8 640	2 124	8 640
Amounts due to vendors		1 107	7 328	(1 628)	1 628
Net cash flows from financing activities		3 290	15 968	496	10 268
Net movement in cash and cash equivalents for the period		5 532	13 138	–	–
Cash and cash equivalents at beginning of period		13 138	–	–	–
Cash and cash equivalents at end of period	26.6	18 670	13 138	–	–



## *notes to the financial statements* for the year ended 31 July 2000

### **1. ACCOUNTING POLICIES**

The financial statements set out on pages 12 to 28 are prepared on the historical cost basis and incorporate the principal accounting policies set out below. These significant accounting policies conform with generally accepted accounting practice in South Africa and are consistent with those applied in the previous year.

The financial statements are prepared on a going concern basis.

#### **1.1 Basis of consolidation**

The consolidated financial statements incorporate those of the Company and its subsidiaries. The operating results of any subsidiaries acquired during the year are included from the effective date of control.

Subsidiaries are defined as those companies in which the Group, either directly or indirectly, has more than one half of the voting rights, has the right to appoint more than half the board of directors or otherwise has the power to control the financial and operating activities of the entity.

At the date of acquisition of a subsidiary, the cost of the investment is allocated to the fair value of individual identifiable assets and liabilities.

Any remaining difference between the purchase price of shares in subsidiaries and net asset value is dealt with as follows:

- The excess of the purchase price over net asset value, was capitalised as goodwill and taken to distributable reserves during the current financial year end.

Intergroup balances and transactions and the resulting unrealised profits have been eliminated.

#### **1.2 Investments**

Long-term investments are classified as financial assets and are stated at cost, except where there is a decline in value that is other than temporary, in which case they are written down to fair value.

#### **1.3 Tangible assets**

Tangible assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all above assets, to write down the costs by equal instalments over their estimated lives, being five years.

Surpluses and losses on disposal of tangible assets are charged to the income statement.

#### **1.4 Inventory**

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

#### **1.5 Intangible assets**

Goodwill represents the excess of the purchase consideration over the fair value of the assets and liabilities acquired.

Research and development costs are recognised as an expense when incurred, except for those development costs which relate to specific projects where the costs are likely to be recovered from selling the products or services arising from the projects.

The carrying amounts of all intangibles are reviewed annually and written down for any permanent impairment.



**1.6 Financial Instruments**

Financial instruments recognised on the balance sheet include cash and cash equivalents, trade receivables and trade payables.

**1.7 Deferred taxation**

Deferred tax is provided on the comprehensive basis using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Current tax rates are used to determine the deferred tax balance.

**1.8 Provisions**

Provisions are recognised where the Group has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**1.9 Revenue recognition**

Revenue is defined as fees charged for enterprise solutions, and excludes value added tax.

**1.10 Post retirement benefits**

Post retirement benefits are made up of those obligations which the Group has towards current and retired employees.

*Defined contribution plans*

Contributions in respect of defined contribution plans are recognised as an expense in the year to which they relate.

**1.11 Comparatives**

Where necessary, comparative figures have been adjusted to allow for more meaningful comparison.

**2. DEFINITIONS**

**2.1 Cash and cash equivalents**

The cash and cash equivalents amounts disclosed in the cash flow statements comprise cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value, net of bank overdrafts.

Bank overdrafts have been disclosed separately with current liabilities in the balance sheet.



