MOTUS

POWERING PROGRESS

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Motus Holdings Limited

(Previously **Motus Holdings Proprietary Limited**)
Incorporated in the Republic of South Africa
Registration number 2017/451730/06
Share code: MTH ISIN: ZAE000261913
"**Motus**" or "**the Company**"

PRE-LISTING STATEMENT

This Pre-Listing Statement is issued in compliance with the Listings Requirements of the JSE.

The definitions and interpretations commencing on page 13 of this Pre-Listing Statement apply, *mutatis mutandis,* throughout this entire Pre-Listing Statement.

This Pre-Listing Statement is not an invitation to subscribe for shares in Motus, but is issued in compliance with the Listings Requirements of the JSE for the purpose of providing information to Imperial Shareholders in South Africa and other jurisdictions with regard to the business and affairs of Motus as at the time of Listing as a result of the Unbundling as detailed in the Imperial Circular. This Pre-Listing Statement does not constitute, envisage or represent an offer to the public, nor does it constitute a prospectus, in each case as contemplated in the Companies Act.

This Pre-Listing Statement has been prepared on the assumption that the resolutions proposed in the notice of general meeting forming part of the Imperial Circular, which is mailed together with this Pre-Listing Statement, will be passed at the general meeting of shareholders of Imperial to be held on or about Tuesday, 30 October 2018, and to the extent applicable, will be registered, and that the Unbundling shall become effective and be implemented.

The Motus directors, whose names are set out on page 19 of this Pre-Listing Statement, collectively and individually, accept full responsibility for the accuracy of the information provided in this Pre-Listing Statement and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Pre-Listing Statement false or misleading, and confirm that they have made all reasonable enquiries in this regard and confirm that this Pre-Listing Statement contains all information required by the Listings Requirements.

The JSE has agreed, subject to the fulfilment of all the conditions precedent as reflected in the Imperial Circular, to the listing of all the issued ordinary shares of Motus in the Specialty Retailers sector on the Main Board of the JSE under the share code "MTH" with effect from the commencement of business on Thursday, 22 November 2018.

As at the date of this Pre-Listing Statement: (i) the authorised stated capital of Motus is: (a) 394 999 000 ordinary shares with no par value, (b) 10 000 000 deferred ordinary shares with no par value, (c) 40 000 000 preference shares with no par value, and (d) 2 000 000 redeemable preference shares with no par value; and (ii) the issued stated capital of Motus is 201 971 450 ordinary shares with no par value. On the commencement of its listing: (i) the authorised stated capital of Motus will be the same as the confirmed numbers as at the date of this Pre-Listing Statement; and (ii) the issued stated capital of Motus will be: (a) 201 971 450 ordinary shares with no par value, and (b) 7 699 360 deferred ordinary shares with no par value. All the ordinary shares in Motus rank *pari passu* in all respects, there being no conversion or exchange rights attaching thereto and have equal rights to participate in capital, dividend and profit distributions by Motus.

The joint financial advisors and transaction sponsor, independent reporting accountants and auditors, legal advisors and transfer secretaries whose reports and/or names are included in this Pre-Listing Statement, have given and have not withdrawn their consent to the inclusion of their names and/or reports in this Pre-Listing Statement in the form and context in which they appear.

Joint financial advisor and transaction sponsor	Legal advisors as to South African law	Joint financial advisor
Standard Bank	TWB Tugendhaft Wapnick Banchetti and Partners; Bowmans	J.P.Morgan
Legal advisor as to the laws of the United States	**Independent reporting accountants and auditors**	**Transfer secretaries**
Freshfields Bruckhaus Deringer	Deloitte.	Computershare

This Pre-Listing Statement is available in English only. Copies may be obtained from Imperial, Motus and Standard Bank, whose details are set out in the "Corporate information and advisors" section of this Pre-Listing Statement as well as on www.imperial.co.za/pdf/unbundling/motus-prelisting-circular.pdf and www.motuscorp.co.za/investors

Date of issue: Thursday, 27 September 2018

Disclaimer

The release, publication or distribution of this Pre-Listing Statement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Pre-Listing Statement is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This Pre-Listing Statement does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or to subscribe for shares or other securities or a solicitation of any vote or approval in any jurisdiction in which such offer or solicitation would be unlawful.

The Motus Shares are expected to be issued and distributed in a transaction meeting the conditions of Staff Legal Bulletin No. 4 of the staff of the US Securities and Exchange Commission for "spin-off" transactions and, accordingly, all Foreign Shareholders located in the United States are eligible to, if the Unbundling is implemented, receive the Motus Shares without registration under the US Securities Act.

The Motus Shares to be distributed in connection with the Unbundling have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any other United States state securities laws. These securities have not been approved or disapproved by the US Securities and Exchange Commission or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Unbundling of the securities or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Unbundling (a) will not constitute an "offer to the public" within the meaning of the European Union Directive 2003/21/EC, as amended, or an "offer of transferable securities to the public" within the meaning of section 102b(1) of the UK Financial Services and Markets Act 2000, and (b) does not contemplate the admission to trading of the Motus Shares on a regulated market in the UK or the European Union. Accordingly, Foreign Shareholders located in the UK are eligible to vote on resolutions to be proposed at the General Meeting and to, subsequently, if the Unbundling is implemented, receive the Motus Shares without further action being taken by Imperial or Motus.

Tax

The summary contained in **Annexure 12** of the Pre-Listing Statement is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Unbundling. It is not intended to be, nor should it be considered to be, legal or tax advice. Shareholders should, therefore, consult their own tax advisors on the tax consequences to them of the Unbundling in both South Africa and their jurisdiction of residence, for which none of Imperial, Motus or their advisors will be held responsible.

Presentation of financial information

Unless otherwise indicated, the financial information in this Pre-Listing Statement has been prepared in accordance with IFRS issued by the International Accounting Standards Board, as amended from time to time (formerly, the International Accounting Standards). IFRS differs in certain significant respects from US GAAP.

The report of historical financial information of Motus as at and for the financial periods ended 30 June 2016, 2017 and 2018 ("Report of Historical Financial Information of Motus"), is set out in **Annexure 1** to this Pre-Listing Statement.

References to defined terms, names and dates

Unless otherwise stated or the context clearly indicates otherwise, terms used in this Pre-Listing Statement shall have the glossary meanings stated in the "Definitions and Interpretations" section of this Pre-Listing Statement. Unless the context otherwise requires, references to "Motus" or the "Company" are to the company and its consolidated subsidiaries. References to any "year" are to the financial year ended 30 June, unless otherwise stated.

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Place and date of incorporation of Motus:
Johannesburg, South Africa on 12 October 2017

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FORWARD-LOOKING STATEMENTS

This Pre-Listing Statement contains statements about Motus that are or may be forward-looking statements.

All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; cash costs; operating results; growth prospects and outlook for operations, individually or in the aggregate; statements concerning Motus' expected future regulatory environment; liquidity, capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-Listing Statement.

All these forward-looking statements are based on estimates and assumptions, all of which estimates and assumptions, although the Company may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the Company, or not currently considered material), could cause the actual results or matters, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Prospective investors should keep in mind that any forward-looking statement made in this Pre-Listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company or other matters to which such forward-looking statements relate, not to develop as expected, may emerge from time to time, and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results or matters to differ materially from those contained in any forward-looking statement are not known. The Company has no duty, and does not intend, to update or revise the forward-looking statements contained in this Pre-Listing Statement after the date of this Pre-Listing Statement, except as may be required by law.

Any forward-looking statement in this Pre-Listing Statement has not been reviewed nor reported on by the company's external auditors.

SALIENT FEATURES

This summary contains the salient features of Motus and the Listing and Unbundling set out in this Pre-Listing Statement, which should be read in its entirety for a complete understanding thereof.

I. EVOLUTION OF IMPERIAL HOLDINGS

Founded in 1948 as a motor dealership in Johannesburg, South Africa, and listed on the JSE in 1987, Imperial evolved into one of the country's largest diversified conglomerates. Imperial navigated pivotal political, social and economic shifts, to grow into a globally significant importer, distributor and dealer of motor vehicles and associated products and services, while concurrently expanding into business areas associated with the transport of goods.

In 2008, a major portfolio restructuring was implemented with an emphasis on retaining and investing in businesses with the potential to generate higher yields on capital and defensive annuity income streams.

A landmark development in Imperial's growth trajectory was the acquisition of CIC Holdings in 2010, a consumer packaged goods distribution business active in the SADC region, which initiated and accelerated the company's expansion into the African Regions.

Imperial's decentralised business model facilitated and encouraged the acquisition, development and growth of large and small businesses alike, and sought to balance a strong entrepreneurial culture with appropriate financial control and sound governance. By 2014, as a diversified, multi-national industrial services and retail group, it employed around 52 000 people and generated revenues in excess of R100 billion, with a wide range of vertically integrated businesses in the logistics, automotive and industrial, and financial services sectors.

A strategic evaluation revealed that Imperial was invested in a vast portfolio of businesses and assets, some of which were standalone, unrelated to Imperial's core capabilities, underperforming, sub-scale or low return on effort. Conversely, an assessment of Imperial's portfolio confirmed those businesses and assets that had the most promising prospects within the two chosen sectors of mobility – logistics and automotive value chains.

From late 2014, with a strong focus on strategic clarity, a fundamental transformation was initiated to unlock intrinsic value within Imperial. Touching every part of the organisation, the changes sought to retain the entrepreneurial creativity and capital management excellence that had underpinned Imperial's past success, while ensuring that the structure, strategies, and value propositions of its divisions were clarified, simplified and focused, for sustainable competitive advantage, growth and returns.

Substantial portfolio optimisation saw Imperial disposing of assets that did not fit Imperial and underlying business unit's strategies or did not generate sufficient returns on capital or executive effort, and acquiring those that did. Since 2014, as many as 55 businesses and 90 properties were sold, releasing capital of R7.0 billion, and R5.7 billion of this was invested in acquiring 17 companies.

With effect from 1 July 2016 and 1 January 2017 respectively, Imperial consolidated its logistics and automotive operating companies and assets within two large, self-sufficient, multi-national companies, Imperial Logistics and Motus, each with its own Board of directors, CEO, Executive Committee and increasingly self-sustaining balance sheets. Numerous executive management changes were made to accommodate the new structure and the succession for retiring executives.

Similarly, the internal separation necessitated a realignment of Imperial's governance structure and two strong operating Boards were established. To further entrench the independence and focus of Imperial Logistics and Motus, the functions of the Imperial head office were systematically devolved to the two businesses. From 1 July 2017, Imperial's Executive Committee was disbanded and its authorities devolved to the divisional Boards, which have since presided over the implementation of exemplary governance standards.

Over the intervening period, Imperial Logistics and Motus have continued to restructure internally for effectiveness, and to position their businesses for sustainable competitiveness. The latter has included thorough consideration of the cyclical and structural dynamics, and specifically the disruptive change expected, in the logistics and automotive sectors. Pursuant to more efficient capital and funding

structures, significant effort ensured that each business achieved appropriately geared independent and self-sustaining balance sheets as evidenced by the June 2018 results.

It is noteworthy that in the 70th year of Imperial's existence, it has reached the culmination of the far-reaching changes to the portfolios, strategies, structures and management of its businesses, each of which are comparable to the governance, executive, operating, control and reporting standards of major public companies.

II. RATIONALE FOR THE LISTING AND UNBUNDLING OF MOTUS

The strategic decision to separate the business operations and management of Imperial will provide shareholders with the opportunity to participate directly in Imperial Logistics and/or Motus.

The Unbundling will be implemented through:

- a distribution in specie of the issued ordinary shares in Motus to Imperial Ordinary Shareholders on a one-for-one basis in terms of section 46 of the Companies Act and section 46 of the Income Tax Act; and
- the simultaneous Listing of Motus on the main Board of the JSE.

The transformation and development of Imperial in recent years has been directed at value creation through strategic clarity, managerial focus and shareholder insight. The first has been achieved through portfolio rationalisation, the second through organisation structure and the third through disclosure. This approach has confirmed the absence of operational synergies between Imperial Logistics and Motus and resulted in the rapid establishment of two large independent businesses. Both are managed and reported on separately, with separate CEOs, Boards of directors and executive Committees, with decreasing functional support from the holding company. As mentioned, each business achieved appropriately geared independent and self-sustaining balance sheets as evidenced by the results to 30 June 2018.

In light of the above, the role of Imperial as the custodian of governance and the provider of capital to the businesses is no longer necessary. Consequently, and after due consideration to whether the long-term prospects of Imperial Logistics and Motus will be enhanced by them being separately listed, the Board of directors of Imperial approved the external separation of the two businesses through the unbundling of Motus. The Unbundling will enable each of the two businesses to operate in a more focused and efficient manner, allowing each of the businesses to achieve their respective strategic goals, be separately accountable to debt and equity providers and unlocking value for shareholders over the long term. The Unbundling will also provide shareholders with the opportunity to participate directly in Imperial Logistics and/or Motus.

The Transaction will be underpinned by the following:

- Enhance strategic focus and independence.
- Improve operational efficiency mainly through the reduction in complexity, duplication of processes, and costs over time.
- Enable Shareholders to participate directly in Imperial Logistics and/or Motus.
- Provide focused capital and funding structures.
- Enhance shareholder understanding and insight of each business and its sub-divisions.

III. MOTUS

a. Overview

Motus is a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, and a selected international presence, primarily in the UK and Australia. Motus' unique business model is fully integrated across the automotive value chain through its four key business segments, namely; Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts. This business model provides diversified service offerings underpinned by significant annuity earnings, maximises revenue and income opportunities, and provides returns in excess of WACC, enabling Motus to maintain sustainable free cash flows and pay an attractive Dividend.

b. Key investment highlights

Supported by over 18 300 employees and as southern Africa's largest automotive group, Motus' key investment highlights include:

- Unique, fully integrated business model across the automotive value chain: Import and Distribution, Retail and Rental, Motor Related Financial Services and Aftermarket Parts.
- A leading position in South Africa and selected international presence (UK and Australia).
- Access to annuity income streams, high free cash flow generation and best-in-class ROIC, providing a platform for an attractive Dividend yield.
- Unrivalled scale in South Africa underpins a differentiated value proposition to OEMs, customers and business partners, providing multiple customer touch points supporting resilience and customer loyalty through the entire vehicle ownership cycle.
- Defined organic growth trajectory through portfolio optimisation, continuous operational enhancements and innovation, with a selective acquisition strategy outside South Africa leveraging best-in-class expertise.
- Highly experienced management team with deep industry knowledge of regional and global markets, and a proven track record with years of collective experience, including a strong independent board.

c. **Strategy**

Motus is positioned to maintain its leading automotive retail market share in South Africa and grow in selected international markets. Motus aims to sustain best-in-class earnings, targeted returns and high free cash flow generation, providing a platform for a consistent Dividend pay-out through the cycle.

Motus has a strategic focus on deepening its competitiveness and relevance across the automotive value chain, by driving organic growth through optimisation and innovation, with selective acquisitive growth outside South Africa.

The achievement of its vision and related aspirations for financial performance, market performance and innovation is supported by clearly defined strategic initiatives at a group and segment level.

d. **High level financial performance for Motus**

Summarised statement of profit or loss

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Revenue	77 659	66 129	65 538
Net operating expenses	(72 713)	(61 202)	(61 018)
Adjusted EBITDA	4 946	4 927	4 520
Depreciation, amortisation and impairments	(1 353)	(1 588)	(1 228)
Operating profit	3 593	3 339	3 292
Operating profit margin	*4.6%*	*5.0%*	*5.0%*
Net finance costs	(737)	(889)	(675)
Pre-tax profit [1]	3 210	2 019	2 374
Income tax	(897)	(671)	(677)
Profit after tax	2 313	1 310	1 503
Attributable to owners of Motus	2 346	1 569	1 493
Attributable to non-controlling interests	(33)	(259)	10

[1] *The above excludes discontinued operations, disclosed in* ***Annexure 1****, except for profit after tax, attributable to owners of Motus and profit attributable to non-controlling interests.*

[2] *Above table includes items of an exceptional nature.*

[3] *FY2017 included a foreign exchange loss of R388 million which resulted from the unwinding of uneconomical and excessive forward cover mainly in Renault and FY2018 included a net profit on disposal of property amounting to R617 million.*

Summarised statement of financial position

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Goodwill and intangible assets	1 230	798	895
Property plant and equipment	6 786	6 465	6 888
Vehicles for hire	3 924	3 859	3 391
Adjusted net working capital	6 731	8 235	8 193
Deferred funds	(2 724)	(2 807)	(2 949)
Other net assets	1 597	2 175	2 337
Net debt	(5 900)	(6 803)	(6 746)
Shareholders' equity	(11 644)	(11 922)	(12 009)

The above excludes discontinued operations as disclosed in ***Annexure 1***

The figures disclosed above are an extract from the Motus Consolidated Financial Statements, the basis of which are different to Imperial's published results for Motus, prepared on the following basis.

- US GAAP common control principles have been applied. This requires that the group structure applicable at 30 June 2018 and consolidation processes used to prepare the 30 June 2018 figures are also applied to 2016 and 2017 even though the group structure at 30 June 2018 was not in place for June 2017 and 2016. As a result, various businesses held in other areas of the group (for example, certain properties held by the group head office) are included in the consolidated Motus results for 2015 and 2016.
- The Motus Statement of Profit or Loss is prepared on a continuing basis including exceptional for 2016 and 2017.
- In Imperial inter-divisional transactions are eliminated including sales by the Motus operation to Logistics. In the Motus Pre-Listing Statement results these sales would be seen as sales to third parties.
- The Motus statement of Financial Position is prepared, splitting the assets and liabilities between current and non-current, whereas for Imperial it is prepared in the order of liquidity. This requires the reallocation of assets and liabilities from within the Statement of Financial Position, leading to differences between asset and liability line items when compared to Imperial's published results for Motus. This has no impact on equity.

IV. SHARE INCENTIVE SCHEMES

Motus has adopted share incentive schemes (namely, the SAR Scheme, the DBP and the CSP) in which schemes its directors and key senior management will be eligible to participate, the salient features of which are set out in **Annexure 14**.

V. DIVIDEND GUIDELINE

Motus' guideline in respect of the 2019 annual Dividend pay-out ratio is 45% of HEPS.

VI. RISK FACTORS

Section 5 entitled "Risk factors" describes certain risk factors that should be considered together with other information contained in this Pre-Listing Statement.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 11 of this Pre-Listing Statement apply, *mutatis mutandis,* to this "Important dates and times" section.

	2018
Abridged Pre-Listing Statement published on SENS	Wednesday, 26 September
Pre-Listing Statement posted to Shareholders	Thursday, 27 September
Publication of finalisation information	Wednesday, 14 November
Last day to trade for Imperial Ordinary Shareholders to be entitled to participate in the Unbundling	Wednesday, 21 November
Listing of Motus Shares on the JSE under the share code MTH and ISIN ZAE000261913 expected at commencement of trade	Thursday, 22 November
Imperial Ordinary Shares commence trading "*ex*" entitlement to Motus Shares	Thursday, 22 November
Record Date for the Unbundling	Monday, 26 November
Accounts at CSDPs/Brokers updated	Tuesday, 27 November

Notes:

1 *These dates and times are subject to change. Any material changes to the above dates will be released on SENS and published in the South African press.*

2 *All times shown in this Pre-Listing Statement are South African times.*

3 *Imperial Shares may not be Dematerialised or rematerialised between Thursday, 22 November 2018 and Monday, 26 November 2018 both days inclusive.*

4 *Full details of the Unbundling are set out the Imperial Circular, which has been issued together with this Pre-Listing Statement.*

DEFINITIONS AND INTERPRETATIONS

In this Pre-Listing Statement and the documents attached hereto, unless the context indicates otherwise the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing the masculine include the other two, and words incorporating persons include juristic persons and associations of persons.