## notes to the financial statements for the year ended 31 July 2000

	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>3. TANGIBLE ASSETS</b>				
Cost	2 027	751	-	-
Computers	1 352	346	-	-
Furniture, equipment and vehicles	675	405	-	-
Accumulated depreciation	689	139	-	-
Computers	443	49	-	-
Furniture, equipment and vehicles	246	90	-	-
Net carrying value	1 338	612	-	-
Computers	909	297	-	-
Furniture, equipment and vehicles	429	315	-	-
<b>3.1 Analysis of movements</b>				
Net carrying value at beginning of the year	612	-	-	-
Additions	1 276	751	-	-
Computers	1 006	346	-	-
Furniture, equipment and vehicles	270	405	-	-
Depreciation	550	139	-	-
Computers	394	49	-	-
Furniture, equipment and vehicles	156	90	-	-
Net carrying value at end of the year	1 338	612	-	-
<b>4. INTANGIBLE ASSETS</b>				
Tradenames at cost	2 690	800	3 200	800
Goodwill	275	-	3 493	40
Project in progress	3 156	-	-	-
Intangible assets	6 121	800	6 693	840
Directors' valuation of tradenames	2 690	800	3 200	800
Tradenames include trademarks and tradenames				
<b>5. INVESTMENT IN SUBSIDIARIES</b>				
Shares at cost			1	1
Loan accounts – receivable			9 353	8 612
			9 354	8 613
<b>6. INVENTORIES</b>				
Merchandise purchased for resale	173	5	-	-
	173	5	-	-



	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>7. TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	12 117	6 009	–	–
Other receivables	1 357	1 219	684	684
The EOH Share Incentive Trust	322	322	322	322
	<b>13 796</b>	<b>7 550</b>	<b>1 006</b>	<b>1 006</b>
<b>Included in Other Receivables</b>				
Loans to directors and managers	50	–	–	–
	<b>50</b>	<b>–</b>	<b>–</b>	<b>–</b>
The following loans have been made to managers	Balance 1 August 1999	Advanced during year	Repaid during year	Balance 31 July 2000
Heidi van Staden	–	25	–	25
Martin van Staden	–	25	–	25
	–	50	–	50
<b>8. SHARE CAPITAL AND PREMIUM</b>				
Share capital				
Authorised				
100 000 000 ordinary shares of 1 cent each	1 000	1 000	1 000	1 000
Issued				
50 207 061 (1999: 49 200 000) ordinary shares of 1 cent each	502	492	502	492
Balance at beginning of year	492	–	492	–
Issued during current year	10	492	10	492
Balance at end of year	502	492	502	492
Share premium				
Balance at beginning of year	8 148	–	8 148	–
Issued during current year	2 114	27 236	2 114	27 236
Goodwill written off	–	(18 294)	–	(18 294)
Share issue expenses written off	–	(794)	–	(794)
Balance at end of year	10 262	8 148	10 262	8 148
Total share capital and premium	10 764	8 640	10 764	8 640
The balance of the unissued ordinary shares are under the control of the directors until the next general meeting, subject to the provisions of Section 221 of the Companies Act and the requirements of the Johannesburg Stock Exchange.				
Further details regarding the issue of shares and share options granted to employees are set out in the Directors' report.				



# notes to the financial statements for the year ended 31 July 2000

	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>9. DISTRIBUTABLE RESERVES</b>				
Balance at beginning of year	5 892	–	47	–
Retained profit for the year	8 073	5 892	190	47
Goodwill written off	(4 674)	–	(40)	–
Balance at end of year	9 291	5 892	197	47
<b>10. AMOUNTS DUE TO VENDORS</b>				
Amounts due to vendors	4 737	7 328	–	1 628
The amounts due to vendors represent purchase considerations owing in respect of acquisitions and will be settled through the issue of shares or cash resources when the relevant profit warranties have been fulfilled. The amounts owing are interest free and will be settled within a year.				
<b>11. INTEREST BEARING BORROWINGS</b>				
Short-term borrowings	59	–	–	–
	59	–	–	–
<b>12. DEFERRED TAXATION</b>				
Deferred tax assets	(395)	(132)	–	–
Deferred tax liabilities	325	186	46	22
	(70)	54	46	22
The balance of the deferred tax is made up as follows:				
	Balance 1 July 1999	Group R'000 Charged through income	Balance 1 July 2000	
Deferred tax assets				
Provisions	(132)	(263)	(395)	
	(132)	(263)	(395)	
Deferred tax liability				
Trademark write-off	82	31	113	
Pre-payment	104	108	212	
	186	139	325	
Net deferred tax liability/(asset)	54	(124)	(70)	



	Balance 1 July 1999	Company R'000 Charged through income statement	Balance 1 July 2000	
<b>12. DEFERRED TAXATION (continued)</b>				
Deferred tax assets				
Provisions	–	–	–	
	–	–	–	
Deferred tax liability				
Trademark write-off	22	24	46	
	22	24	46	
Net deferred tax liability	22	24	46	
Deferred tax assets and liabilities are only offset when the income tax relates to the same legal entity or fiscal authority.				
	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
Movement in deferred tax can be analysed as follows:				
Balance beginning of year	54	–	22	–
Charged through income statement	(124)	54	24	22
Balance at end of year	(70)	54	46	22
<b>13. TRADE AND OTHER PAYABLES</b>				
Trade payables	1 488	1 512	–	–
Other payables	10 636	2 104	95	122
	12 124	3 616	95	122
<b>14. CAPITAL COMMITMENTS</b>				
<b>14.1 Commitments in respect of capital expenditure</b>				
Approved by directors				
– contracted for	–	–	–	–
– not contracted for	3 500	2 500	–	–
	3 500	2 500	–	–
This expenditure will be financed from cash generated from normal business operations.				
<b>14.2 Operating leases</b>				
Future lease charges for premises, equipment and office furniture				
– payable within one year	1 223	115		
– payable thereafter	3 357	397		
	4 580	512		



## notes to the financial statements for the year ended 31 July 2000

	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>15. REVENUE</b>				
Revenue represents sale of goods and fees charged for enterprise solutions, and excludes value added tax and inter-company sales.				
Revenue comprises				
Sale of goods	10 908	8 860	–	–
Fees received	48 080	23 841	–	–
Income from subsidiaries				
– management fee	–	–	280	280
	58 988	32 701	280	280
<b>16. PROFIT FROM OPERATIONS</b>				
The operating profit is stated after:				
<b>Expenses</b>				
Auditors' remuneration				
– audit fee	171	72	5	–
– accounting services	108	105	–	–
– expenses	21	–	–	–
	300	177	5	–
Depreciation				
– computers	394	49	–	–
– furniture, equipment and vehicles	156	90	–	–
	550	139	–	–
Personnel remuneration	18 940	9 759	–	–
Provident fund contribution	1 607	827	–	–
<b>17. DIRECTORS' EMOLUMENTS</b>				
Directors' emoluments paid by subsidiary				
Executive directors				
– remuneration	2 830	3 703	–	–
– contributions to provident fund	172	136	–	–
– gains made on exercise of share options	–	–	–	–
– other benefits	147	–	–	–
Total directors' emoluments	3 149	3 839	–	–
There are no non-executive directors represented on the board of directors.				
<b>18. NET INTEREST RECEIVED</b>				
Interest received	1 136	766	–	–
Interest paid	(276)	(21)	–	–
	860	745	–	–



	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>19. TAXATION</b>				
<b>South African normal tax</b>				
– current	3 604	2 483	58	–
– attributable to temporary differences arising in the current year	(124)	54	24	22
	3 480	2 537	82	22
<b>Reconciliation of tax rate</b>	%	%	%	%
Standard tax rate	30,0	30,0	30,0	30,0
Adjusted for:				
Disallowable expenditure	0,4	0,1	–	1,9
Effective tax rate	30,4	30,1	30,0	31,9
<b>20. EARNINGS PER SHARE</b>				
<b>Earnings per share</b>				
The calculation is based on earnings of R 8 072 482 (1999: R5 892 354) and on the weighted average of 50 293 973 ordinary shares in issue during the year (1999: 48 272 951).	16,05	12,21	0,38	0,10
<b>Headline earnings per share</b>				
Headline earnings per share has been assessed in terms of AC306 and no significant profits and losses of a capital nature occurred during the current year which would require a headline earnings adjustment.				
The calculation is based on earnings of R 8 072 482 (1999: R5 892 354) and on the weighted average of 50 293 973 ordinary shares in issue during the year (1999: 48 272 951).	16,05	12,21	0,38	0,10
<b>Fully diluted basis</b>				
This is calculated on the assumption that the options granted were exercised. This calculation is based on earnings of R8 072 482 (1999: R5 892 354) and on the weighted average of 51 912 997 (1999: 50 405 081) ordinary shares in issue during the year.	15,55	11,69	0,37	0,09
<b>21. SEGMENTAL REPORTING</b>				
An analysis of the business units and geographical split of the Company revealed that the business operations are closely integrated and all revenue is generated in South Africa; therefore, a segmental analysis will be of no benefit.				