"AAAS"	Africa Automotive Aftermarket Solutions, a division of Motus Holdings Limited, constituting a significant portion of the Aftermarket Parts segment;
"Adjusted net working capital"	Consists of inventories, trade and other receivables, derivative instruments, provisions and trade and other payables;
"Adjusted EBITDA"	earnings before interest, taxation, depreciation, amortisation, profit or loss on disposal of investments and on disposal of property, plant and equipment, investment properties and intangible assets, before currency losses and other non-operating items;
"AUD"	Australian Dollar, the official currency of Australia;
"Authorised Dealer"	a financial institution or bank authorised to deal in foreign exchange;
"B-BBEE"	Broad-Based Black Economic Empowerment;
"B-BBEE Act"	the South African Broad-based Black Economic Empowerment Act, No. 53 of 2003, as amended;
"B-BBEE Codes"	the South African Codes of Good Practice on Broad-Based Black Economic Empowerment issued under the B-BBEE Act from time to time;
"Board" or **"Directors"**	the board of directors of Motus, as constituted from time to time comprising, as at the date of this Pre-Listing Statement, the directors reflected on page 19 of this Pre-Listing Statement;
"Broker"	any person registered as a broking member in equities in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
"Business Day"	any day on which banks are generally open for business in South Africa other than a Saturday, Sunday or official public holiday in South Africa;
"c."	**Circa** (from Latin, meaning 'around, about') signifies "approximately";
"CAT"	Central African Time;
"CEO"	Chief Executive Officer;
"Certificated Shares"	shares which have not been dematerialised, title to which is represented by share certificates or other documents of title;
"CFO"	Chief Financial Officer;
"CGT"	capital gains tax as levied in terms of schedule 8 of the Income Tax Act;
"CIPC"	the South African Companies and Intellectual Property Commission;
"Companies Act"	the South African Companies Act, No. 71 of 2008, as amended;
"CMA"	South Africa, Namibia, Lesotho and Swaziland, known collectively as the common monetary area;
"CSDP"	a central securities depository participant as defined in section 1 of the Financial Markets Act;
"CSP"	Motus Conditional Share Plan constituted and regulated by the rules of the CSP, dated 17 September 2018;

"DBP"	Motus Deferred Bonus Plan constituted and regulated by the rules of the DBP, 17 September 2018;
"Deloitte & Touche" or **"independent reporting accountants and auditors"**	Deloitte & Touche (practice number 902276), registered auditors, the independent reporting accountants and external auditors of Motus;
"Dematerialised" or **"Dematerialising"**	the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares in accordance with the rules of Strate and for trading on the JSE;
"Dematerialised Shareholders"	holders of dematerialised shares;
"Dematerialised Shares"	shares which have been dematerialised;
"Disposal"	the disposal by Imperial to Motus, as at the last practicable date, of the transferring assets in terms of asset-for-share transactions in accordance with the provisions of sections 42 of the Income Tax Act;
"Dividends"	dividends, distributions or other amounts declared and payable in respect of any shares referred to in this Pre-Listing Statement;
"Dividend Tax"	dividend withholding tax payable in respect of any Dividend in terms of Part VIII of the Income Tax Act;
"Documents of title"	share certificates, certified transfer deeds, balance receipts and other documents of title to shares acceptable to Imperial;
"EBIT"	earnings before interest and taxation;
"EPS"	earnings per share;
"Exchange Control Regulations"	the Exchange Control Regulations of South Africa, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended;
"Existing Share Schemes"	collectively, the SAR Scheme, the DBP and the CSP;
"Executive Directors"	the executive directors of the Company;
"Financial Markets Act"	the South African Financial Markets Act, No. 19 of 2012, as amended;
"Foreign Shareholders"	An Imperial Shareholder who has a registered address outside South Africa, or who is resident, domiciled or located in, or who is a citizen of, a country other than South Africa;
"FY"	financial year ending 30 June;
"GDP"	gross domestic product;
"General Meeting"	the general meeting of Imperial Shareholders convened in terms of the notice of general meeting attached to and forming part of the Imperial Circular, which meeting is expected to take place at 10:00 on Tuesday, 30 October 2018 in the Training Room at Hyundai Head Office, Cnr Lucas and Norman Road, Bedfordview, Johannesburg Gauteng;
"HEPS"	headline earnings per share;
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board from time to time;

"Imperial" or **"Imperial Holdings"**	Imperial Holdings Limited, a public company with limited liability incorporated in accordance with the laws of South Africa with registration number 1946/021048/06 and listed on the JSE, and its direct and indirect subsidiaries and associated companies from time to time;
"Imperial Board"	the board of directors of Imperial, as constituted from time to time comprising, as at the date of this Pre-Listing Statement;
"Imperial Circular"	the bound circular addressed to Imperial Shareholders dated Thursday, 27 September 2018 in relation to the Unbundling and related matters, including all annexures and attachments thereto;
"Imperial Logistics"	the logistics operations of Imperial excluding all automotive businesses (Motus), being all the logistics operations of Imperial, which will comprise the sole business of Imperial post the Listing and Unbundling of Motus, and result in Imperial Logistics specifically and solely being an integrated outsourced logistics service provider with a diversified presence across Africa and Europe;
"Imperial Shareholders"	holders of: (i) Imperial Ordinary Shares; and (ii) deferred ordinary shares in the share capital of Imperial;
"Imperial Ordinary Shareholders"	holders of Imperial Ordinary Shares;
"Imperial Ordinary Shares"	ordinary shares in the share capital of Imperial;
"Income Tax Act"	the South African Income Tax Act, No. 58 of 1962, as amended;
"IOCA"	the International Organisation of Motor Vehicle Manufacturers;
"JSE"	the stock exchange operated by the JSE Limited, a public company incorporated in South Africa registration number 2005/022939/06 and licensed as an exchange under the Financial Markets Act;
"King IV"	the King Code of Governance Principles and the King Report on Governance for South Africa, as published on 1 November 2016;
"Last day to trade" or **"LDT"**	the last Business Day to trade in a security in order to settle by the Record Date to be able to qualify or participate in an event. All trades done from commencement of trade on LDT + 1 will exclude entitlements;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Pre-Listing Statement, being Wednesday, 19 September 2018;
"List Date"	the date on which Motus Shares are listed on the JSE, which date is anticipated to be on or about Thursday, 22 November 2018;
"Listing"	the proposed listing by way of introduction of the entire issued stated capital of Motus on the JSE, which listing is anticipated to commence with the commencement of trade on the List Date;
"Listings Requirements"	the listings requirements of the JSE, as amended from time to time;
"local OEMs"	local OEMs include but are not limited to, Mercedes Benz South Africa Proprietary Limited, Toyota South Africa Proprietary Limited, and Volkswagen South Africa Proprietary Limited;
"Memorandum of Incorporation" or **"MOI"**	the memorandum of incorporation of Motus;
"Motus" or **"the Company"**	Motus Holdings Limited, a company with limited liability incorporated in accordance with the laws of South Africa with registration number 2017/451730/06 and to be listed on the JSE on List Date, and its direct and indirect subsidiaries and associated companies from time to time;

"Motus Deferred Shares"	Deferred ordinary shares of no par value in the stated capital of Motus;
"Motus Group Limited"	a company currently known as Imperial Group Limited (currently undergoing a name change) with limited liability incorporated in accordance with the laws of South Africa with registration number 1983/009088/06;
"Motus Shareholders"	holders of Motus Shares from time to time;
"Motus Shares"	ordinary shares in the stated capital of Motus;
"NAAMSA"	National Association of Automobile Manufacturers of South Africa;
"NAV"	net asset value;
"NTAV"	net tangible asset value;
"Net debt"	net interest-bearing debt includes total interest-bearing borrowings less cash resources;
"Non-resident"	a person who is not considered a resident of South Africa for tax purposes;
"Other net assets"	other net assets includes goodwill and intangible assets, property, plant and equipment, vehicles for hire, adjusted net working capital, less deferred funds, net debt and shareholders equity;
"OEMs"	original equipment manufacturers in the automotive industry;
"Ordinary shares"	ordinary shares of no par value constituting part of the authorised stated capital of the Company;
"Own-name dematerialised shareholder"	a beneficial owner of dematerialised shares who has instructed his CSDP to enter his own name in the CSDP's sub-register;
"Preference shares"	non-redeemable, cumulative, non-participating preference shares with no par value in the stated capital of Motus;
"Pre-Listing Statement"	this bound document dated Thursday, 27 September 2018, including all annexures and attachments hereto;
"Prime rate"	the publicly quoted benchmark interest rate *per annum* at which commercial banks in South Africa lend to private and corporate clients;
"Record Date"	the last date on which an Imperial Ordinary Shareholder must be recorded in the Imperial register in order to participate in the Unbundling, expected to be Monday, 26 November 2018;
"Redeemable preference shares"	redeemable preference shares with no par value in the stated capital of Motus;
"Regent's VAPS business"	Regent's VAPS business comprises subsidiaries previously owned by Regent retained within the Motus-Related Financial Services division on sale of Regent to Hollard, rebranded as MSure Proprietary Limited;
"ROIC"	the return on invested capital, calculated based on taxed operating profit plus income from associates divided by the 12-month average invested capital (total equity and Net Debt);
"SAEM"	the South Africa Automotive Export Manual;
"SARB"	the financial surveillance department of the South African Reserve Bank;
"SAR"	Share Appreciation right;
"SARS"	the South African Revenue Service;
"SAR Scheme"	Motus Share Appreciation Right Scheme, as constituted and regulated by the rules of the SAR Scheme, dated 17 September 2018;

"SAVRALA"	Southern African Vehicle Rental and Leasing Association representing organisations involved in car and truck hire or fleet management;
"Section 112 disposal"	the disposal of the whole or the greater part of the undertaking or assets of a company as contemplated and governed by section 112 of the Companies Act;
"Securities Act"	the United States Securities Act, 1933, as amended;
"Securities Exchange Act"	the United States Securities Exchange Act, 1934, as amended;
"SENS"	the Stock Exchange News Service of the JSE;
"Separation Agreement"	the separation agreement entered into between, *inter alia*, Imperial and Motus in relation to, *inter alia*, the Unbundling, in order to regulate certain matters between Imperial and Motus and their respective subsidiaries after the effective date of the Unbundling, as may be amended from time to time;
"Shareholders"	collectively, registered holders of Imperial Ordinary Shares and Motus Shares as reflected on the shareholder register and the sub-register maintained by a CSDP or Broker;
"South Africa"	the Republic of South Africa;
"Standard Bank"	The Standard Bank of South Africa Limited, a public limited liability company incorporated in accordance with the laws of South Africa with registration number: 1962/000738/06, acting through its corporate and investment banking division;
"Strate"	Strate Proprietary Limited, a private company incorporated in South Africa as an electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, with registration number 1998/022242/07;
"STT"	securities transfer tax levied in terms of the Securities Transfer Tax Act, No. 25 of 2007;
"Subsidiaries"	shall have the meaning ascribed thereto in the Companies Act;
"SUV"	sports utility vehicle;
"takeover regulations"	chapter 5 of the regulations published in terms of sections 120 and 223 of the Companies Act;
"TFCOE"	total fixed cost of employment;
"Transaction"	collectively, the Disposal, Listing and Unbundling;
"Transaction sponsor"	Standard Bank;
"Transfer secretaries" or **"Computershare"**	Computershare Investor Services Proprietary Limited, a private company incorporated in South Africa with registration number 2004/003647/07, and the transfer secretaries to Motus;
"Treasury shares"	equity shares of the Company held: (i) by a subsidiary and/or (ii) by a trust, through a scheme and/or other entity, where the equity shares in the company are controlled by the applicant issuer from a voting perspective, the votes of which will not be taken into account for purposes of resolutions proposed pursuant to the provisions of the Listings Requirements;
"TRP"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
"Transferring assets"	all of the shares in the transferring subsidiaries, the material shares as disclosed in **Annexure 6**;

"Ukhamba"	Ukhamba Holdings Proprietary Limited (RF), a private company with limited liability incorporated in accordance with the laws of South Africa with registration number 1998/017702/07; of which full details have been included in **Annexure 15** to this Pre-Listing Statement;
"Unbundling"	the proposed distribution of 201 971 450 Motus Shares held by Imperial and comprising 100% of the issued stated capital of Motus, to Imperial Ordinary Shareholders in the ratio of 1 Motus Share for every 1 Imperial Ordinary Share held (subject to the rounding convention applied by the JSE), in terms of section 46 of the Income Tax Act, and which is to be regarded as a section 112 disposal for Imperial;
"UK"	the United Kingdom of Great Britain and Northern Ireland;
"UK pound sterling" or **"£"**	United Kingdom pound sterling, the official currency of the United Kingdom;
"United States" or "US"	the United States of America including its territories and possessions, any state of the United States and the District of Columbia;
"US dollar" or **"USD"** or **"$"**	United States Dollar, the official currency of the United States;
"VAPS"	value-added products and services;
"VAT"	value-added tax levied in terms of the South African Value-Added Tax Act, 89 of 1991;
"VWAP"	volume weighted average price, being the total value of the securities traded for the period divided by the total number of securities traded for the period;
"WACC"	the weighted average cost of capital for each sub-division of Motus, calculated by making appropriate country/regional risk adjustments for the cost of equity and pricing for the cost of debt depending on jurisdiction. The Motus WACC calculation is a weighted average of the respective sub-divisional WACCs; and
"ZAR" or **"Rand"** or **"R"**	South African Rand, the official currency of South Africa.

POWERING PROGRESS

Motus Holdings Limited

(Previously **Motus Holdings Proprietary Limited**)
Incorporated in the Republic of South Africa
Registration number 2017/451730/06
Share code: MTH ISIN: ZAE000261913
"**Motus**" or "**the Company**"

Directors

Executive

Osman Suluman Arbee (CEO)

Ockert Jacobus Janse Van Rensburg (CFO and acting CEO)

Non-executive

Graham Wayne Dempster (Chairman)*

Ashley Tugendhaft (Deputy Chairman)

Phumzile Langeni*

Thembisa Skweyiya*

Roderick John Alwyn Sparks*

** Independent*

PRE-LISTING STATEMENT

SECTION 1

INTRODUCTION

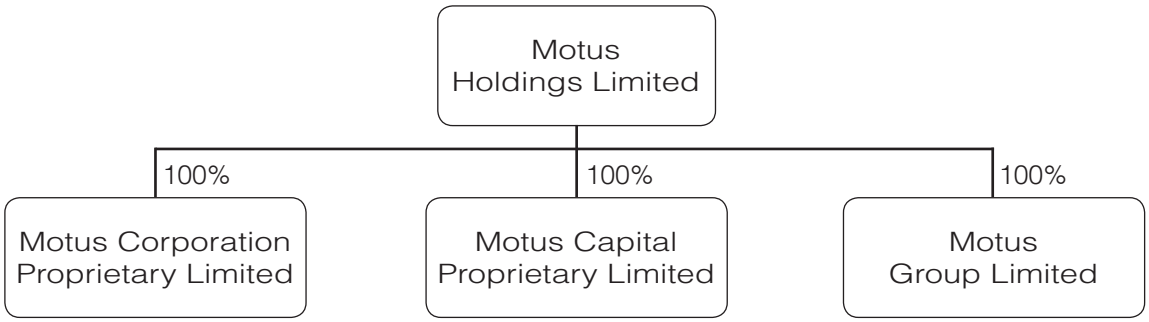
1.1 The Imperial Board has resolved to proceed with the steps required to implement the separation of Motus from Imperial so that Motus will be an independent publicly traded company. The separation will be achieved by way of Imperial making a *pro rata* distribution to Imperial Ordinary Shareholders registered as such in its register at the close of business on the Record Date. Imperial will distribute, on a *pro rata* basis one Motus Share for every one Imperial Share, reflected as being held by that Imperial Ordinary Shareholder on the Record Date. The Unbundling will be effected in terms of section 46 of the Companies Act, section 46 of the Income Tax Act and otherwise on the terms and conditions set out in this Pre-Listing Statement. As of List Date, Imperial and Motus will become independent publicly traded companies and will have separate public ownership, boards of directors and management.

1.2 The purpose of the Pre-Listing Statement is to provide Imperial Shareholders with information regarding the terms and conditions pertaining to the Listing and Unbundling and information regarding Motus.

THE LISTING AND UNBUNDLING OF MOTUS

2.1 The Disposal

Prior to the Listing and Unbundling, Imperial disposed of the transferring assets to its wholly-owned subsidiary, Motus, in terms of asset-for-share transactions in accordance with the provisions of section 42 of the Income Tax Act in order to give effect to the Listing and Unbundling. As at the Last Practicable Date, Motus holds all of the automotive interests of Imperial, as set out below:



Motus comprises the following subsidiaries:

- Motus Corporation Proprietary Limited: the holding company of the South African subsidiaries, comprising the Import and Distribution operations, Motor-Related Financial Services and certain retail dealerships.
- Motus Capital Proprietary Limited: the domestic treasury management company and holding company of the international subsidiaries.
- Motus Group Limited: the Retail and Rental operations and Aftermarket Parts. Currently named Imperial Group Limited.

2.2 The Listing

The JSE has granted Motus, subject to the Unbundling becoming unconditional and being implemented, a listing in the Specialty Retailers sector on the main board of the JSE, under the abbreviated name 'Motus', with effect from the commencement of trading on Thursday, 22 November 2018. For this purpose, this Pre-Listing Statement is being sent to the holders of ordinary shares, deferred ordinary share and non-redeemable, cumulative, non-participating preference shares in Imperial together with the Imperial Circular and should be read in conjunction with each other.

2.3 Rationale for the Listing and Unbundling

The transformation and development of Imperial in recent years has been directed at value creation through strategic clarity (portfolio rationalisation), managerial focus (organisation structure) and shareholder insight (disclosure). Progress has exceeded our expectations, and has confirmed the absence of operational synergies between Imperial Logistics and Motus. Both divisions are now managed and reported on separately, with separate CEOs, Boards Of Directors And Executive Committees, and have self-sufficient balance sheets with decreasing functional support from the holding company.

After considering whether the long-term prospects of Imperial Logistics and Motus will be enhanced by them being separately listed, the Imperial Board believes that the separation of the two divisions will enable the component parts of Imperial's businesses to operate in a more focused and efficient manner, thereby allowing each of the businesses to achieve their respective strategic goals and unlocking value for Shareholders over the long term. The Transaction will be underpinned by the following:

2.3.1 ***Strategic focus and independence***

- Providing the platform to pursue independent strategic initiatives, with enhanced flexibility and efficiency.
- Enhancing the ability to mitigate and manage specific risks and challenges faced by each business unit and proactively react to changes within the specific market segments and economic landscapes in which they operate.
- Enabling management teams to express entrepreneurial flair, including the identification and execution of acquisition opportunities, locally and abroad, with direct responsibility and accountability for performance and growth.

2.3.2 ***Improved operational efficiency mainly through the reduction in complexity, duplication of processes and costs over time***

- Managing separate operating entities, completely independent of one another, which enhances streamlined activities and operations.
- In-depth asset focus.

2.3.3 ***Focused capital and funding structures***

- Providing respective management teams with direct access and accountability to equity and debt capital markets, each with the appropriate capital structure to support their strategies on a long-term sustainable basis, and the ability to raise funding independently.
- On implementation of the Transaction, Imperial Logistics and Motus will have self-sufficient capital structures, with an optimal mix of debt and equity on a standalone basis and within the industries in which they operate (target net debt to equity of between 55% and 75%), to facilitate growth, provide flexibility and maintain sufficient liquidity and headroom.

In this context, Imperial has secured sufficient commitments from funders amounting to R7 billion term funding and is in the process of securing approximately R3 billion of short term funding for Motus. In addition to the ZAR funding some GBP 38 million and USD 30 million of term facilities are also being renewed. The funding is being secured at competitive market related rates and allows for Motus to operate on a standalone basis, post the Unbundling. The term funding would be repayable within a period of 3 years to 5 years. These facilities are unsecured and is used for general corporate purposes, working capital and acquisitions. As an automotive retailer Motus make use of extensive floorplan arrangements from OEMs in the UK, Australia and South Africa and from banks in South Africa to fund vehicle purchases and those facilities are secured by the vehicles in question.

2.3.4 ***Enhanced shareholder understanding and insight of each business and its sub-divisions***

- Providing greater insight to investors with regard to the nature of the activities and geographies within which Imperial Logistics and Motus operate, and the potential value of each business, and facilitating discretionary investment in independent and dedicated business units with greater comparability to focused peers.

2.4 The Unbundling

The Unbundling will be governed by and will be carried out in accordance with section 46 of the Companies Act and section 46 of the Income Tax Act. It will be regarded as a *pro rata* distribution of Motus Shares by Imperial to Imperial Ordinary Shareholders. Under section 46 of the Companies Act, a *pro rata* distribution of Motus Shares must be approved by the Imperial Board and can be given effect to only if it reasonably appears that:

2.4.1 the assets of Imperial, as fairly valued, equal or exceed the liabilities of Imperial, as fairly valued; and

2.4.2 Imperial will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the distribution is implemented.

The Companies Act requires that the Imperial Board acknowledges, by resolution, that it is satisfied that the above requirements are fulfilled in order for the Unbundling to proceed. The entire issued stated capital of Motus will be unbundled to existing Imperial Ordinary Shareholders by way of a

distribution *in specie* in accordance with section 46 of the Companies Act, section 46 of the Income Tax Act and the Listings Requirements. The stated capital of Motus will be set such that the Motus Shares are unbundled in a ratio of 1:1 with Imperial Ordinary Shares.

The Unbundling will further be regarded as a disposal of the whole or a greater part of the assets or undertakings of Imperial, as contemplated in section 112 of the Companies Act. The Unbundling therefore requires the prior approval of Imperial Shareholders by way of special resolution passed in terms of section 115 of the Companies Act, and Imperial has sent out a notice of General Meeting to its shareholders for the purposes of obtaining such approval at that meeting.

The SARB has granted the necessary regulatory approvals for the distribution *in specie*. The Unbundling will be governed by, and construed in accordance with, the laws of South Africa.

The Imperial Board gave its in-principle approval for the Unbundling on 21 June 2018 and passed the resolutions necessary to implement the Unbundling on 17 September 2018. On 21 June 2018, Imperial announced the Unbundling and the intention to list Motus' Shares on the JSE. Motus' Shares are expected to list on the JSE on Thursday, 22 November 2018.

2.5 Receipt of Motus Shares

For the purposes of the Unbundling, Imperial Ordinary Shareholders will be delivered their respective Motus Shares in dematerialised form only. Accordingly, all Imperial Ordinary Shareholders must appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive Motus Shares on their behalf. Should an Imperial Ordinary Shareholder require a physical share certificate of its Motus Shares, it will have to materialise its Motus Shares following the Listing and should contact its CSDP to do so. There are risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, which is no longer covered by the JSE Guarantee Fund. All Imperial Ordinary Shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to dematerialise their shares should they wish to trade them in accordance with the rules of Strate (see paragraph 2.6 below).