## 22. CONTINGENT LIABILITIES

There are no contingent liabilities other than the top-up contributions owing, that are conditional on future profits being earned in excess of profit warranties contained in the purchase agreements in respect of certain subsidiaries and businesses acquired.

Owing to the uncertainty surrounding these super profits, the amount of the top-up consideration that may be paid cannot be accurately determined. In terms of the purchase agreement, any such top-up considerations that may become payable will be settled through the issue of shares.

## 23. RETIREMENT BENEFIT INFORMATION

The Group continues to contribute to a defined contribution plan. This fund is registered under and governed by the Pension Funds Act, 1956 as amended. Substantially all of the Group's employees belong to the fund. All members pay a contribution to the fund and the Group makes a similar contribution.

## 24. FINANCIAL INSTRUMENTS

### Credit risk management

The Group only deposits cash surpluses with major banks of high quality credit standing.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis.

At year end, the Group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

### Interest rate risk

The Group adopts a policy of ensuring that its borrowings are at market related rates to address its interest rate risk.

### Liquidity risk

The Group has minimised its illiquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

### Fair values

The fair values of all financial instruments are substantially identical to the carrying value reflected in the balance sheet.

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## 25. RELATED PARTIES

Related parties exist between the Group, fellow subsidiaries and the holding company. All purchasing and selling transactions with related parties are concluded at arm's length.

Amounts owing to Group companies are set out in the directors' report.

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	Group		Company	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
<b>26. NOTES TO CASH FLOW STATEMENTS</b>				
<b>26.1 Cash generated by operations</b>				
Profit before taxation	11 553	8 429	272	69
Adjustments				
Net interest received	860	745	–	–
Depreciation	550	139	–	–
	11 243	7 823	272	69
<b>26.2 Movements in working capital</b>				
Increase in inventories	(168)	(5)	–	–
Increase in trade and other receivables	(6 246)	(7 550)	–	(1 006)
Increase/(decrease) in trade and other payables	8 508	3 616	(27)	122
	2 094	(3 939)	(27)	(884)
<b>26.3 Taxation paid</b>				
Amounts owing at the beginning of the year	2 483	–	–	–
Amount charged per the income statement excluding deferred taxation	3 604	2 483	58	–
Amounts unpaid at the end of the year	(3 193)	(2 483)	(58)	–
Amounts paid	2 894	–	–	–
<b>26.4 Additions to tangible assets</b>				
Computers	1 006	346	–	–
Furniture, equipment and vehicles	270	405	–	–
	1 276	751	–	–
<b>26.5 Net proceeds from share issue</b>				
Ordinary shares issued including share premium	2 124	9 434	2 124	9 434
Costs of issue	–	(794)	–	(794)
	2 124	8 640	2 124	8 640
<b>26.6 Cash and cash equivalents at end of period</b>				
Cash on hand	18 999	13 156	–	–
Bank overdrafts	(329)	(18)	–	–
	18 670	13 138	–	–



# *notice of annual general meeting*

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the second annual general meeting of shareholders of Enterprise Outsourcing Holdings Limited will be held in the boardroom of the Company, Ground Floor, Block F, Gillooly's View, 1 Osborne Lane, Bedfordview on 30 January 2001 at 10:00. The following business will be dealt with at the annual general meeting of shareholders:

- to receive and consider the annual financial statements for the year ended 31 July 2000
- to transact such other business as may be transacted at any ordinary general meeting
- to consider and, if deemed fit, pass the following ordinary and special resolutions:

### **Ordinary Resolution Number 1**

"Resolved that, in terms of this ordinary resolution number 1, all of the unissued ordinary shares in the capital of the Company are hereby placed under the control of the directors of the Company as a general authority, in terms of section 221 (2) of the Companies Act 1973, (Act 6 of 1973), as amended ("the Act"), for allotment and issue from time to time to such persons and in such manner as the directors of the Company may determine with the provisions of the Act, the Company's articles of association and the Listing Requirements of the JSE, until such time as the authority lapses in terms of the Act."

### **Ordinary Resolution Number 2**

"Resolved that, the directors be given the general authority to issue new ordinary shares of 1 cent each for cash when suitable situations arise, subject to the Listings Requirements of the JSE and to the following limitations, that:

- this authority shall be valid until the next annual general meeting of the Company (provided it shall not extend beyond 15 months)
- a paid press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of ordinary shares in issue prior to the issues
- issues in the aggregate in any one year will not exceed 15% of the number of ordinary shares in the Company's issued share capital
- the issue must be made to public shareholders as defined by the JSE
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 days prior to the date that the price of the issue is determined or agreed to by the directors of the Company."

### **Special Resolution Number 1**

"Resolved that, the articles of association of the Company be amended by the insertion of the following new articles 13A1 and 13B after articles 13 and 13A respectively:

#### **Acquisition of shares by subsidiary company/ies**

13A1 The Company may, to the extent and in the manner required by the Companies Act 1973, as amended and in terms of the requirements of the JSE, authorise any subsidiary of the Company to acquire shares in the Company.

#### **Uncertificated securities**

13B Notwithstanding any other provisions of section 91A of the Act, the rules, regulations and requirements of the JSE and the provision of any other relevant legislation shall apply in respect of uncertificated securities."

The reason for and effect of the Special Resolution is to provide for the acquisition of the Company's shares by the Company's subsidiaries and to provide for the dematerialisation of securities.



## *notice of annual general meeting*

### **Special Resolution Number 2**

"Resolved that the articles of association of the Company be amended so as to include a New Article and/or amend the relevant Existing Article and under the heading "SHARE TRANSACTIONS TOTALLY ELECTRONIC (STRATE)", but subject to the requirements of the Act, so as to:

- conform to the requirements of the Securities Exchange of South Africa (JSE) and/or any other regulatory authority;
- empower the Company to conform with the duly authorised methods to settle all share transactions totally electronically.

### **Special Resolution Number 3**

"Resolved that the Company or a subsidiary be and is hereby authorised, by way of a general authority, to acquire shares issued by the Company in terms of sections 85 and 89 of the Act, and in terms of the rules and requirements of the JSE, being that:

- any such acquisition of ordinary shares shall be implemented on the open market of the JSE;
- this general authority shall only be valid until the Company's next annual general meeting; provided that it shall not extend beyond fifteen months from the date of passing of this special resolution;
- when the Company has cumulatively repurchased 3% of the number of a class of shares in issue on the date of passing of this special resolution ("the initial number"), and for each 3% in aggregate of the initial number of that class of shares acquired thereafter, an announcement must be published as soon as possible and not later than 08:30 on the business day following the day on which the relevant threshold is reached or exceeded, and the announcement must comply with the JSE's listing requirements;
- in determining the price at which ordinary shares issued by the Company are acquired by it or its subsidiary in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value for such shares for the five business days immediately preceding the date of repurchase of such shares;
- any general repurchase by the Company of its own shares shall not, in aggregate in any one financial year, exceed 20% of the Company's issued share capital of that class as at the date of passing of this special resolution."

The reason for and effect of the special resolution is to grant the Company a general approval in terms of the Act for the acquisition of shares of the Company. Such general authority will provide the board with the flexibility, subject to the requirements of the Act and the JSE, to repurchase shares should it be in the interests of the Company at any time while the general authority exists. This general approval shall be valid until the earlier of the next Annual General Meeting of the Company, or its variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company. Provided that the general authority shall not extend beyond fifteen months from the date of passing of this resolution.