The Motus Shares accruing to any unknown/untraceable certificated Imperial Ordinary Shareholders will be transferred to Computershare and held in accordance with the relevant custody agreement. Should such Imperial Ordinary Shareholder wish to claim their Motus Shares, it will have to give an instruction to their CSDP/Broker/Custodian to receive the Motus Shares from Computershare, who will verify the holding and validity of the shares to be transferred. The transfer secretaries shall require supporting documentation (and an indemnity form to be completed) and will advise the Imperial Ordinary Shareholder accordingly. Beneficial ownership will be recorded on a sub-register with the transfer secretary (known as the nominee sub-register) but held in aggregate with Computershare in dematerialised format. The Motus Shares will then be transferred into such account with the CSDP or broker as may have been specified by the relevant Imperial Ordinary Shareholder concerned provided that such account must be within South Africa in the case of a resident but may in the case of a non-resident be inside or outside of South Africa.

Documents of title in respect of Imperial Ordinary Shares held are not required to be surrendered in order to receive the Motus Shares.

Non-resident Imperial Ordinary Shareholders must satisfy themselves as to the full observance of the laws of their country or territory of residence in relation to all aspects of this Pre-Listing Statement that may affect them, including the Unbundling, as well as consider the Exchange Control Regulations, summarised in Paragraph 10.4 and **Annexure 12**.

Motus and Imperial do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Imperial Ordinary Shares to notify such beneficial owner of the details set out in the Imperial Circular and the Pre-Listing Statement.

2.6 Strate and trading shares on the JSE

Shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement via Strate immediately following the Listing.

Strate is a system of "paperless" transfer of securities. If investors have any doubt as to the mechanics of Strate they should consult their Broker, CSDP or other appropriate advisor, and they are referred to the Strate website at http://www.strate.co.za.

The contents of this website are not incorporated by reference and do not form part of this Pre-Listing Statement and should not be relied upon for the purposes of forming an investment decision. Some of the principal features of Strate are as follows:

2.6.1 electronic records of ownership replace share certificates and physical delivery of certificates;

2.6.2 trades executed on the JSE must be settled within three Business Days;

2.6.3 all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and

2.6.4 unless investors owning Dematerialised Shares specifically request their CSDP to register them as an "own name" shareholder (which entails a fee), their CSDP's or Broker's nominee company, holding shares on their behalf, will be the shareholder of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP's or Broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP's or Broker's nominee company) as to how it wishes to exercise the rights attaching to the Motus Shares and/or to attend and vote at shareholders' meetings.

2.7 Additional copies of the Pre-Listing Statement

Additional copies of the Pre-Listing Statement may be obtained during normal business hours from Thursday, 27 September 2018 from Imperial's and Motus' registered office and the offices of the transaction sponsor, the addresses of which are set out in the "Corporation Information and Advisors" section of this Pre-Listing Statement as well as on www.imperial.co.za/pdf/unbundling/motus-prelisting-circular.pdf and motuscorp.co.za/investors.

INFORMATION ON MOTUS

3.1 General overview

Motus is a multinational, vertically integrated automotive group, operating across the industry value chain of motor related services, namely:

- Import and Distribution;
- Retail and Rental;
- Motor-Related Financial Services; and
- Aftermarket Parts

The group operates in the southern African markets and internationally primarily through dealerships in the UK and Australia. It creates value through integration across the entire automotive value chain for a broad range of the world's most respected brands.

In South Africa, Motus' retail market share was 19.9% as at 30 June 2018. The segment retails over 100 000 new vehicles annually which represents approximately one in five new vehicles in South Africa as well as 90 000 pre-owned vehicles. Motus' value proposition is underpinned by consistent superior routes-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships situated in the economic hubs of South Africa.

The disposal of non-strategic businesses and acquisitions into selected international markets over the past few years has contributed to the strategic, managerial and customer focus within four clearly defined business segments, namely; Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts. Motus has the scale, expertise and relationships with OEMs and customers, to respond effectively to a continually evolving motor industry.

Motus' recent portfolio and organisational optimisation has included:

- Acquiring the remaining 10% shareholding in Associated Motor Holdings Proprietary Limited in February 2016 to consolidate its importation business.
- Consolidating as a single automotive group in January 2017, with its four clearly defined business segments: Import and Distribution, Retail and Rental, Motor-Related Financial Services as well as Aftermarket Parts.
- Expanding the Retail and Rental segment in the UK with the acquisition of Pentagon Motor Holdings Limited in September 2017, and in Australia with the acquisition of SWT Group Proprietary Limited in October 2017.
- Expanding the Motor-Related Financial Services segment by integrating Regent's VAPS business (subsequently rebranded as MSure) from June 2017.
- Expanding the Aftermarket Parts segment with the acquisition of a 60% stake in Taiwanese wholesale distributor, ARCO Motor Industry Company Limited, in March 2018.
- Restructuring and disposing of 31 non-strategic businesses and 36 properties, and closure of 15 non-strategic and underperforming dealerships in FY2017.
- Sharpening strategic, managerial and customer focus to improve intra-segmental collaboration and efficiencies, and reduce complexity, costs and capital employed.
- Simplifying reporting structures and consolidating back-office functions, including centralising shared services (ongoing).

3.2 Motus business segments

3.2.1 *Import and Distribution*

Motus is the exclusive South African importer and distributor of Hyundai, Kia, Renault and Mitsubishi motor vehicles and parts, which collectively have an estimated 15% market share in South Africa. The segment operates in South Africa and neighbouring countries with approximately 80 000 vehicles imported annually. The Import and Distribution segment provides a differentiated value proposition to the dealership model and enhances the revenue potential of the entire value chain.

3.2.2 *Retail and Rental*

South Africa

Motus represents 23 OEMs through 356 vehicle dealerships, including 104 pre-owned dealerships, 232 passenger vehicle dealerships and 20 commercial vehicle dealerships. Motus has longstanding importer and retail partnerships with OEMs.

Motus operates a centralised finance and insurance model across its dealer network which executes on the financial services strategy of the group and acts as a channel for products and services sourced from the Motor-Related Financial Services business.

The car rental segment operates under the Europcar and Tempest brands. Each brand has different target markets, operating through 118 car rental outlets in South Africa and 16 in neighbouring countries. Motus' car rental market share in South Africa was more than 25% as at 30 June 2018.

The Retail and Rental segment's unrivalled footprint of strategically located dealerships, largely in growing urban areas, underpins its leading market share.

United Kingdom

Motus has 84 commercial vehicle dealerships and 28 passenger vehicle dealerships in the UK post the recent acquisition of Pentagon Motor Holdings Limited, which added an additional 21 dealerships to Motus' footprint. Going forward, continued organic and acquisitive expansion in both Commercial and Passenger vehicle retail sectors will be considered in the UK.

Australia

The group operates 30 passenger vehicle dealerships in Australia, post the recent acquisition of SWT Group Proprietary Limited, which added 16 dealerships in the greater Melbourne area. Further selective expansion in the Australian market will be driven by the introduction of additional brands across existing dealerships.

3.2.3 *Motor-Related Financial Services*

Motor-Related Financial Services develops and distributes innovative vehicle related financial products and services through importers and distributors, dealers, vehicle finance houses, call centres and digital channels. The segment is a manager and administrator of Service, Maintenance and Warranty plans and develops and sells value added products and services to more than 730 000 clients. The segment is also a provider of fleet management services to corporate customers including fleet maintenance, fines management and licensing and registration services.

Innovation and unlocking efficiencies and customer potential within existing and new channels represent a significant growth and profit opportunity for the business. Motus has invested in technology to leverage consumer data, gathered through its interaction with its suppliers and customers respectively. This data enables Motus to offer personalised services, an enhanced customer experience and better retention.

The Motor-Related Financial Services segment complements and leverages the automotive value chain, providing high-margin annuity earnings. This is achieved by creating and selling relevant and innovative products and services. The segment's ability to analyse Motus' proprietary data (including sales, prices, residual values, and service schedules and parts failure rates) enables the accurate pricing of its offerings, cents per km profiling for the fleet business, and management of claims costs. Through its leading Warranty, Service and Maintenance plans, the segment unlocks revenue for Motus' Import and Distribution and Rental and Retail segments by bringing customers back to its dealerships.

3.2.4 *Aftermarket Parts*

Motus is the distributor, wholesaler and retailer of accessories and parts for out-of-warranty vehicles, through 35 owned branches, 43 owned retail stores and a network of 720 franchised outlets.

Aftermarket Parts franchise base comprises:

- Resellers: Midas, Transerve and Team Car; and
- Specialised workshops: ADCO, CBS, Motolek, Battery Hub and Silverton.

The Aftermarket Parts segments' large national and growing international footprint enables it to leverage its buying power to distribute and sell competitively priced products for a continually growing car parc (number of registered vehicles) of vehicles out of warranty. Expanding into Africa through acquisitions constitutes a significant opportunity for this business. Increased participation in this segment will include vertical integration in order to eliminate intermediaries in the wholesale supply chain. Motus recently acquired 60% of ARCO Motor Industry Company Limited in Taiwan to support this strategy.

3.3 Key investment highlights

3.3.1 *Leading position in South Africa and selected international presence (UK and Australia)*

Motus is a diversified non-manufacturing business in the automotive sector.

Motus has unrivalled scale and scope in South Africa, and a growing international presence primarily in the UK and Australia.

3.3.2 *Unique fully integrated business model across the automotive value chain*

Motus operates across its four business segments namely; Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts. Motus' participation in all aspects of vehicle ownership, use and maintenance provides the opportunity to grow the proportion of revenue and operating profit that is not impacted by new vehicle sales. Its full value chain exposure also enables Motus to cross-sell and leverage synergies and efficiencies across its businesses, giving further protection against cyclical pressures. Motus' strong market position, multi-faceted diversification and integration across the automotive value chain provides resilience through the cycle.

Import and Distribution

Imports and distributes passenger, light commercial vehicles and parts, to serve a network of dealerships, car rental companies, fleets and government institutions in South Africa.

Retail and Rental

Sells passenger and commercial vehicles across all segments which include entry level, SUVs, luxury, light commercial and heavy-duty vehicles. Rents passenger, SUVs and light commercial vehicles.

Motor-Related Financial Services

Manages and administers service, maintenance and warranty plans. Develops and sells value-added products and services. Provides fleet management services. Deploys call centres and an innovation hub.

Aftermarket Parts

Distributes, wholesales and retails accessories and aftermarket parts for vehicles through franchised outlets and specialised workshops.

Motus' fully integrated business model and diversified service offering should enable the Company to maintain earnings and margins throughout the cycle. Motus' operating profit margins are proven to remain largely stable despite ZAR volatility.

3.3.3 *Access to annuity income streams, high free cash flow generation and best in class ROIC*

With its leading market share in South Africa, underpinned by annuity income streams, and its growth prospects in selected international markets, Motus is positioned to sustain high free cash flows, best-in-class earnings and targeted returns, providing a platform for a consistent Dividend pay-out throughout the cycle.

With proven financial discipline, supported by extensive experience and expertise in finance, treasury and accounting to ensure accurate and timely reporting, tight cost controls, responsive management and high operational governance standards.

3.3.4 ***Unrivalled scale in South Africa underpins a differentiated value proposition***

Motus' unrivalled scale in South Africa, and its multiple customer touch points across the vehicle ownership cycle, underpins a differentiated value proposition to OEMs, customers and business partners.

Longstanding importer and retail partnerships with OEMs demonstrate Motus' strategic focus on being the OEMs partner of choice, offering a consistently superior route-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships.

Currently no competitors enjoy Motus' scale or scope in the South African market. Motus is positioned to maintain its leading market share in South Africa and grow in selected international markets. Motus demonstrates strong competitive positions within each of its business segments, which encompasses the entire automotive value chain except manufacturing. In South Africa, Motus' strong market position and fully integrated business model enables Motus to diversify and maximise its earnings across the automotive value chain.

3.3.5 ***Defined organic growth trajectory through portfolio optimisation, continuous operational enhancements and innovation, with a selective acquisition strategy outside South Africa***

Strategic focus on driving organic growth through optimisation, innovation and enhanced financial performance, with selective acquisitive growth outside South Africa, leveraging best-in-class expertise.

3.3.6 ***Highly experienced management team and a strong independent Board***

Motus has a highly experienced leadership team with deep industry and market knowledge and a proven track record as detailed in section 6 of the Pre-Listing Statement.

The team demonstrates a wealth of collective years of service within Motus. Key management will remain in place post the Listing and Unbundling.

3.4 Business strategy

Motus' founding objective is to penetrate the automotive value chain excluding manufacturing, with competitive products and services that maximise the share of the customer's vehicle expenditure and engender loyalty. Motus' physical and online retail outlets and support facilities are located in areas that ensure optimal customer access and organisation efficiency.

Motus aims to create value for its customers and build market share through relevant, innovative products and exceptional service at competitive prices. The Company aims to deliver returns to Shareholders through operational alignment, collaboration across the supply chain, and the reduction of complexity, duplication, expenses and capital employed, while managing currency risk. Motus' progress and performance is delivered by a diverse complement of highly competent and experienced individuals and teams.

Motus has a strategic focus on deepening its competitiveness and relevance across the automotive value chain, by driving organic growth through optimisation and innovation, with selective acquisitive growth outside South Africa.

The achievement of its vision and related aspirations for financial performance, market performance and innovation is supported by clearly defined strategic initiatives at a group and segment level. Motus' strategic objectives are underpinned by its strategic pillars which include:

Optimise the portfolio by evaluating the relevance of the markets Motus competes in:

- exit or disposing of businesses that are non-strategic and that do not enhance the competitive advantage or those with low return on effort;
- ensuring a meaningful presence in selected international markets;
- maintaining market leadership in South Africa by strengthening the core business, optimising each business segment and driving further integration across the value chain, while remaining relevant through innovation and strategic partnerships;

- providing exceptional customer service at each stage of the value chain to remain the partner of choice for OEMs and business partners; understand customer mobility needs through data analysis, develop personalised services and engender loyalty (for instance, through new loyalty programmes and the project under way to achieve single view of customer behaviour and preferences in the medium-term);
- leading innovation and showcase the evolving mobility experience in partnership with OEMs, such as showrooms in shopping malls and virtual showrooms;
- consolidating pre-owned dealer brands, and roll out additional importer pre-owned brands, and consolidate online presence to drive sales in this growing market;
- in Import and Distribution, providing offers and promotions to drive volume; this will generate annuity income through service parts, panel parts, workshop servicing and financial services;
- in Retail and Rental, revising dealership commission structures to increase sales productivity and improve customer service;
- in Motor-Related Financial Services, unlocking efficiencies and customer potential within existing and new channels, by expanding offerings in the owned and independent dealership networks; and grow the VAPS business through joint ventures with companies able to provide significant channels to market;
- in Aftermarket Parts, increasing efficiency through an integrated regional hub distribution system supported by an off-shore centralised distribution centre; improve the availability of products at the point-of-sale, and enhance premium, value and entry brand offerings; and
- driving transformation, seeking additional joint ventures with B-BBEE partners to ensure competitiveness in certain market segments (with a holding company structure in place to facilitate this); and support socio-economic development initiatives, such as partnering black entrepreneurs in the workshop market.

Grow competitive market share and achieve economies of scale in selected international markets through acquisitions that complement Motus' existing networks and benefit from the transfer of expertise:

- In the UK, grow organically and acquisitively in commercial and passenger retail;
- In Australia, grow acquisitively, introducing volume brands to the existing dealership network, and grow in pre-owned market;
- In both markets, explore opportunities to offer tailored financial services offerings, by leveraging South African expertise and systems (with adjustments to comply with local regulations);
- In Aftermarket Parts, grow significantly through acquisitions in selected markets in sub-Saharan Africa and partnerships with local players, and acquire suppliers in the Far East (mainly China and Taiwan), to boost buying power and achieve vertical integration, eliminating intermediaries in the wholesale supply chain to capture full channel margin;
- Enhance financial performance;
- Meet and exceed OEM sales and customer service targets to maximise incentives and rebate;
- Grow non-vehicle revenue streams (Motor-Related Financial Services and Aftermarket Parts);
- Reduce costs by improving distribution of new, pre-owned and rental vehicles and parts, and by combining functions (where sensible) and streamlining processes;
- Continue to drive operational alignment and collaboration across the automotive value chain, to reduce complexity, duplication, expenses and capital employed;
- Maintain a strong focus on managing currency risk;
- Target 20%-25% operating income from markets outside South Africa.

Drive innovation

- While innovation is a strategic priority in each business segment, the Motor-Related Financial Services segment operates as Motus' Innovation Hub, based on its proven expertise, proprietary data, partnerships with technology developers, and ability to predict and respond to mobility-related trends;
- Align continuously with digital, mobility and automation trends and changing customer needs by working with OEMs to deliver innovative mobility solutions to customers;
- Systematically enhance customer value propositions, as traditional offerings shift to mobility solutions, and enhance customer access to Motus' offerings through digital platforms;

- Identify new ways to monetise market insights;
- Ensure IT systems support efficiency, connectivity and networking across Motus; and
- Ensure overall business agility to respond effectively to disruptive change.

Improve technology solutions

- Improve technology solutions to realise efficiencies, drive new growth opportunities and strengthen competitive advantage; the rationalisation and upgrading of fragmented legacy systems, and standardisation (where applicable), is continuing through:
  - Expanding Motor-Related Financial Services data warehouses and data lakes;
  - Developing a new platform in Aftermarket Parts to leverage synergies by combining the parts business; and
  - Expanding strategic IT capability to support business insight, reporting and innovation in sales platforms, social media, data gathering and analytics.

Invest in human capital and change management:

- Attract, develop, retain and reward high-potential individuals committed to building a career in the automotive industry, with the mind-set, skillsets, flexibility and responsiveness for significant change;
- Provide effective performance management to align employee capabilities and expectations with business objectives and career opportunities;
- Incentivise management to ensure sustainable performance through the cycle; with management incentives focused on financial and non-financial targets (specifically for employment equity);
- Ensure a strong focus on transformation and succession at a management level; and
- Simplify reporting structures for effective delegation and accountability, and drive the ongoing implementation of reliable core data and best-in-class practices to optimise recruitment, training, mentoring, and staff transfers across business segments and employee engagement.

3.5 Automotive industry

3.5.1 *Global trends*

The global automotive industry is evolving with new technologies, concepts and emerging entrants redefining how consumers buy, own, use, and drive cars. Some of the most prominent automotive trends taking place are an increase in the popularity of alternative powertrains (versus battery electric vehicles), autonomous vehicles and the movement towards usage-based transportation methods.

While the long-term future of alternative powertrains and fully autonomous cars will likely redefine the vehicle itself and how it is manufactured, these trends will require significant investment in infrastructure, and the resolution of a number of issues, such as effective driving policies and regulations. It is the parallel path of new ownership and mobility business models that may transform the automotive industry more.

Mobility-as-a-Service (MaaS) describes a shift away from personally-owned modes of transportation and towards mobility solutions that are consumed as a service. Mobility fleet operators are likely to continue growing by leveraging their networks to provide more tailored services. Dealers and vehicle finance could also undergo a change, with greater emphasis on offering fewer highly customised vehicles, a shift toward fleet management and a change in personal vehicle ownership. In addition, shorter usage cycles could reduce the supplies in the aftermarket space. The consumers' ownership journey is seen as follows:

Pre-purchase phase

- Consumers research the vehicle purchase decision extensively via a number of different channels and sources including digital, dealerships and the general media;
- As a result, OEMs and dealers have a considerable opportunity to influence a purchase decision;
- Consumers visit at least two dealers before they buy (reduced from five dealers over the last two years), reinforcing the need for dealers to make every interaction count; and
- While printed content and digital channels are important influences in the purchasing decision, the salesperson on the dealer floor remains pivotal.

Purchase phase

- Ease of purchase and convenience remain important for customers in their purchasing experience;
- While many aspects of the purchasing process are becoming increasingly digitised, the test drive and dealership interaction with the customer is still an important part of the customer experience; and
- The top three aspects consumers dislike about the purchase process include the overall time it takes, the amount of paperwork involved, and tailored specification of the vehicle to accommodate OEM extras.

Post-purchase phase

- Dealers are continuing to cultivate the opportunity to communicate with their customers to build effective, long-term relationships and encourage loyalty and advocacy over time; and
- Digital touchpoints are only meeting, not exceeding, customer expectations, which presents an opportunity for differentiation in a very crowded market.

The pace at which these changes filter into Motus' businesses will vary across markets. While in the UK and Australia regulations and market readiness may result in material shifts taking place in the short to medium term; in South Africa, limited infrastructure may prevent an imminent transformation in the industry. In this regard, Motus could benefit from its position in the UK and Australia to extract learnings that could be leveraged in the South African context.

In addition, Motus is well positioned, due to its scale and scope, expertise and relationships, to anticipate the changes and respond with the necessary innovations. Specifically, its strong relationships with OEMs will support its ability to respond quickly to their changing requirements. Furthermore, the financial services business has a proven track record in improving customer engagement through innovative channel and product development, underpinned by its data analytics capabilities.

3.5.2 ***Global vehicle market***

According to the South Africa Export Manual published by the Automotive Industry Export Council in 2018 ("South African Export Manual"), total global new vehicle sales, as reported by OICA[1], increased by 3.1% to 96.8 million units in 2017, compared to the 93.91 million units sold in 2016. The global new vehicle market performed well in 2017, with established economies maintaining growth, while developing markets such as Russia and Brazil returned to growth, following declines in 2016. Demand for vehicles remains high. South Africa, with 557 701 vehicles sold in 2017, was ranked 24th in the world in terms of global vehicle sales with a market share of 0.58%[1].

[1] International Organization of Motor Vehicle Manufacturers or "Organisation Internationale des Constructeurs d'Automobiles" (OICA)
[2] South Africa Export Manual 2018, prepared on behalf of the SA Automotive Industry Export Council

3.5.3 *Overview of car parc where Motus operates*

With a motorisation rate of 176/1 000[2] (lower than many other emerging markets), South Africa's vehicle market could be categorised as an immature parc, where there is room for further market penetration.

Australia and the UK's motor vehicle market is substantially larger than South Africa's, both in terms of sales and car parc, complemented by a high motorisation rate.

Country	Total vehicle sales 2016	Total vehicle sales 2017	Motorisation rate/1 000 people	Vehicle parc (m)
Australia	1 178 133	1 188 677	718	17.2
South Africa	547 546	557 701	176	12.2
UK	3 123 755	2 955 182	587	38.2
Global	93 905 634	96 804 390	182	1 282.3

Source: The SA Automotive Export Manual 2018.

3.5.4 *South Africa*

3.5.4.1 *Overview*

According to the South Africa Export Manual, the automotive industry is one of the most important sectors in South Africa, contributing more than 6% to the country's GDP and accounting for more than 13% of South Africa's total export value, making it a crucial cog in the economy. The South African automotive supply chain includes manufacturing, distribution, retail, finance, insurance and maintenance and servicing. Motus currently operates in all segments of the value chain other than manufacturing.

South Africa's vehicle demand is met by a range of imported and locally manufactured vehicles. The country has one of the most competitive trading environments in the world and in 2017 offered no fewer than 53 passenger car brands and 3 236 model derivatives for consumers to select from, and in the light commercial vehicle segment, 34 brands with 698 model derivatives to choose from[2].

South Africa had a vehicle parc of 12.21 million at the end of 2017, of which 7.17 million or 58.7% comprised passenger cars – the average age of the passenger car parc in 2017 was nine years and six months, and for the commercial vehicle parc, nine years and 10 months[2]. A relatively old vehicle parc could signal a potential replacement cycle on the cusp.

3.5.4.2 *Underlying macroeconomics*

On 20 September 2018, the Monetary Policy Committee of the South African Reserve Bank ("MPC") held the repo rate unchanged at 6.5% in line with market expectations. The MPC has forecast inflation to remain within the 3.0% – 6.0% target band until the end of 2020 and adjusted the CPI average and GDP growth for 2018 to 5.3% and 0.7%, respectively, from a previous 4.8% and 1.2% estimate. The growth forecast for 2019 and 2020 is unchanged at 1.9% and 2.0% respectively.

3.5.4.3 *Vehicle sales*

South Africa's domestic new vehicle sales are closely correlated with the overall performance of the economy and business and consumer confidence levels. According to OICA[1], South African new vehicle sales increased in 2017, reversing a three-year downward trend that started in 2014. The 2017 aggregate sales figure, however, was significantly below the all-time high of 714 315 units posted 11 years ago.

[1] International Organization of Motor Vehicle Manufacturers or "Organisation Internationale des Constructeurs d'Automobiles" (OICA)

[2] South Africa Export Manual 2018, prepared on behalf of the SA Automotive Industry Export Council

According to NAAMSA[3], domestic new vehicle sales for the eight months ended August 2018, declined marginally by 0.2% year-on-year, relative to the corresponding period in 2017. The Motus total South African retail market share at 30 June 2018 was 19.9%.

3.5.4.4 *Rental*

Business tourism continues to drive the growth of car rental and passenger volumes between South African airports are a proxy for understanding the demand for rented cars. Over the past 12 months to June 2018, South Africa saw over 10.5 million passenger arrivals[2].

South Africa's car rental market is mature, with a number of global brands having established a presence in the country. The industry is driven by the good road infrastructure to many key tourist destinations.

Motus car rental has a market share of more than 25% at 30 June 2018. Motus continued to lead through its Europcar and Tempest brands, which are household names within car rental in South Africa.

Although the entry of peer-to-peer platforms such as Uber did not have a significant impact on car rental during the review period, they did affect short-term corporate travel, where visitors to cities stayed for shorter periods such as one day. To compete with new technologies and companies such as Uber, car rental players implemented their own strategies such as chauffeur-driven services, and we continue to engage with new entrants to this market.

3.5.5 ***United Kingdom***

3.5.5.1 *Overview*

The automotive industry is a vital part of the UK economy accounting for more than £80 billion turnover. The UK automotive market has experienced a shift in market segment over the past decade, and the most popular vehicle choices are superminis, small family cars and SUVs (dual purpose).

Despite Brexit-related consumer concerns, the UK new car market has remained stable, and Motus' UK operations have performed in line with expectations.

Motus has 84 commercial vehicle dealerships and, through the recent acquisition of the Pentagon Group, 28 passenger vehicle dealerships in the UK. Going forward, continued organic and acquisitive expansion in both commercial and passenger vehicle retail sectors will be considered.

3.5.6 ***Australia***

3.5.6.1 *Overview*

Motus' Australian operations consist of 30 passenger vehicle dealerships in New South Wales and in Victoria. Further selective expansion in the Australian market will be driven by the introduction of new profitable brands across existing dealerships and newly acquired franchises.

The Australian new vehicle market has shown steady growth over the past decade, with rising consumer confidence, population growth and low unemployment all having a direct impact. SUV sales continue to drive the passenger vehicle market due to the wide range of SUVs now being offered by manufacturers in the country.

[2] South Africa Export Manual 2018, prepared on behalf of the SA Automotive Industry Export Council
[3] NAAMSA quarterly reports
[4] http://www.airports.co.za/airports/or-tambo-international/statistics/aircraft

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Overview

The following information should be read in conjunction with our reviewed and audited consolidated financial statements as of and for the years ended 30 June 2016, 2017 and 2018. The statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board in issue and effective for Motus at 30 June 2018 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as amended and the JSE Listings Requirements, in line with the accounting policies of Motus which are supported by prudent judgments and estimates.

Motus businesses did not historically constitute a combined legal group. The historical financial statements of Motus are prepared on the assumption that the Company and its subsidiaries; Motus Capital Proprietary Limited, Motus Group Limited and Motus Corporation Proprietary Limited traded together as a combined legal group for the years ended 30 June 2018, 30 June 2017 and 30 June 2016.

In 2017, the rationalisation of Imperial's portfolio and the clarification of strategy resulted in the assembly and consolidation of Imperial's entire logistics and vehicle operating companies and assets within two increasingly self-sufficient divisions each under its own board, CEO and Executive Committee. By the 2017 year-end, Motus was formed with four clearly defined business segments namely; Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts. The objective of the formation and structuring of Motus, under one collaborative leadership team, was to enhance returns by reducing duplication, complexity, costs and capital employed, unlocking intra-divisional efficiencies and more deeply penetrating the automotive value chain, while maintaining market share.

4.1 Financial performance and key operating metrics for Motus

4.1.1 *Summary of Motus' financial performance based on the results in* ***Annexure 1***

Summarised statement of profit or loss

Summarised statement of profit or loss

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Revenue	77 659	66 129	65 538
Net operating expenses	(72 713)	(61 202)	(61 018)
Adjusted EBITDA	4 946	4 927	4 520
Depreciation, amortisation and impairments	(1 353)	(1 588)	(1 228)
Operating profit	3 593	3 339	3 292
Operating profit margin	*4.6%*	*5.0%*	*5.0%*
Net finance costs	(737)	(889)	(675)
Pre-tax profit [1]	3 210	2 019	2 374
Income tax	(897)	(671)	(677)
Profit after tax	2 313	1 310	1 503
Attributable to owners of Motus	2 346	1 569	1 493
Attributable to non-controlling interests	(33)	(259)	10

The above excludes discontinued operations, disclosed in ***Annexure 1*** *except for profit after tax, attributable to owners of Motus and attributable to non-controlling interests.*

[1] *FY2017 included a foreign exchange loss of R388 million which resulted from the unwinding of uneconomical and excessive forward cover mainly in Renault and FY2018 included a net profit on disposal of property amounting to R617 million.*

Summarised statement of financial position

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Goodwill and intangible assets	1 230	798	895
Property, plant and equipment	6 786	6 465	6 888
Vehicles for hire	3 924	3 859	3 391
Adjusted net working capital	6 731	8 235	8 193
Deferred funds	(2 724)	(2 807)	(2 949)
Other net assets	1 597	2 175	2 337
Net debt	(5 900)	(6 803)	(6 746)
Shareholders equity	(11 644)	(11 922)	(12 009)

The above excludes discontinued operations as disclosed in ***Annexure 1.***

Summarised statement of cash flows

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Cash flows from operating activities	4 301	1 337	(545)
Cash flows from investing activities	61	(222)	(376)
Cash flows from financing activities*	(4 204)	(762)	634
* *Dividend payments included above*	*3 140*	*1 197*	*1 274*

FY 2018

Revenue increased by 17% year-on-year, with positive contributions by all four operating segments, notwithstanding challenging economic and trading conditions. This was mainly due to competitive vehicle pricing and a strong improvement in entry-level and small SUV vehicle sales in South Africa as consumers are trading down. As a result, luxury brand sales declined by 20% during the year. The acquisitions in the UK and Australia contributed positively to revenue, but at lower margins.

The Import and Distribution segment's revenue increased by 11% mainly due to increased volumes sold of lower margin vehicles, a change in the mix of vehicles sold and price increases. The Retail and Rental segment's revenue increased by 18% which was mainly due to the acquisitions in Australia and the UK and higher South African volumes of low margin vehicles. Aftermarket Parts segment reported an increase in revenue of 8% mainly due to price increases, aggressive sales and marketing activities and recent acquisitions.

During the period, in South Africa, Motus grew unit vehicle sales by 7% whilst national vehicle unit sales as reported by NAAMSA increased by 2%.

Operating profit increased by 8%, as all four business segments recorded growth in operating profit during the period and achieved a 5% increase from organic growth, before acquisitions. The Import and Distribution segment increased by 7% mainly due to improved performances in Hyundai, Kia and Renault as well as Africa distributors. The retail and rental segment operating profit increased by 14% year-on-year mainly due to the acquisition of businesses and the higher operational profit in dealerships selling importer brands. Financial Services operating profit increased by 7% year-on-year, mainly attributable to higher fund income, partially offset by lower bank alliance profits. Aftermarket Parts operating profit increased by 10% mainly due to higher margins, as well as recent acquisitions.

Net finance costs declined by 17%, mainly due to an improved working capital position across the segments as well as the recapitalisation of Renault in the Import and Distribution segment.

Profit on sale of properties increased, mainly due to the sale of a property in Australia, realising a profit of R616 million, as well as R104 million arising from several other disposals.

Profit before tax increased by 59%, impacted by the profit on sale of the Australia property and a significant reduction in foreign exchange losses from 2017. This was largely due to the unwinding of excessive and uneconomical forward cover in Renault. The reduction in net finance costs also boosted performance.

Excluding the profit on sale of properties, PBT is up 30% mainly due to higher profit from operations, lower interest as a result of the positive movement in working capital, lower forex losses, coupled with the improvement in operating profit.

Effective tax rate reduced from 34% to 28%. The effective tax rate was positively affected by the lower tax rate in jurisdictions where expansion occurred, mainly UK and Taiwan. The Renault losses in the prior year did not result in tax benefits, as no additional deferred tax assets were created in the statutory entity.

Cash flows were impacted by higher profitability coupled with lower working capital, which resulted in higher cash generated from operations and higher dividends paid to shareholders.

Acquisitions

- During the year, Motus acquired Pentagon Motor Holdings, which operates 38 passenger and light commercial vehicle franchises from 21 prime retail dealerships in the UK, for £26 million (R479 million), effective 1 September 2017. Pentagon supports Motus' strategy to deploy capital and its vehicle retail expertise in pursuit of growth beyond South Africa, and it complements our existing commercial vehicle business in the UK. This acquisition performed satisfactorily despite the UK passenger market being depressed by the convergence of declining UK passenger vehicle sales, market realignment from diesel vehicles and Vauxhall changing ownership from General Motors to the French PSA group.
- Motus acquired 75% of Australian-based SWT Group Proprietary Limited, which operates 16 dealerships, for AUD24,2 million (R261 million), effective 1 October 2017. This acquisition performed in line with expectations during the period and complements our existing dealership footprint in Australia.
- Motus acquired 60% of ARCO Motor Industry Company Limited, a distributor of motor vehicle engine parts based in Taiwan for USD15 million (R185 million). The acquisition is in line with our strategy to shorten the supply chain in sourcing products for our route-to-market network in Africa, thereby eliminating costs and improving efficiency in the supply chain.

Disposals

- 32 non-strategic properties were disposed of during the year for R1.3 billion.

FY 2017

Revenue increased by 1%, despite volume reductions in the Import and Distribution segment and the Retail and Rental segment, this was offset by selling price increases. Aftermarket parts increased revenue by 6% year-on-year mainly due to price increases, Motor-Related Financial Services revenue increased by 5% mainly due to higher volumes on vehicles for hire, as well as new innovative product launches.

Operating profit increased by 1%, mainly due to solid operating profit growth in Financial Services and Aftermarket Parts, offsetting lower volumes in vehicle sales of Importer and Distribution, as well as Retail and Retail segments. The lower vehicle volumes were largely offset by increases in selling prices and improvements in the cost structures of the businesses post amalgamation of the vehicle retail operations.

Net finance costs increased by 32%, mainly as a result of the higher working capital levels during the current financial year.

A foreign exchange loss of R416 million was realised. R388 million of this loss relates to the unwinding of uneconomical and excessive forward cover, mainly in Renault, caused by a volatile Rand exchange rate, excessive ordering in a slowing market and delayed model launches.

Profit before tax decreased by 15%, mainly due to higher interest as a result of the higher investment in working capital, offset by marginally higher operating profit.

Cash flows were impacted by higher profitability, which provided the ability to sustain higher inventory levels during the vehicle volume retraction cycle and higher working capital levels.

4.2 Segmental performance

Outlined below is the summarised financial performance of the respective business units for FY2016, FY2017 and FY2018 as extracted from **Annexure 1** to this Pre-Listing Statement.

4.2.1 *Import and Distribution*

Summarised income statement

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Revenue	20 128	18 172	18 331
Operating profit	788	736	927
Operating profit margin	*3.9%*	*4.1%*	*5.1%*
Net finance costs	(347)	(285)	(254)
Profit/(loss) before tax	393	(190)	416

The above excludes discontinued operations.

FY 2018

Revenue and operating profit from this segment increased by 11% and 7% respectively, as sales volumes increased by 11% (Hyundai up 4%, Kia up 22% and Renault up 22% per NAAMSA) with our vehicle mix aligned to market demand resulting from pressure on consumer affordability.

The Motus importer segment market share increased from 14% in the prior year to 15%.

FY 2017

Revenue and operating profit declined by 1% and 21% respectively, impacted by the disposal of industrial equipment businesses and lower vehicle sales volumes due to market contraction. This was partially offset by solid performances from Hyundai and Kia, enhanced by a change in the vehicle mix and price increases.

The Profit before tax was impacted by a once-off loss of R388 million relating to the unwinding of uneconomical and excessive forward cover, mainly in Renault.

The Motus importer segment market share was maintained at 14% compared to the prior year.

4.2.2 *Retail and Rental*

Summarised income statement

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Revenue	62 759	53 362	55 132
Operating profit	1 687	1 478	1 426
Operating profit margin	*2.7%*	*2.8%*	*2.6%*
Net finance costs	(429)	(356)	(464)
Profit before tax	1 818	1 127	948

The above excludes discontinued operations.

FY 2018

The Retail and Rental operations recorded a strong performance, increasing revenue and operating profit by 18% and 14% respectively, supported by an increase in overall vehicle sales volumes, despite subdued trading conditions in South Africa and challenging trading conditions in the UK. New and pre-owned retail sales volumes increased by 33% and 15% respectively. In South Africa, margins were enhanced by a realignment of the importer dealership operating model to unlock value.

FY 2017

Due to subdued vehicle sales volumes and slowing consumer demand, the Retail and Rental segment recorded a decrease in revenue of 3%. Operating profit, however, increased by 4% assisted by price increases and cost containment.

4.2.3 *Motor-Related Financial Services*

Summarised income statement

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Revenue	2 166	2 036	1 944
Operating profit	889	833	757
Operating profit margin	*41.0%*	*40.9%*	*38.9%*
Net finance costs	(49)	(10)	5
Profit before tax	824	812	720

The above excludes discontinued operations.

FY 2018

Motor-Related Financial Services grew revenue and operating profit by 6% and 7% respectively, supported by higher profitability in service, maintenance and warranty funds, and positive growth in the newly branded MSure VAPS operations.

We continue to focus on growing the synergies within the retail motor segments and improving the sales penetration of our products into other channels.

FY 2017

Despite lower vehicle sales, the Motor-Related Financial Services business improved revenue by 5% and operating profit by 10%.

4.2.4 *Aftermarket Parts*

Summarised income statement

(ZAR'm)	Audited FY2018	Reviewed FY2017	Reviewed FY2016
Revenue	6 632	6 153	5 824
Operating profit	447	406	382
Operating profit margin	*6.7%*	*6.6%*	*6.6%*
Net finance costs	(68)	(69)	(48)
Profit before tax	190	364	369

The above excludes discontinued operations.

FY 2018

Revenue and operating profit grew by 8% and 10% respectively. The acquisition of 60% of ARCO contributed positively to the performance in the second half of the year.

Profit before tax was negatively impacted by an impairment of R173 million arising from the disposals of Jurgens Proprietary Limited.

FY2017

Revenue and operating profit improved by 6%, enhanced by price increases and a change in the sales mix.

4.3 Portfolio and organisational optimisation

Details of Motus' portfolio and organisational optimisation are set out in paragraph 3.1 of the Pre-Listing Statement.

4.4 Liquidity and capital resources

On implementation of the Transaction, Imperial Logistics and Motus are expected to have self-sufficient capital structures, with an optimal mix of debt and equity on a standalone basis and within the industries in which they operate (targeted net debt to equity ratio for Motus of between 55% and 75%), to facilitate growth, provide flexibility and maintain sufficient liquidity and headroom.

In this context, Imperial has secured sufficient commitments from their debt arrangers with respect to the debt restructure required for Imperial Logistics and Motus to operate on a standalone basis, post the Unbundling and Listing.

4.5 Dividend guideline

Motus may make distributions from time to time, provided that any such distribution is pursuant to an existing legal obligation of the Company or a court order or has been authorised by resolution of the Board and (save in the case of a *pro rata* distribution to all shareholders (except one which results in shareholders holding shares in an unlisted entity which requires the sanction of an ordinary resolution), cash Dividends paid out of retained income has been sanctioned by ordinary resolution, and provided further that:

- dividends be paid to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the Dividend, whichever is the later;
- it reasonably appears that the Company will satisfy the 'solvency and liquidity' test as set out in the Companies Act immediately after completing the proposed distribution; and
- no obligation is imposed, if it is a distribution of capital, that the Company is entitled to require it to be subscribed for again.

The Company must complete any such distribution fully within 120 Business Days after the Board acknowledges that the 'solvency and liquidity' test has been applied as aforesaid, failing which it must again comply with the aforegoing.

All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 (three) years from the date on which they were declared, in terms of the laws of prescription, may be declared forfeited by the directors for the benefit of the Company. The directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies, other than distributions, that are due to any Shareholder/s shall be held by the Company in trust for an indefinite period subject, however, to the laws of prescription until lawfully claimed by such Shareholder/s.

Under South African law, Motus will be entitled to pay a Dividend or similar payment to the shareholders only if the 'solvency and liquidity' test set out in the Companies Act is met, and the Company is permitted to do so in terms of its Memorandum of Incorporation.

There is no arrangement under which future Dividends are waived or agreed to be waived.

Dividend distributions to owners of Motus are recognised as a liability in the period in which the dividends are approved and declared. Interim and final dividends are accrued when approved by the Board. The Board confirms that the solvency and liquidity test as contemplated by the Companies Act will be duly considered, applied and satisfied before a dividend is declared. Motus aims to achieve a dividend pay-out ratio of 45% of HEPS in 2019.

RISK FACTORS

In addition to the other information included in this Pre-Listing Statement, the considerations listed below could have a material adverse effect on Motus' business, financial condition or results of operations, resulting in a decline in the trading price of Motus' ordinary shares. The risks set forth below comprise inherent material risks as a result of the business Motus operates in. However, there may be additional risks that Motus does not currently know of or that Motus currently deems immaterial based on the information available to it. These factors should be considered carefully, together with the information and financial data set forth in this document.

5.1 Risks related to Motus' business

5.1.1 *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices.

Please refer to paragraph 5.2 and 5.3 of the Pre-Listing Statement for further details of the market risks in the markets in which Motus operates.

5.1.2 *Brand and OEM dependency risk*

Motus has five distribution agreements with international vehicle manufacturers in the Import and Distribution segment, and 23 franchise agreements with local OEMs in the Retail and Rental segment. Non-compliance with sales targets, operating models and quality standards in these agreements could affect Motus' status as an exclusive importer, distributor and/or retailer of global brands and, while the Group does not depend on any single vehicle manufacturer, the termination or non-renewal of these agreements could have a material adverse effect on Motus' reputation, operations and financial performance.

This, in turn, could negatively impact on Motus' ability to deliver superior service to customers, its operations and financial performance.

Brand dependence

Motus' vehicle sales are dependent on its OEM suppliers' own financial condition, vehicle design, production and distribution capabilities and the OEM brand equity and, to some extent, their advertising spend. Any significant decline in this brand equity or the underlying advertising spend has the potential to negatively impact Motus' sales.

Product recalls

Motus is not liable for product recalls as instructed by the OEM supplier. There is a risk, however, that a product recall will affect the reputation of and consumer demand for the OEM brand, with a resulting potential adverse impact on Motus' future vehicle sales in respect of that brand.

Motus relies on key suppliers and strategic partners for continuation of its operations

Motus relies on ongoing commercial relationships with key suppliers other than OEMs and strategic partners to deliver superior service to its customers. The loss of any significant supplier, whether through its bankruptcy, business interruption, failure to maintain/secure the relationship, breach of any contractual provisions or terms of trade and/or litigation, could impact Motus' operations and financial performance.

5.1.3 *Competition risk*

Motus faces high levels of competition risk from direct peers in the markets in which it operates. The automotive sector is a highly competitive market.

5.1.4 *Seasonality risk*

Motus' car rental business can be seasonal, particularly in the Western Cape, South Africa. The car rental business has historically experienced an increase in revenue over the summer months, driven by tourism. A significant decrease in South African tourism would likely have an adverse effect on car rental revenue and profitability.

5.1.5 *Disruption risk*

The motor industry is vulnerable to high levels of disruption. This disruption could be brought about by new entrants, changes in traditional vehicle ownership models (as a result of MaaS "Mobility as a Service"), or the emergence of digital mobility offerings.

Motus' business model could be impacted in international markets by social forces such as urbanisation and the development of reliable public transport infrastructure.

5.1.6 *Regulatory and compliance risk*

As a multinational business, Motus is subject to a wide range of legislation, which is monitored on an ongoing basis. Any breach of compliance with this legislation could result in fines or sanctions that affect Motus' profitability and may have adverse reputational consequences.

Monitoring the changes in legislative environments and interpretations of law is of key importance and may have uncertain consequences for the Motus business model and operations in its chosen markets. In South Africa, political and policy uncertainty may have implications on the Group's Financial Services Provider (FSP) licences with the business which the Group requires to facilitate/introduce credit providers to its customers. This uncertainty may also have an effect on credit providers, who may be impacted in their ability to extend credit, hence suppressing consumer's ability to buy new cars.

Motus' transition to being a public, listed company will involve changes to its corporate governance and legal and compliance practices

The Company is in the process of implementing the practices, procedures and governance structures appropriate for a public company listed on the JSE. The Company has appointed independent, non-executive directors and adopted the King IV governance practices and policies described in this Pre-Listing Statement. Ownership of Motus has vested with Imperial, a JSE-listed company and Motus has complied with good governance practices as a subsidiary of such a listed entity and has a history of operating under these governance structures, practices and policies as applicable to an unlisted subsidiary of a listed parent company.

Motus is in the process of reviewing its internal compliance framework and plans to further align its internal compliance function, including updating its code of ethics and other compliance policies. The internal compliance function will be based on existing structures, but may require further adjustments or modifications as it is implemented. Additionally, compliance with the increased accounting and reporting requirements and obligations associated with being a listed company will require close management attention and could result in increased legal and related costs.

Motus' failure to successfully adapt its management approach to its new public-company status, as well as the increased demand on financial and management resources that will result from being a public company, could have an effect on its business, financial condition and results of operations.

5.1.7 *New customer or customer retention risk*

Motus depends on its ability to attract and retain customers, which could be adversely affected by macroeconomic conditions and/or the demand environment in the automotive sector as described above and the Group's competitiveness in the marketplace. Failure to attract and retain customers would have a material adverse effect on Motus' financial performance.

Credit extension and client affordability in the retail markets

Motus' revenue growth (including Motor-Related Financial Services) is affected by the ability of customers to access credit and the appetite of financial institutions to lend in the automotive sector. Increased level of consumer indebtedness could limit the ability of consumers to increase their aggregate borrowings (or the willingness of lenders to lend), which could in turn adversely affect demand for cars in the markets in which Motus operates, which could have an adverse effect on Motus' financial performance.

5.1.8 *Transformation risk*

The risk that Motus may not be competitive, sustainable and revenue may be adversely affected and/or loss of customers, due to transformation goals not being achieved.

B-BBEE status of South African-based operations

Changes to the B-BBEE Codes requires accelerated transformation, specifically higher levels of black ownership in Motus' South African businesses. Failure to achieve set targets may impact on the competitiveness and sustainability of these businesses through reduced ability to originate new business and maintain existing relationships, for example when dealing with state-owned enterprises in South Africa. Motus in certain cases has contract agreements with state-owned enterprises and the conditions of the contract may include B-BBEE standards. Failure to achieve the set targets as stipulated in the B-BBEE codes may impact the future renewal of those contracts.

5.1.9 *Technology risk*

Technology risk is the risk associated with the use, ownership, operation, involvement, influence and adoption of information technology (IT) within Motus. It consists of IT-related events and conditions that could potentially impact the business. It would include risks arising from changes, updates or alterations made to the IT infrastructure, systems or applications that could affect service reliability and availability.

Motus relies on technology in its business and any technology disruption or delay in implementing new technology could have adverse effects

Motus relies on software and other information technology to manage various critical aspects of its business. These include managing procurement, processing orders, managing warehouses, dealer management systems and financial and insurance systems. Any disruption to this technology could negatively impact our customer service levels, decrease sales volumes and result in increased costs. Motus has invested and continues to invest in technology security initiatives, business continuity, and disaster recovery plans. However, these measures cannot fully insulate Motus from technology disruption that could impair operations and profits. Motus is not reliant on any centralised IT functions at Imperial Holdings, and has the ability to self-provide where necessary.

5.1.10 *People risk*

The risk of inadequate and ineffective practices for the recruitment, development, management, retention of employees and contractors and/or inability to attract top talent to the Company.

Succession and talent management

The limited pool of qualified skills in South Africa constrains Motus' ability to access the talent needed to resource the divisional growth strategies. Besides leadership skills, Motus' businesses depend on specialised technical and customer facing skills, which need to be developed and retained.

Motus' ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. Motus cannot be certain that the services of its senior management and a sufficient number of its technically skilled employees will continue to be available to it. Any senior management departures or unavailability (due to death, injury, illness or other reasons) or technically skilled worker shortages could adversely affect Motus' operational efficiency and customer relationships.

If the Company is not able to hire and retain appropriate management and technically skilled personnel, or if there are insufficient succession plans in place, this could have an effect on its business, results or operations and financial position.

5.1.11 *Strategy and execution risk*

The risk of unanticipated consequences of strategic decisions taken and/or poor execution of strategic objectives.

The growth strategy may not achieve the anticipated results

The future success of Motus will depend on Motus' ability to grow the business, including through increasing sales, expanding brands, making strategic acquisitions, and achieving improved operating efficiencies as we continue to expand our customer base. The growth and innovation strategies require significant commitments of management resources and capital investments and may not grow net sales at the rate we expect or not at all. As a result, we may not be able to recover the costs incurred in developing new projects and initiatives or to realise their intended or projected benefits, which could have a material adverse effect on the business, financial condition, or results of operations.

Acquisition and business integration

Motus may selectively pursue opportunities to supplement organic growth with strategic acquisitions. Such opportunities may take the form of the acquisition of other companies or through joint ventures. Any such acquisition or joint venture may change the scale of Motus' business and operations and may expose it to new geographic, political, social, operating, financial, legal, regulatory and contractual risks, for example:

- Motus may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realising anticipated synergies and maximising the financial and strategic position of the combined enterprise, and maintaining standards, policies and controls;
- the integration may disrupt Motus' ongoing business and its relationships with employees (who may be subject to consolidation), suppliers and contractors;
- an acquisition may divert management's attention from Motus' day-to-day business;
- the acquired business may have undetected liabilities which may be significant; and
- in addition, to the extent Motus participates in the development of a project through a joint venture, there could be disagreements, legal or otherwise, or divergent interests or goals among the parties, which could jeopardise the success of the project.

There can be no assurance that any acquisition will achieve the results intended or whether there will be a pipeline of suitable acquisitions. Any problems experienced by Motus in connection with an acquisition or joint venture as a result of one or more of these or other factors could have a material adverse effect on one or more of Motus' businesses, operating results and financial condition.

Expansion in existing and into new territories

The growth of Motus is dependent on the expansion and growth in existing and new territories. As part of its growth strategy, Motus will evaluate a number of geographic locations for expansion, mainly in the UK and Australia, but its ability to successfully do so is dependent on a number of factors, including the availability of key staff, funding and the reception from the local markets.

Leased premises

Motus leases a number of properties that it uses to facilitate its business activities. Continuation of these leases will be subject to complying with the terms of these leases.

The Board is confident that extension of these leases will be successfully negotiated but may not be able to obtain terms as favourable as its current terms which could have an adverse effect on Motus' business and results of operations.

5.1.12 *Legal risk*

The exposure to adverse consequences due to non-compliance with legal or statutory responsibilities and/or inaccurately drafted contracts and their execution, as well as the absence of written agreements or inadequate agreements. This includes the exposure to new laws as well as changes in interpretations of existing law by appropriate authorities and exceeding authority as contained in the contract. This applies to the full scope of Motus activities and may also include others acting on behalf of Motus.

Adverse judgments or settlements resulting from legal proceedings in the ordinary course of business could reduce profits or limit the ability to operate the business

In the ordinary course of business, we may be involved in various legal proceedings. The outcome of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to Motus or a settlement involving a payment of a material sum of money were to occur, it could materially and adversely affect our profits or ability to operate our business. Additionally, we could become the subject of future claims by third parties, including our employees, suppliers, customers, and other counterparties, our investors, or regulators. Any significant adverse judgments or settlements would reduce our profits and could limit our ability to operate our business. Further, we may incur costs related to claims for which we have appropriate third-party indemnity, but such third parties may fail to fulfil their contractual obligations.

Motus may be subject to or affected by product liability claims relating to its products

Motus may be exposed to liability claims in the event that the products it sells cause injury or death. The Board believes that it has sufficient primary or excess umbrella liability insurance to cover product liability claims. However, Motus' current insurance may not continue to be available at a reasonable cost or, if available, may not be adequate to cover all of its liabilities. Motus generally seeks contractual indemnification and insurance coverage from parties supplying products to it. However, this indemnification or insurance coverage is limited, as a practical matter, to the creditworthiness of the indemnifying party and the insured limits of any insurance provided by suppliers. If Motus does not have adequate insurance or contractual indemnification available, the liability related to defective products could affect its results of operations.

5.1.13 *Image and reputation risk*

The risk of damage or potential damage to the businesses image or reputation which may impair future profitability or sustainability.

Adverse publicity about Motus, lack of confidence in products, and other risks could negatively affect our reputation and business

Maintaining a good reputation is critical to Motus' business. Any event that damages our reputation, justified or not, could quickly affect our revenues and profits. This includes adverse publicity about the quality, safety or integrity of our products. Reports, whether or not they are true, could severely harm our reputation, which could adversely affect our financial performance.

5.1.14 *Expense risk*

The risk of unexpected changes in future expenses; unexpected cost associated with operating our business and/or delays in the anticipated timing of activities related to cost savings initiatives. This risk includes fluctuations in fuel costs and other transportation costs that impacts the product prices and negatively affect customer confidence and discretionary spending. This may impact Motus' sales margins, operating expenses and operating results.

Fluctuations in fuel costs and other transportation costs

The high cost of fuel can negatively affect consumer confidence and discretionary spending. In addition, the high cost of fuel can also increase the price paid for products, as well as the costs incurred to deliver products to customers. These factors, in turn, may have an impact on the sales mix, changes in buying patterns and may negatively affect Motus' sales, margins, operating expenses and operating results and in extreme cases, this could accelerate the emergence of shared vehicle ownership models.

If one or more competitors implements a lower cost structure, they may be able to offer lower prices to customers and Motus may be unable to adjust its cost structure in order to compete profitably

We may not be able to realise some or all of our expected cost savings in the future. A variety of factors could cause us not to realise some of the expected cost savings. These include, among others, delays in the anticipated timing of activities related to our

cost savings initiatives, lack of sustainability in cost savings over time, and unexpected costs associated with operating our business. All of these factors could negatively affect our results of operations and financial condition, including by failing to offset any decreases in our profitability.

5.1.15 *Environmental, health and safety risk*

The risk of loss, damage or injury to people from a hazard or accident; and/or an adverse effect on the environment by effluents, emissions, wastes resources depletion, etc. arising from all geographical locations Motus operates in.

Motus may be subject to significant environmental, health and safety costs. If Motus fails to comply with requirements imposed by applicable law or other governmental regulations, Motus could become subject to lawsuits, investigations and other liabilities and restrictions on operations that could significantly and adversely affect the business

Motus' operations face a broad range of international, national and local laws and regulations relating to the protection of the environment or health and safety. These laws govern numerous issues, including discharges to air, soil and water; the handling and disposal of hazardous substances; the investigation and remediation of contamination resulting from the release of petroleum products and other hazardous substances; employee health and safety; and fleet safety.

5.2 Risks related to South Africa

5.2.1 *Market risk*

South African exchange control regulations may restrict Motus' ability to make foreign investments and procure foreign denominated finance

As a South African resident company, Motus is subject to South Africa's exchange control regulations which effectively place limitations on the export of capital from the CMA. Although there has been ongoing relaxation of exchange controls in recent years, these regulations could hinder the ability of Motus to make foreign currency-denominated investments and procure foreign currency denominated financing in future which could have a material adverse effect on Motus' business, financial condition, results of operations and prospects.

South Africa's exchange control regulations restrict the export of capital from South Africa. Transactions between South African residents (including companies) and non-residents of the CMA are subject to exchange controls enforced by SARB. As a result, Motus' ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder Motus' financial and strategic flexibility, particularly its ability to raise funds outside South Africa.

Currency exchange rate fluctuations

In recent years, the value of the Rand, as measured against foreign currencies, including the US Dollar, Pound Sterling and the Euro, has been very volatile.

The Rand fluctuations or volatility could impact the pricing of new vehicles and therefore the competitiveness and profitability of the vehicle import business. Although Motus applies foreign exchange hedging practices governed by its foreign exchange hedging policy, it remains exposed to fluctuations in foreign exchange rates.

Fluctuations in the exchange rate between the Rand and foreign currencies could have an adverse impact on the foreign currency equivalent of the share price of the ordinary shares and/or any cash Dividend or distributions made in respect of the ordinary shares.

5.2.2 *Economic and socio-political risk*

Economic, political or social instability affecting South Africa or regionally may reduce demand for Motus' products or have a material adverse effect on Motus' business, financial condition, results of operations and prospects

Political, social and economic conditions in South Africa may have a significant effect on Motus' business. It is also possible that the rating agencies could further downgrade South Africa's sovereign rating. Growth in inflation and continued interest rate hikes could have an adverse impact on growth and business confidence. Tighter monetary policy could

also have an adverse impact on mortgage payments and the general sustainability of household debt levels. These factors could have an adverse impact on the industry in general, causing consumers to reduce expenditure. Adverse economic conditions could hinder Motus' growth strategies or otherwise have an adverse impact on its business, financial condition, results of operations and prospects.

Sustained depreciation of the Rand has resulted in and could further result in the cost of imported goods steadily increasing. The overall impact of this on the South African economy and the increased prices of consumer goods in the other areas of the economy could indirectly impact Motus adversely through a general increase in prices and a decline in consumer discretionary income.

South Africa is also affected by persistent socio-economic challenges including in relation to access to adequate education, healthcare, housing and other services, including water and electricity. South Africa also has one of the highest HIV/AIDS infection rates in the world. The exact impact of increased mortality rates due to HIV/AIDS-related deaths and increases in employee-related costs (in terms of increased absenteeism, depressed morale and reduced productivity, in addition to increased recruitment and replacement costs, insurance premiums, benefits payments and other costs of providing treatment) on the cost of doing business in South Africa and the potential growth in the economy is uncertain. Furthermore, South Africa has experienced high levels of poverty and unemployment as well as prolonged industrial action.

Although it is difficult to predict the effect of these problems on South African businesses or the South African Government's efforts to solve them, these problems, or the solutions proposed, could impact the South African consumer or reduce their disposable income, which in turn could reduce the amount spent by consumers and may have a material adverse effect on Motus' business, financial condition, results of operations and prospects.

Demand for new automobiles is cyclical and affected by general economic conditions, and any reduction in demand would have a material effect on the Group's business

The demand for new vehicles is cyclical, which in some years will lead to reduced margins caused by oversupply. During economic downturns, new vehicle sales to customers tend to decline due to weak demand. Other economic factors such as a significant increase in the price of oil or the potential impact of environmental regulation, the taxation of engine emissions road usage or fuel for vehicles and the effects of a decline in residual values inflating the overall cost of vehicle ownership can all contribute to weak demand for new vehicles. Changes in fuel taxation and fuel prices could significantly impact the sales of new and used vehicles. In particular, increases in fuel taxation and prices could impact the sales of vehicles with high fuel consumption characteristics.

There are risks associated with investing in emerging markets such as South Africa.

South Africa is generally considered by international investors to be an emerging market. Emerging markets are typically thought to have certain characteristics and be subject to many risks, including:

- adverse changes in economic and governmental policy;
- abrupt changes in currency values;
- high levels of inflation;
- relatively low levels of disposable consumer income;
- relatively high levels of crime;
- volatility in capital markets;
- relatively unstable institutions;
- unpredictable changes in the legal and regulatory environment;
- inconsistent application of existing laws and regulations;
- slow or insufficient legal remedies; and
- Ethical sourcing of product.

Motus cannot assure investors that political, economic, social and other developments in South Africa will not have a material adverse effect on its business, financial condition, results of operations and prospects or the value of the ordinary shares.

Risks relating to strike actions

South Africa has a highly unionised work force and is subject to planned legal strike action and unplanned and illegal strike action from time to time. Such actions and in particular prolonged and frequent strike action may have a negative impact on Motus and its customer base.

5.2.3 *Regulatory and compliance risk*

Shareholders' rights will be governed by South African law, which may differ in material respects from the rights of shareholders under the laws of other jurisdictions

Motus is a public company incorporated under the laws of South Africa. The rights of holders of ordinary shares are governed by the Company's MOI and by South African law, which could change.

Although South Africa has a reputable and robust legal system, it may not always be possible for foreign investors to effect service of legal process, enforce judgments of courts outside of South Africa or bring actions based on securities laws of jurisdictions other than South Africa against Motus or its Board.

Motus and its executive officers are residents of South Africa. In addition, Motus' assets may be located either wholly or substantially within South Africa. As a result, it may not be possible for investors to effect service of legal process outside of South Africa, upon the Company, its Board and its executive officers. Moreover, it may not be possible for investors to enforce against the Company, its Board or its executive officers, judgements obtained in courts outside South Africa, based on the civil liability provisions of the securities laws of those countries.

Policy uncertainty regarding constitutional matters

South Africa is currently undergoing policy uncertainty with respect to property ownership, Motus is possibly impacted in two ways:

- Directly – Motus owns a substantiate property portfolio and may be subject to a review of its property rights.
- Indirectly – the review of property rights could have a direct consequence on the devaluation of property and land; the reduction of rights could have an prolonged adverse impact on the current economically active population in consumer spending patterns.

5.2.4 *Expense risk*

Motus' operations in South Africa may face increased costs due to infrastructure challenges impacting water and electricity tariff increases and may experience disruptions resulting from electricity shutdowns, water and fuel shortages

South Africa has experienced national electricity shortages with intermittent, seasonal power outages and the government has occasionally implemented electricity rationing and planned blackouts. South Africa's energy provider, Eskom, has advised that the national power grid may remain under strain for a number of years until new power stations come on-line, and regular power cuts remain a possibility during this time. While Motus has back-up power generators which enable them to continue operating through power supply interruptions, any extended period of planned or unplanned electrical power supply interruptions could result in significantly increased energy or other utility costs, associated with operating back-up power generators. Electricity tariffs charged by Eskom have significantly increased in recent years. In addition, the costs of power may be volatile due to increased market fluctuations in gas and electricity prices. If Motus is unable to implement measures to mitigate any future increases in its energy or other utility costs or power shortages, it could have a material adverse effect on Motus' business, results of operations and financial condition.

Motus as a South African business is dependent on monopoly government SOE infrastructure providers. Failure of State-owned enterprises resulting in a lack of supply of basic utility service is a concern as a there are no current alternative suppliers.

5.2.5 *Tax risk*

Changes in tax legislation

South Africa has a stable tax environment and the tax administration system is advanced and transparent in many aspects. Changes in general corporate or other taxation legislation could, however, affect Motus' results of operations. Such government action may be unpredictable and beyond Motus' control and any adverse changes in government policies could have an adverse effect on Motus' business prospects, results of operation and financial position and may cause the market price of the ordinary shares to decline. Furthermore, compliance with the relevant taxation laws could come with a regulatory cost and non-compliance could be subject to fines, penalties and/or legal action.

5.3 Risks related to the international markets in which Motus operates

Motus operates in international markets and may be subject to macroeconomic changes beyond its control

Global economic factors that are beyond Motus' control can directly affect its financial performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, financial, banking or liquidity crisis, consumer credit availability, consumer debt levels, unemployment trends, and other matters that influence consumer confidence and spending, particularly in the automotive sector.

Motus' profitability may also be adversely affected by fixed costs (including in particular those relating to leased real property in its franchised dealer network) and the possible inability to scale back operations within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions.

Motus' business is exposed to the end consumer across all income levels and is therefore sensitive to downturns in the economy, economic uncertainty and other factors affecting discretionary consumer spending.

Since Motus operates internationally, it is exposed to a variety of general domestic and global economic and business conditions that will impact on consumer spending. This includes, but is not limited to, interest rates, exchange rates, local and international fiscal and monetary policy. Prolonged unfavourable movements in any of the above factors may have an effect on Motus' financial performance.

Motus has material operations in the United Kingdom and Australia and as such is affected by adverse changes in these markets. For example, "Brexit" has increased uncertainty in the UK and may have adverse effects which could adversely affect the demand for (or supply of) new automobiles in the UK.

5.4 Risks related to the Unbundling for Motus

5.4.1 *Strategy and execution risk*

Motus may not realise the potential benefits from the Unbundling

Motus may not realise the potential benefits that it expects from its Unbundling from Imperial, which benefits have been described in this Pre-Listing Statement. In addition, Motus will incur costs and Motus will incur some negative effects from its separation from Imperial, including loss of access to the Imperial brand from which it has benefited in the past.

Motus' historical consolidated financial statements contained in this document are not necessarily indicative of its future financial condition, future results of operations or future cash flows, nor do they reflect what its financial condition, results of operations or cash flows would have been as an independent public company during the periods presented

The historical consolidated financial statements of Motus included in this Pre-Listing Statement do not reflect what its financial condition, results of operations or cash flows would have been as an independent public company during the periods presented and

are not necessarily indicative of its future financial condition, future results of operations or future cash flows. This is primarily a result of the following factors:

- Motus' historical consolidated financial statements reflect charges for services historically provided by Imperial, and those charges may be significantly different to the comparable expenses Motus would have incurred as an independent company.
- Motus' working capital requirements and cost of debt and other capital may be different from that reflected in its historical consolidated financial statements.
- The historical consolidated financial statements may not fully reflect the increased costs associated with being an independent public company, including changes that will occur in Motus' cost structure, management, financing arrangements and business operations as a result of its Unbundling from Imperial, including all the costs related to being an independent public company.
- The historical consolidated financial statements may not fully reflect the effects of certain liabilities that will be incurred or assumed by Motus and may not fully reflect the effects of certain assets that will be transferred to, and liabilities that will be assumed by Imperial.

Motus will not be able to rely on Imperial to fund its future capital requirements and financing from other sources may not be available on favourable terms

In the past, Motus' capital needs have been assisted by Imperial. However, following the Unbundling, Imperial will no longer provide funds to finance Motus' working capital or other cash requirements. Motus' future capital and funding requirements will depend on many factors, including its revenues, which are primarily driven by Motus' operations, its wages and other fees, its rate of growth, its infrastructure investment and acquisition requirements. Motus may need to raise additional funds through public or private equity or debt financing.

Motus may not be able to obtain financing with interest rates as favourable as those that it could benefit from while a member of Imperial. In the unlikely event that Motus cannot raise funds on acceptable terms, if and when needed, Motus may not be able to further develop its business or invest in new products and services, take advantage of future opportunities, respond to competitive pressures or unanticipated requirements or meet its financing obligations, which could have a material adverse effect on Motus' business, financial condition, results of operations or cash flows.

5.4.2 *Expense risk*

Motus has no history operating as an independent public company. Motus will incur some expenses to create the corporate infrastructure necessary to operate as an independent public company, and will experience increased ongoing costs in connection with being an independent public company

Motus has historically used Imperial's corporate infrastructure to support many of its business functions. The expenses related to establishing and maintaining this infrastructure have historically been spread among all of the Imperial businesses. Following the Unbundling, Motus will no longer have access to Imperial's infrastructure, and will need to establish its own. Imperial provided corporate communications, treasury and finance, investor relations, internal audit, legal and tax advice, and compliance regarding internal controls. As an independent, publicly traded company, and effective as of Motus' separation from Imperial, Motus will assume responsibility of the costs for these functions. Accordingly, Motus' consolidated results of operations are not necessarily indicative of its future performance and do not reflect what its financial performance would have been had Motus been an independent publicly traded company during the periods presented.

The costs associated with performing or outsourcing these functions may exceed the amounts reflected in Motus' *pro forma* financial effects or an increase in the costs of performing or outsourcing these functions could adversely affect Motus' businesses, financial conditions, results of operations or cash flows.

Motus' accounting and other management systems and resources will have to meet the financial reporting and other requirements to which it will be subject to, following the Unbundling. Motus' costs of operating as a public company will be material and will require management to devote substantial time to complying with public company regulations.

Motus' financial results previously were included within the consolidated results of Imperial, and management believes that its reporting and control systems were appropriate for those of subsidiaries of a public company. However, Motus was not directly subject to the reporting and other requirements of the JSE. These reporting and other obligations will place additional demands on Motus' management, administrative, operational and accounting resources. To comply with these requirements, management anticipates that Motus will need to upgrade its systems, including information technology, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. Management expects to incur additional annual expenses related to these steps. Management cannot be certain that any necessary upgrade of its financial and management controls, reporting systems, information technology and procedures will occur as expected, or that these management controls, reporting systems, information technology or procedures ensure compliance with financial reporting requirements and other rules that apply to reporting companies under the regulations of the JSE. Any failure to achieve and maintain effective internal controls could have an adverse effect on one or more of Motus' reputation, businesses, and financial conditions, results of operations or cash flows.

5.5 Risks related to Motus Shares

5.5.1 *Market risk*

Motus' non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand

Dividends or distributions with respect to Motus' ordinary shares have historically been paid in Rand and all Dividends have historically been paid directly to Imperial.

The US dollar or other currency equivalent of any Dividends or distributions with respect to Motus' ordinary shares, if any, will be adversely affected by potential future reductions in the value of the Rand against the US dollar or other currencies. Although presently considered to be extremely unlikely, one cannot rule out the possibility that there could be future changes in South African exchange control regulations, such that Dividends paid out of trading profits will not be freely transferable outside South Africa to shareholders who are not residents of the CMA.

The price of the Motus Shares may be volatile in the future

The price of the Motus Shares may be volatile due to various factors in the future, including operational performance, exchange rate fluctuations and macro economic and political changes in the markets which Motus operates. Furthermore, any potential future equity issuances by Motus could have an adverse effect on the market price of the shares, and could also dilute future ownership of existing shareholders.

5.5.2 *Regulatory and compliance risk*

Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares) carried out by or on behalf of Motus

Securities laws of certain jurisdictions may restrict Motus' ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by or on behalf of Motus. In particular, holders of Motus securities who are located in the United States may not be able to participate in securities offerings by or on behalf of Motus unless a Pre-Listing Statement under the Securities Act, is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict Motus' ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by Motus. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisors as to whether they require any governmental or other consent or approvals or need to observe any other formalities to enable them to participate in any offering of Motus securities.

Investors in the United States and other jurisdictions outside South Africa may have difficulty bringing actions, and enforcing judgments, against Motus, its directors and its executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof or under the laws of other jurisdictions outside South Africa

Motus is incorporated in South Africa, and its directors and executive officers (as well as Motus' independent registered public accounting firm) reside outside of the United States. Substantially all of the assets of these persons and substantially all of the assets of Motus are located outside the United States. As a result, it may not be possible for investors to enforce action against these persons or Motus a judgment obtained in a United States court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. In addition, investors in other jurisdictions outside South Africa may face similar difficulties.

A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognised by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the proceedings outside South Africa were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal;
- the judgment does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Businesses Act, 99 of 1978, as amended of South Africa.

5.5.3 *Liquidity risk*

Investors may face liquidity risk in trading Motus' ordinary shares on the JSE

Although the ordinary shares are expected to be listed on the JSE, there is no guarantee that an active trading market for the ordinary shares will develop and continue after the listing. In addition, the JSE may prove to offer less liquidity than other internationally-recognised stock exchanges. Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. If no active trading in the ordinary shares develops and continues after the listing, this could have an effect on the liquidity and market price of the ordinary shares, and the ability of a holder to sell a substantial number of Motus ordinary shares on the JSE in a timely manner, especially in a large block trade.

5.5.4 *Strategy and execution risk*

Motus may not pay Dividends or make similar payments to its shareholders in the future and any Dividend payments are subject to withholding tax

Motus may pay cash Dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available and Motus' capital expenditures (on both existing infrastructure as well as on other projects) and other cash requirements existing at the time. Under South African law, Motus will be entitled to pay a Dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act and is permitted to do so in terms of the memorandum of incorporation. Given these factors (including the capital and investment needs of the business) and the Board's discretion to declare a Dividend (including the amount and timing thereof) cash Dividend or other similar payments may not be paid in the future. It should be noted that Dividends declared by South African resident companies are subject to a 20% withholding tax.

The directors recognise the importance of maintaining a consistent and transparent Dividend policy and will endeavour to avoid volatile swings in the Dividend profile by ensuring high quality, medium-term strategic and financial planning. However, there is no assurance that a Dividend will be paid in respect of any financial period, and any future Dividends will be a function of the profitability and return on equity of Motus, the future organic or acquisitive growth strategies which require capital investment, the need to strengthen the balance sheet during periods of economic uncertainty and the Liquidity and Solvency tests.

Motus' ordinary shares are subject to dilution upon the award of shares in terms of Motus' share incentive schemes or issues of shares by the Board under their general authority

As of the date of this Pre-Listing Statement, Motus had an aggregate of 394 999 000 ordinary shares authorised to be issued and as of that date an aggregate of 201 971 450 ordinary shares were issued.

Motus plans to implement an employee share plan which will be authorised to issue up to 5 (five) ordinary shares in Motus. No shares have yet been allocated under this plan, but shares are expected to be allocated once this plan becomes effective, as set out in **Annexure 14** of this Pre-Listing Statement. Shareholders' equity interests in Motus will be diluted to the extent of future exercises or settlements of rights under this plan and any additional rights. Motus Shares are also subject to dilution in the event that the Board issues shares under its general authority to issue shares (which authority is limited to 5% of the issued stated capital of Motus at the relevant time of issue and which authority shall only remain in place until the next annual general meeting of Motus and any such issue is otherwise subject to the Listings Requirements).

MANAGEMENT AND CORPORATE GOVERNANCE

6.1 Directors of Motus

The details of the Executive Directors of Motus are provided below:

Osman Suluman Arbee

Position:	Chief Executive Officer
Qualifications:	Bachelor of Accounting, Chartered Accountant (South Africa), Higher Diploma Taxation
Appointed:	October 2017
Years at Imperial:	14
Age:	59
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Committees:	Invitee to the Social, Ethics and Sustainability Committee Invitee to the Audit and Risk Committee Invitee to the Nomination Committee Invitee to the Remuneration Committee Invitee to the Asset and Liability Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Osman was appointed as the CEO of Motus on 1 March 2017. He has been with Imperial since September 2004, and during this period, he has been the CFO of Imperial, CEO of the then Car Rental and Tourism segment, and the chairperson of the Aftermarket Parts and the Automotive Retail divisions. Osman is a member of various Imperial subsidiary and divisional boards, including the UK and Australia, chairman of the Imperial Medical Aid Fund and a trustee of the Imperial and Ukhamba Community Development Trust. He was appointed to the Imperial Board in July 2007 and served as CFO of Imperial Holdings from 1 July 2013 to 28 February 2017. Prior to joining Imperial, Osman was a senior partner at Deloitte & Touche where he spent 23 years in various roles, which included being a board and executive committee member.

Ockert Jacobus Janse van Rensburg

Position:	Chief Financial Officer
Qualifications:	Bachelor of Commerce Accounting (Honours), Chartered Accountant (South Africa), Higher Diploma Company Law
Appointed:	October 2017
Years at Motus:	3
Age:	45
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Committees:	Invitee to the Social, Ethics and Sustainability Committee Invitee to the Audit and Risk Committee Invitee to the Nomination Committee Invitee to the Remuneration Committee Invitee to the Asset and Liability Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Ockert joined Imperial in January 2015 and was appointed as CFO of Motus in January 2017. Prior to joining Imperial, he was the CFO of Foodcorp Holdings, a multinational food manufacturer and distributor. Prior to joining Foodcorp, he held the position as partner of PricewaterhouseCoopers Inc. Ockert is a member of various Motus subsidiary and divisional boards, including the UK and Australia, a trustee of the Group Medical Aid Fund and Retirement funds.

The details of the non-executive directors of Motus are provided below:

Graham Wayne Dempster

Position:	Independent Non-Executive Chairman
Qualifications:	Bachelor of Commerce Accounting (Honours), Chartered Accountant (South Africa), Advanced Management Program (Harvard Business School)
Appointed:	August 2018
Age:	63
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Committees:	Chairman of the Nomination Committee Chairman of the Asset and Liability Committee Member of the Remuneration Committee Invitee to the Audit and Risk Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Graham was appointed to the Imperial Board on 24 February 2015 and is a member of the Audit and Investment Committees of Imperial and the Chairman of the Imperial Asset and Liability Committee. He is a non-executive director of Telkom, Sun International, AECI and the Independent Non-Executive Chairman of Long4Life Limited. Graham was an executive director of Nedbank Group Limited and Nedbank Limited and retired in May 2014 with over 30 years' service in the Nedbank Group.

Phumzile Langeni

Position:	Independent Non-Executive Director
Qualifications:	Bachelor of Commerce Accounting (Honours)
Appointed:	August 2018
Age:	44
Nationality:	South African
Business address:	VDARA Suites, 1st Floor, 41 Rivonia Road, Sandhurst, Johannesburg
Committees:	Member of the Nomination Committee Member of the Remuneration Committee Chairman of the Audit and Risk Committee Member of the Social, Ethics and Sustainability Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Phumzile is executive chairman of Afropulse Group Proprietary Limited, non-executive chairman of the Mineworkers Investment Company Proprietary Limited and Primedia Holdings. Phumzile also serves as an independent non-executive director on some companies listed on the JSE, among others Massmart Holdings Limited and Redefine Properties Limited. Phumzile was appointed on 16 April 2018 by His Excellency Cyril Ramaphosa, the President of the Republic of South Africa as one of four special investment envoys tasked with raising US$100 billion over a five-year period. Phumzile previously served as an economic adviser to the former Minister of Minerals and Energy, Ms BP Sonjica. She was appointed to the Imperial Board in June 2004.

Ashley (Oshy) Tugendhaft

Position:	Non-Executive Director and Deputy Chairman
Qualifications:	Bachelor of Arts, Legum Baccalaureus
Appointed:	August 2018
Age:	70
Nationality:	South African
Business address:	20th Floor, Sandton City Office Towers, Sandton, Johannesburg
Committees:	Chairman of the Remuneration Committee Member of the Nomination Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Oshy is the Senior Partner of Tugendhaft Wapnick Banchetti & Partners, a leading Johannesburg niche law firm. He is also a non-executive director and chairman of Alviva Holdings Limited (formerly Pinnacle Technology Holdings Limited). He was appointed to the Imperial Board in April 1998 and as deputy chairperson in March 2008.

Thembisa Skweyiya

Position:	Independent Non-Executive Director
Qualifications:	BProc, LLB, LLM, Higher Diploma Tax
Appointed:	September 2018
Age:	45
Nationality:	South African
Business address:	71 Pearl Reef, The Pearls, 6 Lagoon Drive, Umhlanga, Durban
Committees:	Member of the Audit and Risk Committee
Experience:	Thembisa is an admitted attorney to the New York State Bar, USA. She is the past chairperson of Ukhamba Holdings, an empowerment shareholder in Imperial. She is an executive director of Skweyiya Investment Holdings Proprietary Limited and Theshka Proprietary Limited. She is currently a director of Famous Brands Limited and Sumitomo Rubber South Africa.

Roderick (Roddy) John Alwyn Sparks

Position:	Independent Non-Executive Director
Qualifications:	Bachelor of Commerce (Honours), Chartered Accountant (South Africa), Master of Business Administration
Appointed:	September 2018
Age:	59
Nationality:	South African
Business address:	14 Welbeloond Road, Constantia, 7806
Committees:	Member of the Audit and Risk Committee
Experience:	Roddy is a former managing director of Old Mutual South Africa and Old Mutual Life Assurance Company (SA), and the former chairperson of Old Mutual Unit Trusts, Old Mutual Specialised Finance and Old Mutual Asset Managers (SA). He is a non-executive director of Truworths International, the lead independent director of Trencor and chairs the board of advisers of the University of Cape Town College of Accounting.

Directors who will join the Board on 2 January 2019 are below at whcih time Roderick (Roddy) John Alwyn Sparks and Thembisa Skweyiya will retire from the Board;

Saleh Mayet

Position:	Independent Non-Executive Director
Qualifications:	Bachelor of Accounting, Chartered Accountant (South Africa)
Appointed from:	January 2019
Age:	62
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Committees:	Chairman of the Audit and Risk Committee Member of the Social, Ethics and Sustainability Committee Member of the Assets and Liabilities Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Saleh is a non-executive director and finance professional with well over three decades' experience in the Anglo American group in South Africa and the United Kingdom. Saleh retains extensive expertise across the full spectrum of corporate activities, including strategy, driving value initiatives with key stakeholders. Saleh is also a member of the SA CEO's forum, providing key leadership, direction and strategy to the South African corporate office and region.

Mfondiso Johnson Ntabankulu Njeke

Position:	Independent Non-Executive Director
Qualifications:	BCompt (Hons), Chartered Accountant (South Africa), HDip Tax Law
Appointed from:	January 2019
Age:	60
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Committees:	Chairman of the Social, Ethics and Sustainability Committee Member of the Assets and Liabilities Committee
Other directorships:	Refer to **Annexure 7**
Experience:	Johnson is the lead independent director of Sasol Limited, independent chairman of MMI Holdings Limited, a non-executive director of Datatech Limited and the chairman of the Hollard Foundation Trust, and a board member since 2009. He is the chairman of Silver Unicorn Trading 33 Proprietary Limited and Silver Unicorn Coal and Minerals Proprietary Limited. He is also a director of NM Rothschild (SA) Proprietary Limited, Compass Group (SA) Proprietary Limited, Teamcor Limited, First Lifestyle Holdings, Nkunzi Investment Holdings Proprietary Limited and is lead independent director at Delta Property Fund Limited since April 2017. He is also a director of the Council of the University of Johannesburg, the South African Qualifications Authority and the Black Management Forum Investment Company Limited.

Other directorships of each Director are detailed in **Annexure 7**.

6.2 Directors of key subsidiaries and senior management

The details of the directors of key subsidiaries of Motus and senior management are provided below:

Kerry Cassel

Position:	Chief Executive Officer: Motor-Related Financial Services
Qualifications:	Bachelor of Commerce Accounting (Honours), Chartered Accountant (South Africa)
Appointed:	January 2002
Years at Imperial/Motus:	16
Age:	45
Nationality:	South African
Business address:	5 Boeing Road East, Elma Park, Edenvale
Experience:	Kerry is the CEO of the Motor-Related Financial Services business segment. Prior to joining Imperial in 2002, Kerry was an audit manager at Deloitte & Touche. Kerry has held multiple senior positions within the group over the course of her career. She was appointed as managing director of LiquidCapital Proprietary Limited in April 2010, appointed to the board of Associated Motor Holdings Proprietary Limited in July 2015 and was a member of Imperial Executive Committee.

Ray Levin

Position:	Commercial Executive
Appointed:	April 1998
Years at Imperial/Motus:	20
Age:	63
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Experience:	Ray was appointed as Motus Commercial Executive in July 2017. Prior to this appointment, Ray was the CEO of KIA Motors South Africa Proprietary Limited. Ray served in this position for 19 years. He is one of the most long-standing CEO's in the South African Automotive industry. Ray has managed to grow the business by expanding the KIA dealer footprint from 0 to 80 dealerships across the country and significantly increasing the KIA vehicle car parc in South Africa.

David Long

Position:	Chief Information Officer
Qualifications:	Bachelor of Science Computer Science, BSc (Hons) Operations Research, Master of Business Administration
Appointed:	July 2008
Years at Imperial/Motus:	10
Age:	56
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Experience:	David is the Chief Information Officer ("CIO") for Motus. David was previously the CIO of the Imperial Retail and Rental and Aftermarket Parts division for two years, and prior to that was a director of Resolve Solution Partners (part of Imperial Logistics) for 15 years. Before founding Resolve, David was involved in information systems and business strategy for a number of South African based companies.

Niall Lynch

Position:	Managing Director: Hyundai SA Proprietary Limited
Qualifications:	Bachelor of Commerce, Master of Business Studies
Appointed:	January 2010
Years at Imperial/Motus:	8
Age:	42
Nationality:	South African
Business address:	Cnr Norman Road and Lucas Lane, Bedfordview
Experience:	Niall took over as Managing Director of Hyundai Automotive South Africa Proprietary Limited in 2016. Niall was previously the Managing Director of Renault South Africa Proprietary Limited and before that held several franchise director positions within the Retail and Rental segment.

Berlina Moroole

Position:	Chief Internal Audit, Risk and Sustainability Officer
Qualifications:	Bachelor of Commerce Accounting (Honours), Chartered Accountant (South Africa)
Appointed:	1 June 2018
Age:	46
Nationality:	South African
Business address:	1 Van Buuren Avenue, Bedfordview
Committees:	Invitee to the Social, Ethics and Sustainability Committee Invitee to the Audit and Risk Committee
Experience:	Berlina was appointed as the Chief Internal Audit, Risk and Sustainability Officer on 1 June 2018. Prior to joining Motus Corporation she held several senior management roles at different companies including Liberty Holding Limited from December 2013. During this period, she was the Group Chief Risk Officer, Group Executive for Group Internal Audit Services, Acting Group Executive for Human Capital and a trustee member for Liberty Community Trust. Prior to joining Liberty she spent six years at Deloitte & Touche as a partner and was an Advisory Audit Committee member for UNFPA and Board member for Legal Aid South Africa.

Philip Michaux

Position:	Chief Executive Officer: Retail and Rental
Appointed:	February 1981
Years at Imperial/Motus:	37
Age:	58
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Experience:	Philip is the CEO of the Retail and Rental business segment. He started his career in the motor industry in 1981 with Saficon Holdings Proprietary Limited and has held various management positions within the industry over the years. Imperial acquired Saficon in 1995, which resulted in him joining Imperial. He was the Managing Director of Cargo Motors until 2006 at which time he was promoted to CEO of the Automotive Retail division. He was appointed to the Imperial Executive Committee in October 2011 and later on in May 2014 appointed as a Director of Imperial. His portfolio was then expanded into the Vehicle Retail and Rental Division from July 2014 which includes the UK and Australian companies as well.

Jaco Oosthuizen

Position:	Managing Director: Renault SA Proprietary Limited
Qualifications:	Bachelor of Commerce Accounting (Honours), Chartered Accountant (South Africa)
Appointed:	September 2001
Years at Imperial/Motus:	16
Age:	46
Nationality:	South African
Business address:	12 Ernest Oppenheimer Avenue, Bruma
Experience:	Jaco was appointed as Managing Director of Renault South Africa Proprietary Limited effective 1 July 2017. Prior to joining Imperial in 2001, Jaco was an audit manager at Deloitte & Touche. He joined the group in the role of General Manager of the Motor-Related Financial Services segment and held the positions of Managing Director of Daihatsu South Africa Proprietary Limited and then Managing Director of Mitsubishi South Africa Proprietary Limited during his tenure ahead of his current role.

Malcom Perrie

Position:	Chief Executive Officer: Aftermarket Parts
Qualifications:	Bachelor of Science in Engineering, Master of Business Administration
Appointed:	April 2013
Years at Imperial/Motus:	5
Age:	59
Nationality:	South African
Business address:	2 Gordon Avenue, Meadowview Business Estate, Linbro Park, Johannesburg
Experience:	Malcolm is the CEO of the Aftermarket Parts Segment. He began his career at Telkom having completed a BSc (Electrical Engineering) degree at the University of the Witwatersrand. He then entered the private sector with BMI, an Industrial Market Research company after completing his MBA, also from Wits. In 1989, he started his own Marketing and Consulting Company which specialised in the automotive and engineering sectors. Malcolm joined Imperial in 2013 as the Managing Director of Parts Incorporated, a division of Aftermarket Solutions.

Michele Seroke

Position:	Chief People Officer
Qualifications:	Bachelor of Social Science
Appointed:	August 2016
Years at Imperial/Motus:	2
Age:	47
Nationality:	South African
Business address:	1 Van Buuren Road, Bedfordview
Experience:	Michele was appointed as the Chief People Officer of Motus effective 1 July 2017. She first entered Imperial as Human Resources Director for the Imperial Retail and Rental and Aftermarket Parts division in August 2016. Her career began in Eskom after obtaining her BSocSci degree from the University of Cape Town. She has held strategic senior management and executive positions in human resources, both locally and internationally, at several organisations, including Eskom Holdings Limited, Productivity SA, ArcelorMittal South Africa Limited and General Electric South Africa Proprietary Limited.

Gary Scott

Position:	Managing Director: Kia Motors South Africa Proprietary Limited ("KIA")
Qualifications:	Bachelor of Commerce Accounting (Honours), Chartered Accountant (South Africa)
Appointed:	October 2002
Years at Imperial/Motus:	16
Age:	43
Nationality:	South African
Business address:	5 Herman Road, Meadowdale
Experience:	Gary joined KIA from Deloitte & Touche in 2002, where he qualified as a CA (SA). His 16 years automotive experience includes stints in Finance, Group Projects and Parts. He most recently served as Sales Director of KIA from 2013 to 2017.

Corne Venter

Position:	Chief Executive Officer: Car Rental Division
Qualifications:	BCom Acc, BCom Hons, MCom
Appointed:	April 2005
Years at Imperial/Motus:	13
Age:	42
Nationality:	South African
Business address:	16 Ernest Oppenheimer Avenue, Bruma
Experience:	Corne is the CEO of the Car Rental Division. Joining Imperial in 2005 as Financial Director of Premier Motor Holdings, Corne has since held the position of Managing Director of Premier Motor Holdings, Porter Motor Group and Imperial Commercials. Corne serves as a Director of various Imperial held companies and as a former trustee of the Imperial Pension and Provident Fund.

6.3 Changes to the Board

The following changes occurred to the Motus Board over the past 12 months:

- Osman Arbee and Ockert Janse Van Rensburg were appointed as Executive Directors on 12 October 2017.
- Graham Dempster and Phumzile Langeni were appointed as Independent Non-Executive Directors on 1 August 2018.
- Ashley Tugendhaft was appointed as non-executive Director on 1 August 2018; and
- Thembisa Skweyiya and Roddy Sparks were appointed as Independent Non-Executive Directors on 17 September 2018.

The following changes will occur on 2 January 2019:

- Saleh Mayet and Mfondiso Johnson Ntabankulu Njeke will be appointed as Independent Non-Executive Directors; and
- Thembisa Skweyiya and Roddy Sparks will resign as Independent Non-Executive Directors.

6.4 Chief Financial Officer

Ockert Janse Van Rensburg is the CFO of Motus. The Audit and Risk Committee of Imperial has considered and satisfied itself of the appropriateness of his expertise and experience.

6.5 Appointment and qualification of Directors

The longest serving one-third of directors must retire from office at each annual general meeting of Motus. Retiring directors may make themselves available for re-election and may be re-elected at the annual general meeting at which they retire.

The Board may meet as it sees fit and set its own policies for adjourning and otherwise regulating meetings. Any director authorised by the Board may call a meeting of the Board at any time and must call a meeting if requested to do so by at least two directors. The Memorandum of Incorporation, read with the Companies Act further provides for the following:

(i) If a Director has a personal financial interest in a matter to be considered at a meeting of the Board, that director is obliged to disclose that interest, must leave the meeting after making that disclosure and must not take part in the consideration of the matter. While absent from such meeting, the interested director will nevertheless be regarded as being present for the purposes of determining a quorum, but will not be regarded as being present for the purpose of determining whether a resolution has sufficient support to be adopted. However, a director who owns ordinary shares may vote his ordinary shares at a general meeting of shareholders in a transaction in which the director is interested.

(ii) A director may not vote as a director to determine his own compensation. The shareholders in a general meeting determine the fees for directors in their capacity as such, from time to time. Any additional compensation, including compensation for additional services performed by the director for Motus' business or for other positions in Motus or its subsidiaries, must be determined by a quorum of directors whose compensation would not be affected by the decision.

(iii) The directors are not required to hold shares in Motus.

The Memorandum of Incorporation does not provide for a mandatory retirement age for directors.

6.6 Remuneration of directors

It is expected that the executive directors' terms of service will reflect Motus' principles of compensation policy and will be competitive with those of similar companies. The terms of the executive directors' employment post the Listing and Unbundling will be as follows:

Executive directors	Basic salary (R)	Travel allowance (R)	Benefits (R)	TFCOE (R)
OS Arbee	9 880 960	257 932	461 108	10 600 000
OJ Janse van Rensburg	4 948 162	144 000	407 838	5 500 000

Other remuneration.

In addition to the gross guaranteed remuneration payable, each executive director is entitled, among other things, to the following benefits under their terms of service (i) participation in the share incentive plan; and (ii) consideration for an annual (financial year) incentive bonus based upon the fulfilment of certain targets set by the Board.

The annual bonus for the executive directors for the financial year ending 30 June 2019 will be based on the incentive criteria set out below, prorated and adjusted for the period pre-Unbundling and criteria for Motus prorated and adjusted for the period post-Unbundling. The criteria are as follows:

OS Arbee (Chief Executive Officer)

- Motus HEPS growth.
- Motus achievement of ROIC target over WACC.
- Achievement of transformation, diversity and succession targets for Motus.
- Listing of Motus on the Johannesburg Stock Exchange.
- Discretionary.
- Strategy execution.

OJ Janse van Rensburg (Chief Financial Officer)

- Motus HEPS growth.
- Motus achievement of ROIC target over WACC.
- Achievement of transformation, diversity and succession targets for Motus.
- Compliance with Motus' governance policies and structures.

- Listing of Motus on the Johannesburg Stock Exchange.
- Discretionary.
- Strategy execution.

Incentives are limited to a maximum of 150% of TFCOE.

No fees have been paid to any third party *in lieu* of directors' fees.

In recognition of the significant additional work and input required to achieve the portfolio rationalisation, group-wide restructuring and successful Unbundling, the Board and the Remuneration Committee have resolved to pay a special incentive to directors if the Unbundling is successfully concluded as set out in the table below.

In anticipation of the Unbundling, Imperial has not in 2018 made an annual allocation of rights in terms of the Existing Share Schemes, which is usually made in June of each year. The 2018 Motus DBP awards in line with long-term incentive award benchmarks for executive Directors will be made upon implementation of the Unbundling as set out in the table below.

In light of the proposed Unbundling of Motus, the Board decided to award CSP to certain members of management who are viewed as essential to the continued success Motus. It is not intended to repeat such awards in future as the awards are considered exceptional but warranted in the circumstances to serve both as a retention tool and an incentive aligned to the interests of shareholders. The CSP will be subject to performance criteria relating to Imperial Motus and will vest over a three-year period commencing 15 September 2020, vesting 25% in 2020, 25% in 2021 and 50% in 2022.

CSP performance conditions:

Condition	**Weighting**
• ROIC over WACC	20%
• Operating profit growth	20%
• Succession planning	15%
• Discretionary	10%
• HEPS vs peer group	35%

The unbundling CSP awards to directors are set out in the table below.

Awards to directors

	DBP R'000	**CSP R'000**	**Unbundling incentive R'000**
OS Arbee	10 600	30 000*	3 000
O Janse v Rensburg	5 500	17 500	3 000

** Vesting 40% in November 2020 and 60% in November 2021.*

There will be no other variation in the remuneration receivable by any of the directors as a consequence of the Listing.

Neither Motus nor any of its subsidiaries have, in the three years preceding the date of this Pre-Listing Statement, paid (or agreed to pay) any amounts (whether in cash or in securities or otherwise) or given any benefits to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("the associate company") or to any partnership, syndicate or other association of which he is a member ("the associate entity"), to induce him to become, or to qualify him as, a director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Motus or any of its subsidiaries.

Under the employment contracts, the employment of an executive director will continue until terminated upon three months' notice for the CEO and the CFO, or (ii) retirement thereof.

Motus can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

Remuneration of non-executive directors will from time to time be determined in accordance with the provisions of section 66 of the Companies Act, as read with the MOI. The remuneration of non-executive directors to the annual general meeting, is as follows:

	July 2019 to AGM (R)	July 2018 to June 2019 (R)
	6% increase	
Board		
Member	301 000	284 000
Chairman*	1 052 500	993 000
Deputy Chairman*	526 000	496 500
Lead Independent*	526 000	496 500
Audit and Risk Committee		
Member	198 000	187 500
Chairman*	397 500	375 000
Remuneration Committee		
Member	95 500	90 000
Chairman*	143 500	135 500
Nomination Committee		
Member	95 500	90 000
Chairman*	143 500	135 500
Assets and Liabilities Committee		
Member	128 000	120 500
Chairman*	192 000	181 000
Social Ethics and Sustainability Committee		
Member	128 000	120 500
Chairman*	192 000	181 500
Divisional Board		
Divisional Board Member	179 000	168 500
Divisional Finance and Risk Committee Member	71 500	67 500

**Paid in addition to a members' fee.*
The Chairman will receive 1.5 times a members' fee, unless otherwise provided.

6.7 Directors' interests

All Motus Shares are currently held by Imperial. Therefore, no Motus Shares are held by its directors or senior management.

The table below sets out, to the knowledge of Motus' management, the total amount of Imperial Ordinary Shares directly or indirectly owned by the directors and executive officers of Motus as of the date of this Pre-Listing Statement.

Save as set out below, no director of Motus (and his associates) (including any person who may have resigned as a director within the last 18 months) has any material beneficial interest, directly or indirectly, in any transactions that were effected by Motus (1) during the current or immediately preceding financial year, or (2) during an earlier financial year and remain in any respect outstanding or unperformed.

No director has had any material beneficial interest, either direct or indirect, in the Listing and no promoter or director of Motus is or was a member of a partnership, syndicate or other association of persons that has or had such an interest.

	2018 Beneficial	Non-beneficial	Percentage (%)
Non-executive			
GW Dempster	99	–	0.00
RJA Sparks	40 000	–	0.02
Executive			
OS Arbee	161 476	–	0.08
OJ Janse van Rensburg	16 657	–	0.01

** The above directors will be entitled to Motus Shares in the anticipated ratio of 1:1 on the Record Date.*

Non-beneficial interests

No director has a non-beneficial interest in Imperial.

Dealings by directors in Imperial Ordinary Shares over the past 12 months

	SAR exercise	SAR exercise	Sale of non-beneficial interest	DBP vesting	SAR exercise	Sale
	23 Aug 17	*24 Aug 17*	*25 Aug 17*	*18 Sep 17*	*29 Nov 17*	*29 Nov 17*
OS Arbee	4 425	5 117	–	18 579	–	–
OJ Janse van Rensburg	–	–	–	2 800	–	–

6.8 Service agreements of directors

6.8.1 Employment agreements have been concluded with OS Arbee and OJ Janse van Rensburg as the executive directors, which include standard termination and other provisions for contracts of this nature.

6.8.2 No restraint of trade payments have been paid or are payable to any directors.

6.8.3 Executive directors will be allocated rights in the Motus CSP scheme upon Unbundling with a view to retaining them and to incentivise the Directors to achieve key performance targets.

6.9 Directors' declarations

None of the directors of Motus and none of the directors of its major subsidiaries:

(i) have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;

(ii) have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;

(iii) have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;

(iv) have entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;

(v) have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

(vi) have been involved in any offence of dishonesty;

(vii) have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or

(viii) have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, No. 69 of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act.

All the directors have submitted the director's declarations to the JSE in compliance with Schedule 13 of the Listings Requirements.

6.10 Borrowing powers

In terms of the MOI, the directors may exercise all the powers of Motus to borrow money and to give all or any part of its property as security whether outright or as security for any debt, liability or obligation of Motus or of any third party. Motus has unlimited borrowing powers. Furthermore, the Board may create and issue debt instruments as contemplated in section 43(1)(a) of the Companies Act, on such terms and conditions and in such manner as the Board may from time to time determine, in accordance with the requirements of section 43 of the Companies Act, provided that, for so long as the Company is listed on the JSE, a debt instrument issued by the Motus may not grant special privileges regarding attending and voting at general meetings and the appointment of directors, as contemplated in the Listings Requirements.

The Directors' borrowing powers may only be changed by special resolution of the Shareholders amending the Memorandum of Incorporation.

The borrowing powers of the directors have not been exceeded by the directors since the incorporation of Motus.

6.11 King IV and Corporate Governance

Shareholders are referred to **Annexure 9**, which concerns the application of King IV and other corporate governance principles to Motus.

STATED CAPITAL

7.1 Authorised and issued stated capital

As at the List Date, the authorised and issued stated capital of Motus will be as set out below:

Authorised stated capital	Number of shares
Ordinary shares	394 999 000
Deferred ordinary shares	10 000 000
Preference shares	40 000 000
Redeemable preference shares	2 000 000
Issued	
Ordinary shares[1]	201 971 450
Deferred ordinary shares[2]	7 699 360

Notes:

1 *Imperial Corporate Services Proprietary Limited, in which company's issued stated capital Motus holds B shares, will receive 3 185 000 ordinary shares pursuant to the Unbundling, which ordinary shares are to be used for the sole purpose of settlement of the Company's obligations in terms of the Existing Share Schemes and are to be accounted for as treasury shares.*

2 *The deferred ordinary shares will be issued as per **Annexure 15** after the Imperial Shareholder Approval of the Unbundling transaction.*

7.1.1 As at the time of the Listing:

- the stated capital of Motus will amount to c.R23 billion;
- no debentures will have been created or issued by Motus other than the Motus Deferred Shares which will be issued to Ukhamba following approval by Imperial Shareholders of the Unbundling; and
- all listed ordinary shares in issue will be fully paid up and freely transferable.

7.1.2 On the Listing date all listed ordinary shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and Dividends.

7.2 Major and controlling shareholders

As at the date of this Pre-Listing Statement, the entire issued stated capital of Motus is held by Imperial. With effect from the Unbundling, the shareholders of Imperial as at the Record Date are expected to be the same as the shareholders of Motus and what is set out below is a statement in relation to Imperial's current major shareholdings (which is expected to be Motus' major shareholding on Unbundling).

To the knowledge of management (1) Imperial is not directly or indirectly owned or controlled (a) by another corporation or (b) by any foreign government; and (2) there are no arrangements the operation of which may at a subsequent date result in a change in control of Imperial. To the knowledge of Imperial's management, there is no controlling shareholder of Imperial. As at the date of this Pre-Listing Statement, Imperial is the sole shareholder of Motus.

There has been no history of any material change in the controlling shareholders and trading objects of the Company's and any of its subsidiaries during the past five years.

As at 30 June 2018, 76% of Imperial's issued share capital was held by public shareholders.

A list of the individuals and organisations holding, to the knowledge of management, directly or indirectly, 3% or more of the issued ordinary share capital of Imperial as at the Last Practicable Date, is set out below:

Shareholder	Number of Shares ('000)	% of issued voting capital
Public Investment Corporation	23 078 013	11.43
Lazard Asset Management	21 018 893	10.41
M&G Investment Management	17 662 769	8.75
Ukhamba	15 056 029	7.45
Lynch Family Holdings	8 210 515	4.07
Dimensional Fund Advisors	7 246 084	3.59
BlackRock Investment Management	6 682 621	3.31
De Canha Family Holdings	6 200 673	3.07

To the knowledge of management, none of the above shareholders hold voting rights which are different from those held by Imperial's other shareholders.

None of the advisors of the Company had an interest in the issued share capital of the Company at the Last Practicable Date.

7.3 Alteration to stated capital

In anticipation of the Listing and Unbundling, the authorised and issued stated capital of Motus was increased by the creation of:

- 394 998 000 no par value ordinary shares and the issue to Imperial of 201 971 449 of these shares;
- 10 000 000 (ten million) deferred ordinary no par value shares and the issue to Ukhamba of 7 699 360 of these shares conditional upon the approval of the Unbundling by Imperial Shareholders;
- 40 000 000 (forty million) non-redeemable non-participating no par value preference shares; and
- 2 000 000 (two million) redeemable non-participating no par value preference shares, which form part of the Ukhamba empowerment structure.

7.4 Consolidations during the financial periods ended 30 June 2016, 30 June 2017 and 30 June 2018

There have not been any consolidations during the financial periods ended 30 June 2016, 2017 and 2018.

7.5 Shares issued during the three years preceding the Last Practicable Date

In the preceding three years Motus issued one share to Imperial pursuant to its incorporation. Pursuant to the Listing the stated capital has been restructured as set out in paragraph 7.3 above.

Following such subscription, the stated capital account of Motus will be well in excess of the minimum stated capital requirement prescribed by the JSE of R25 000 000.

7.6 Listing on any exchange other than JSE

As at the Listing date, Motus Shares will be listed only on the JSE.

7.7 Rights attaching to Motus Shares and power to issue shares

Motus Shares and Motus Deferred Shares

As at the date of the Listing, all authorised and issued Motus Shares will be of the same class and will rank *pari passu* in every respect.

The Motus Deferred Shares (which are dealt with in paragraph 7.9 as read with **Annexure 15**) issued by Motus to Ukhamba have the following key features:

- Will not be entitled to participate in, or receive, any dividends or capital distributions distributed by the Company and/or any other payments made by the Company in terms of section 46 of the Companies Act;

- If any capitalisation or bonus issue is implemented by the Company, will be entitled to receive a distribution of such number of Motus Deferred Shares, which together with the specified Motus Deferred Shares and ordinary shares held by that holder of Motus Deferred Shares, will constitute 10.1% of the total issued stated capital of the Company after capitalisation or bonus issue (excluding any treasury shares but including the additional Motus Deferred Shares issued);
- Will not, in a winding up, be entitled to participate in the profits or assets of the Company;
- Will rank pari passu with the ordinary shares in terms of voting, but will not be entitled to veto any resolution that would otherwise have been capable of being passed by the required majority of votes, collectively, of the holders of the ordinary shares and the Motus Deferred Shares;
- On 30 June of each year (for seven years) from 1 July 2018, 831 469 Motus Deferred Shares shall be automatically converted to ordinary shares on a one-for-one basis;
- After 30 June 2025, the remaining Motus Deferred Shares shall: (i) not be capable of conversion. (ii) shall confer one vote for every ordinary share held up to 100 votes and one vote for every 10 000 Motus Deferred Shares thereafter; and (iii) automatically convert to redeemable preference shares.

Every ordinary and deferred shareholder of Motus, or representative of such shareholder, who is present at a shareholders' meeting has one vote on a show of hands, regardless of the number of shares he holds or represents or the number of shareholders he represents. Every holder of an ordinary share or deferred ordinary share is, on a poll, entitled to one vote per ordinary share held. A vote on a show of hands may be demanded by:

- not less than five persons having the right to vote on that matter; or
- a person/s entitled to exercise not less than one-tenth of the total voting rights entitled to vote on that matter; or
- the chairman of the meeting.

Neither the Companies Act nor Motus' Memorandum of Incorporation provides for cumulative voting.

Preference shares

The preference shares in the authorised stated capital of Motus have the following key features:

- Will rank prior to ordinary shares and any other class of shares not ranking prior to or *pari passu* with the preference dividends, in respect of dividends or repayment of capital on winding-up;
- Will be entitled to an amount equal to their issue price together with all arrear preference dividends calculated to the date of repayment of capital (in priority to any payment in respect of any other class of shares not ranking prior to or *pari passu* with the preference dividends);
- Will be entitled to receive, out of the profits of the Company, a preference dividend calculated in accordance with the terms of the preference shares (in priority to any payment in respect of any other class of shares not ranking prior to or *pari passu* with the preference dividends);
- Will be entitled to receive notice of any meeting of the Company and to attend general meetings;
- Will not be entitled to vote any general meeting of the Company, unless: (i) the preference dividend, or any part thereof, remains in arrear and unpaid after 6 (six) months from the relevant calculation date; and (ii) a resolution of the Company is proposed which resolution directly affects the rights attached to the preference shares or the interests of the preference shareholders, including but not limited to a resolution for the winding-up of the Company or for the reduction of its capital (other than a resolution for the reduction of any capital *in lieu* of a normal cash dividend to the holders of ordinary shares in the Company;
- Will be entitled to receive an offer from the Company redeem the preference shares together with any arrear preference dividends – if to the Company has implemented a sale of a major undertaking or asset and which constitutes a Category 1 transaction as contemplated in the Listings Requirements and failed to apply the cash proceeds of any such sale within a period of 12 (twelve) months from the receipt thereof, to purchase tangible assets to be utilised by the Company on behalf of it or its subsidiaries in the conduct of its/their business.

Redeemable preference shares

The redeemable, non-participating preference shares in the authorised stated capital of Motus have the following key features:

- Will only be issued in 2025, in exchange for uncoverted Defferred Shares;
- Will not, in a winding up, be entitled to participate in the profits or assets of the Company;
- Will not be entitled to any vote at meetings of the Company, except: (i) during a period when any redemption payments thereon remain in arrear or unpaid after six months after the end of the financial year when such payment accrued, or (ii) regarding resolutions proposed to amend the preference, rights, limitations and other terms associated with such shares;
- Will, subject to section 46 of the Companies Act, be redeemable free of any consideration at the option of the Company at any time.

General

As at the Last Practicable Date, there are no options issued over the securities in Motus and there are no preferential rights in respect of these securities.

7.8 Issue of additional shares and pre-emptive rights

Shareholder approval is required for any issuance of additional shares, other than in the following circumstances:

- A *pro rata* rights offer to all shareholders, provided that the shares subject to the offer are less than 5% of the Company's issued stated capital;
- Shares issued in settlement of employee share scheme liabilities;
- A capitalisation issue in accordance with section 47 of the Companies Act;
- Motus Deferred Shares converting to Motus shares according to the fixed annual conversion profile of 831 469 shares per year from June 2019 to June 2025.

Shareholders, by ordinary resolution passed by a 75% majority, may either convey a general or specific authority to directors to issue shares for cash. A general authority is valid until the next annual general meeting.

The Listings Requirements as read with the Memorandum of Incorporation require that any new issue of equity shares by Motus must first be offered to existing shareholders in proportion to their shareholding in the company unless, among other things, the issuance to new shareholders is:

- pursuant to a shareholder approved employee share incentive schemes;
- to raise cash through a general issuance at the discretion of the directors to the general public (but not to related parties) of up to 30% of the issued stated capital in any one financial year at an issue price with a discount not exceeding 10% of the 30-business-day weighted average trading price prior to the date the application is made to the JSE to list the shares, provided that a 75% majority of votes cast by shareholders at a general meeting must approve the granting of such authority to the directors;
- to raise cash through a specific issuance of shares for cash, provided that a 75% majority of shareholders, other than controlling shareholders, votes in favour of the resolution to issue the shares at a general meeting;
- a capitalisation issue, an issue for an acquisition of assets (including another company) or an amalgamation or merger in terms of the Companies Act; or
- in terms of option or conversion rights.

In terms of the Companies Act, an issue of equity shares by Motus must be approved by a special resolution of Motus' shareholders if the shares are issued, amongst other things, to:

- a director, future Director, prescribed officer, or future prescribed officer of the company;
- a person related or inter-related to the company, or to a director or prescribed officer of the company, unless the issue of shares is, amongst other things;
- under an agreement underwriting the shares;
- in proportions to existing holdings, and on the same terms and conditions that have been offered to all the shareholders of the company;

- pursuant to an employee share scheme that satisfies the requirements of section 97 of the Companies Act; or
- pursuant to an offer to the public as defined in section 95(1)(h), read with section 96 of the Companies Act.

Furthermore, in terms of the Companies Act, an issue of shares requires approval of the shareholders by special resolution if the voting power of the class of shares that are issued or issuable as a result of the transaction will be equal to or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction.

7.9 Impact of the Unbundling on the Imperial BEE arrangements through Ukhamba

Imperial implemented a B-BBEE equity ownership transaction with Ukhamba, the details of which are summarised in **Annexure 15**. It is the intention for that same B-BBEE structure to be replicated in Motus and for Ukhamba to be placed in the same economic position post the Unbundling as it was in before the Unbundling, as is fully explained in **Annexure 15**.

In summary, but as more fully explained in detail in **Annexure 15**, Ukhamba presently holds 7,45% of the issued share capital of Imperial, in a combination of Imperial Ordinary Shares (which had over the years converted from deferred ordinary shares in Imperial), and deferred ordinary shares. In respect of its holding of Imperial Ordinary Shares, Ukhamba will, in terms of the Unbundling, be in the same position as the other Imperial Ordinary Shareholders, in that it will receive, on a one for one basis, Motus Shares. However, in order to ensure that Ukhamba is placed in the same economic position as it was prior to the Unbundling, it is also necessary for Ukhamba to receive the same number of Motus Deferred Shares as are equivalent to the number of deferred ordinary shares in Imperial that it holds. The Motus Deferred Shares will be identical in every respect to the deferred ordinary shares in Imperial that are presently held by Ukhamba, thus ensuring that Ukhamba's position in respect of Imperial and Motus, on a combined basis, is identical to the position which it presently enjoys in respect of Imperial, and at the same time ensuring that, through Ukhamba, the B-BBEE status of Motus will be the same as that of Imperial.

In order to accommodate that position, Ukhamba will, as set out in **Annexure 15**, immediately after the Unbundling is approved by the Imperial Shareholders, subscribe for Motus Deferred Shares for no monetary consideration. These shares, together with the Motus Shares which Ukhamba will receive pursuant to the Unbundling will give Ukhamba a 7,45% interest in Motus, thereby enabling it to enjoy identical rights to those which it enjoys in relation to the corresponding shares in Imperial. In that same way, Motus will achieve a 10.1% B-BBEE status, emulating the same status that Imperial presently enjoys via Ukhamba.

At the Last Practicable Date, Ukhamba held 15 056 029 Imperial Ordinary Shares and 7 699 360 deferred ordinary shares in Imperial. In terms of the Unbundling, Ukhamba will receive 15 056 029 Motus Shares if Ukhamba still holds the same number of Imperial Ordinary Shares at close of business on the Record Date. In order to ensure that Ukhamba is not disadvantaged by the Unbundling and, correspondingly, that Motus achieves the same B-BBEE status that Imperial presently enjoys via Ukhamba, Ukhamba will, immediately after the Unbundling is approved by the Imperial Shareholders, subscribe for 7 699 360 Motus Deferred Shares for no monetary consideration.

Motus Deferred Shares convert into Motus Shares at a fixed rate of 831 469 shares per annum with the first conversion taking place on or before 30 June 2019 and the last conversion taking place on or before 30 June 2025.

The rights attaching to the Motus Deferred Shares are dealt with in paragraph 7.7 and **Annexure 15**.

7.10 Changes in capital or objects and powers of Motus

The Motus Shareholders may, by the passing of a special resolution in accordance with the provisions of the Companies Act:

- increase Motus' authorised stated capital;
- divide all or any part of Motus' stated capital into shares of larger amounts than Motus' existing shares or consolidate and reduce the number of the issued no par value shares, if any;

- subdivide all or any portion of Motus' shares into shares of a smaller amount than is fixed by Motus' Memorandum of Incorporation;
- reduce Motus' authorised stated capital and, if required by law, its issued stated capital, stated capital and any capital redemption reserve fund or any share premium account;
- alter the provisions of Motus' Memorandum of Incorporation with respect to the objects and powers of the company; and
- subject to the provisions of the Companies Act or any other South African law governing companies and the requirements of the JSE and any other stock exchange upon which the shares of Motus may be quoted or listed from time to time, allow Motus to acquire shares issued by itself or in any subsidiary of the company from time to time, and provided that:
  - the directors may resolve that any return of capital made to all or any shareholders whose registered addresses are outside South Africa will, subject to any Exchange Control Regulations then in force, be paid in such other currencies as may be stipulated by the directors. The directors may also stipulate the date for converting Rand to those currencies and the provisional rate of exchange, provided that the date for conversion must be within a period of 30 days prior to the date of payment; and
  - all unclaimed amounts due as a result of a reduction of capital or any consolidation or subdivision of capital may be invested or otherwise made use of by the directors for the benefit of Motus until claimed.

7.11 Variation of rights

All or any of the rights, privileges or conditions attached to Motus' ordinary shares may be varied by a special resolution of Motus passed in accordance with the provisions of the Companies Act; provided that in circumstances where a shareholder dissents to such variation which materially and adversely affects his rights, that shareholder shall be entitled to be paid the fair value for his shares in accordance with the provisions of section 37(8) of the Companies Act as read with the appraisal remedies provided for in section 164 of the Companies Act.

7.12 Rights of minority shareholders and directors' duties

Majority shareholders of South African companies have no fiduciary obligations under South African common law to non-controlling shareholders. However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court if he has been unfairly prejudiced by the company. There may also be common law personal actions available to a shareholder of a company.

In South Africa, the common law and the Companies Act impose on directors' duties to, among other things, act with care, skill and diligence and to conduct the company's affairs honestly and in the best interests of the company.

7.13 Type of shares that can be issued, for example preferred, deferred, other special rights or restrictions

Please refer to the table as set out in paragraph 7.1 and paragraph 7.7 of the Pre-Listing Statement, for all shares that can be issued under the Memorandum of Incorporation.

FINANCIAL INFORMATION

8.1 Historical financial information of Motus

The historical financial information of Motus as at and for the years ended 30 June 2016, 2017 and 2018 is set out in **Annexure 1** to this Pre-Listing Statement.

8.2 Independent reporting accountants and auditors' reports

The independent reporting accountants and auditors' reports on the historical financial information of the Motus as at and for the years ended 30 June 2016, 2017 and 2018 is set out in **Annexure 2** to this Pre-Listing Statement.

8.3 *Pro forma* financial effects of the Listing

Based on Motus' consolidated audited results for the 12 months ended 30 June 2018 (extracted from the Report of Audited Historical Financial Information of Motus), the *pro forma* financial effects of the Listing on the EPS, HEPS, diluted EPS, diluted HEPS, NAV and NTAV of Motus are set out below.

These financial effects are prepared for illustrative purposes only in order to assist shareholders to assess the impact of the Listing and, because of their nature, may not give a fair presentation of Motus' financial position after the Listing nor the effect of the Unbundling on Motus' results of operations.

The summarised *pro forma* financial effects have been prepared in accordance with the recognition and measurement principles of IFRS, the accounting policies adopted by Motus as at 30 June 2018 and the Revised SAICA Guide on *Pro Forma* Financial Information and the Listings Requirements.

The *pro forma* financial effects are the responsibility of the Board. The material assumptions used in the preparation of the *pro forma* financial effects are set out in **Annexure 3**.

	Results before *pro forma* effects	Increased costs of share schemes	Increased costs as listed entity	Decreased funding costs	Treasury shares to be received by Motus	Issue to Ukhamba	Reallocation of debt to long term	Dividend declared	Results after *pro forma* effects
NAV per ordinary share (cents)	**5 762**	(9)	–	–	18	–	–	(201)	**5 747**
NTAV per ordinary share (cents)	**5 153**	(9)	–	–	18	–	–	(201)	**5 118**
EPS basic (cents)	**1 162**	(1)	(11)	5	–	(88)	–	–	**1 101**
EPS diluted (cents)	**1 162**	(1)	(11)	5	–	(88)	–	–	**1 076**
HEPS basic (cents)	**986**	(1)	(11)	5	–	(88)	–	–	**920**
HEPS diluted (cents)	**986**	(1)	(11)	5	–	(88)	–	–	**899**
Shares in issue, net of shares repurchased	**202.0**	–	–	–	(2.2)	(4.0)	–	–	**195.8**
Weighted average shares in issue for basic [1]	**202.0**	–	–	–	(2.2)	(4.0)	–	–	**195.8**
Weighted average shares in issue for diluted[1]	**202.0**	–	–	–	(2.2)	0.5	–	–	**200.3**

Notes:

[1] *Assumed to be the number of shares in issue at date of transaction.*

8.3.1 Details of the *pro forma* financial effects of the unbundling on Motus' Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position for the year ended 30 June 2018 are contained in **Annexure 3**.

8.3.2 The independent reporting accountants' report on the aforementioned *pro forma* financial effects and the *pro forma* Consolidated Statement of Profit or Loss and the *pro forma* Consolidated Statement of Financial Position of Motus is set out in **Annexure 4**.

8.4 Material commitments, lease payments and contingent liabilities

As at the Last Practicable Date, Motus had no material commitments, lease payments or contingent liabilities.

8.5 Borrowings

Details of material borrowings as at the Last Practicable Date are set out in **Annexure 13** to this Pre-Listing Statement.

8.6 Loans receivable

As at the Last Practicable Date, there are no material loan receivables outstanding.

As at the Last Practicable Date there are no loans made nor security furnished by Motus to or for the benefit of any director or manager or any associate of any director or manager of Motus, which remains outstanding.

8.7 Loans payable

As at the Last Practicable Date, there is no loan capital outstanding other than that presented in **Annexure 1** to this Pre-Listing Statement.

8.8 Loans to directors or managers

Motus has not made any loans to, or furnished any security for the benefit of, any director or manager of Motus (or of any associate of any such director or manager).

8.9 New Accounting Standards

The following changes to the accounting standards are applicable.

IFRS 9 Financial Instruments The group anticipates that the application of IFRS 9 will have no material impact on amounts reported in respect of the group's financial assets and financial liabilities. This standard is effected 30 June 2019.

IFRS 15 Revenue A detailed review of the potential impact of IFRS 15 has been finalised. The group has a substantial number of long-term contracts in the Motor-Related Financial Services business and all material contracts have been assessed for any impact in terms of the five-step approach. This review shows that there will not be a material impact on the current measurement of revenue. This standard is effected 30 June 2019.

IFRS 16 Leases The initial assessment is in the process of being performed and it is estimated that the right of use asset and lease liability will be recognised on adoption of the standard in 2020.

MOTUS ACTIVITIES

9.1 Principal immovable properties

The situation, area and tenure, including, in the case of leasehold property, the rental and unexpired term of the leases, of the principal immovable properties occupied by Motus are detailed in **Annexure 5**.

A full list of all principal immovable properties are available for inspection at the Company's registered office.

9.2 Material borrowings and inter-company loans

All Motus inter-company balances, before elimination on consolidation, are disclosed in **Annexure 13**.

Save for the inter-company balances referred to in **Annexure 13** above, there are no material inter-company financial and other transactions that have not been eliminated from the consolidated results of Motus.

9.3 Material acquisitions

Motus has not undertaken any material acquisitions within the last three years (valued at more than 5% of the NAV of Motus, post Unbundling) and is not currently contemplating any potential material acquisitions.

9.4 Property disposed of or to be disposed of or acquired

Motus has not disposed of any material property (valued at more than 10% of the NAV of Motus, post Unbundling) during the last three years and is not currently contemplating any material disposals.

9.5 Material changes

Save as a consequence of the Disposal, between 30 June 2018 and the Last Practicable Date, there were no material changes in the Company's or its subsidiaries financial or trading position.

9.6 Adequacy of working capital

The directors have considered the position of Motus and its subsidiaries and are of the opinion that:

9.6.1 Motus and its subsidiaries will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of approval of this Pre-Listing Statement;

9.6.2 the consolidated assets of Motus and its subsidiaries, fairly valued, will be in excess of the consolidated liabilities of Motus and its subsidiaries for a period of 12 months after the date of approval of this Pre-Listing Statement;

9.6.3 the stated capital and reserves of Motus and its subsidiaries will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Pre-Listing Statement; and

9.6.4 the working capital available to Motus is adequate for the present requirements of Motus, that is, for a period of 12 months from the date of issue of this Pre-Listing Statement.

9.7 Commissions and royalties

There have been no commissions, discounts, brokerages or other special terms granted during the three years preceding the Last Practicable Date in connection with the issue or sale of any securities, stock or debentures in the capital of Motus, where this has not been disclosed in any financial statements.

There are no royalties payable or items of a similar nature in respect of Motus and any of its major subsidiaries.

ADDITIONAL INFORMATION

10.1 Listing on the JSE

The JSE has granted Motus a listing by way of introduction of all its issued ordinary shares on the JSE main board under the abbreviated name "Motus", share code "MTH" and ISIN: ZAE000261913 with effect from the commencement of trade on Thursday, 22 November 2018. Motus will be listed in the 'Specialty Retailers' sector.

10.2 Promoters' and other interests

No amount has been paid or proposed to be paid in the three years preceding the Last Practicable Date to any promoter, or to any partnership, syndicate or other association of which that promoter is or was a member, nor has any cash or security been paid nor proposed, nor any other benefit given nor proposed to any such promoter, partnership, syndicate or other association in the aforementioned three year period.

No director or promoter has any material beneficial interest, direct or indirect, in the promotion of Motus.

No commissions were paid, or accrued as payable, by Motus within the three years preceding the date of this Pre-Listing Statement in respect of any underwriting.

No commissions, discounts, brokerages or other special terms have been granted by Motus within the three years preceding the date of this Pre-Listing Statement in connection with the issue or sale of any securities, stock or debentures in the capital of Motus.

10.3 Government protection and investment encouragement law

There is no government protection or investment encouragement law affecting Motus or its subsidiaries.

10.4 Exchange control

10.4.1 This Pre-Listing Statement is not an invitation to the public to subscribe for shares in Motus and does not amount to a prospectus. Should Motus in future issue shares to shareholders, shareholders should ensure that they comply with the Exchange Control Regulations, to the extent that those regulations may be applicable to them. In this regard, the Exchange Control Regulations currently provide that:

10.4.1.1 a former resident of the CMA who has emigrated, may use emigrant blocked funds to subscribe for Shares;

10.4.1.2 all payments in respect of subscriptions for shares by an emigrant, using emigrant blocked funds, must be made through the Authorised Dealer in foreign exchange controlling the blocked assets;

10.4.1.3 any shares issued pursuant to the use of emigrant blocked funds, will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios;

10.4.1.4 any shares subsequently re-materialised and issued in Certificated form, will be endorsed "Non-Resident" and will be sent to the Authorised Dealer in foreign exchange through whom the payment was \\made; and

10.4.1.5 if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, for shares in terms of a prospectus, emanating from emigrant blocked accounts, will be returned to the Authorised Dealer in foreign exchange through whom the payments were made, for credit to such applicants' blocked accounts.

10.4.2 Shareholders resident outside the CMA should note that, where the unbundled shares or any future shares issued by Motus are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed "Non-Resident" in terms of the Exchange Control Regulations.

10.5 Regulatory environment

Motus is compliant with various regulatory statutes. Please refer to **Annexure 11** for more details.

10.6 Litigation

There are no material legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Motus is aware, which may have, or have during the 12 months preceding the Last Practicable Date had, a material effect on the financial position of Motus.

10.7 Material contracts

No material contracts have been entered into by Motus, being restrictive funding arrangement and/or contracts entered into other than in the ordinary course of business and (1) within the two years prior to the date of this Pre-Listing Statement or, (2) at any other time where such agreement contains an obligation or settlement that is material to Motus as at the date of this Pre-Listing Statement.

10.8 Experts' consents

The independent reporting accountants and auditors and each of the experts, whose names appear in the "Corporate information and advisors" section of this Pre-Listing Statement, have given and have not, prior to the formal approval of this Pre-Listing Statement by the JSE, withdrawn their written consents to the inclusion of their names and capacities stated, and where applicable, to their reports, being included in this Pre-Listing Statement.

10.9 Expenses and listing fees

The estimated costs of the Listing and Unbundling, including the fees payable to professional advisors, are approximately R146 067 000 and will be borne by Imperial. Full details of these costs are set out in the Imperial Circular dated Thursday, 27 September 2018 and which is available on the Imperial website at www.imperial.co.za/pdf/unbundling/unbundling-of-motus-circular.pdf (inclusive of VAT), payable to the JSE in relation to the Listing, are set out below:

Expense		R'000
JSE documentation fees	JSE	93
JSE Listing fees	JSE	1 700
Total		1 793

10.10 Disclosure of conflict

Shareholders are advised that Standard Bank acts as joint financial advisor and Transaction sponsor to