The directors have agreed that acquisitions in the aggregate in any one financial year may not exceed 20% of the Company's ordinary issued share capital at the date of passing of this resolution and is of the opinion that such purchase will not result in:

- the Company in the ordinary course of business being unable to pay its debts for a period of 12 months after the date of this notice of Annual General Meeting;
- the liabilities of the Company exceeding the assets of the Company, calculated in accordance with the generally accepted accounting policies used in the audited financial statements for the period ended 31 July 2000;
- the ordinary capital and reserves of the Company for a period of 12 months after the date of the Notice of Annual General Meeting being materially affected; and
- the working capital of the Company for a period of 12 months after the date of the Notice of Annual General Meeting being materially affected.



## corporate information

### Business Address & Registered Office

Ground Floor, Block F  
Gillooly's View  
1 Osborne Lane  
Bedfordview  
South Africa  
PO Box 59, Bruma, 2026  
Tel: (011) 616-9920  
Fax: (011) 616-9929  
<http://www.eoh.co.za>

### Company Registration

Registration Number 1998/014669/06

### Corporate Banker (1)

Standard Bank of South Africa Limited  
Orange Grove Branch  
(Registration Number 1962/000738/06)  
69 Louis Botha Avenue  
Orange Grove, 2192  
PO Box 46001, Orange Grove, 2119

### Corporate Banker (2)

ABSA  
Corporate Bank  
21st Floor, Sanlam Centre  
cnr, Jeppe and Von Wielligh Streets  
Johannesburg, 2001  
PO Box 1932, Johannesburg, 2000

### Auditors

IAPA Johannesburg (Chartered Accountants (SA))  
Ground Floor, Autoparks House  
13 Park Crescent  
Glenhazel  
Johannesburg, 2001  
PO Box 787, Highlands North, 2037

### Transfer Secretary

Computershare Services Limited  
(Registration Number 1958/003546/06)  
2nd Floor, Edura House  
41 Fox Street  
Johannesburg, 2001  
PO Box 61051, Marshalltown, 2107

### Company Secretary

Susan Patricia Matheson  
Ground Floor, Block F  
Gillooly's View  
1 Osborne Lane  
Bedfordview  
South Africa  
PO Box 59, Bruma, 2026

### Attorneys

Cranko Karp & Associates  
12th Floor  
112 Pritchard Street/cnr Delvers Street  
Johannesburg, 2001  
PO Box 2585, Johannesburg, 2000

### Sponsoring Broker and Corporate Advisor

BOE Securities (Proprietary) Limited  
(Registration Number 1996/015589/07)  
5th Floor, Stock Exchange  
Diagonal Street  
Johannesburg, 2001  
PO Box 61346, Marshalltown, 2107

## Shareholders' Diary

July 2000  
September 2000  
December 2000  
January 2001  
April 2001

Financial year-end  
Preliminary press announcement  
Annual report publication  
Annual general meeting  
Interim press announcement



# ENTERPRISE OUTSOURCING

## HOLDINGS LIMITED

(Registration number 1998/014669/06)

For use by members at the annual general meeting of shareholders of the company to be held at 10h00 on 30 January 2001 or any adjournment thereof ("the annual general meeting") in the boardroom of the company, Ground Floor, Block F, Gillooly's View, 1 Osborne Lane, Bedfordview.

I/We (Name in full)

of

Being the holder(s) of ordinary shares in the Company, hereby appoint

1. or failing him/her,

2. or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us on my/our behalf at the second annual 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 there at and at each adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions (see note 2):

Number of votes (one vote per ordinary share)

	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Ordinary resolution 1			
3. Ordinary resolution 2			
4. Special resolution 1			
5. Special resolution 2			
6. Special resolution 3			

Signed at on 2000

Signature

Assisted by me (where applicable)

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

**Please read the notes on the reverse side hereof.**

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the general meeting". 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. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the general meeting, if he is the authorised proxy, to vote in favour of the resolution at the general meeting, or any other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of all the member's votes exercisable at that meeting.
3. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held or represented by him but the total number of votes for or against the resolution and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.
4. Forms of proxy must be lodged with or posted to the Company's transfer secretaries, Computershare Services Limited, 2nd Floor, Edura House, 41 Fox Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by them by not later than 10h00 on 30 January 2001.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person at the meeting to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory(ies).
7. 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.
8. The chairman of the general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.

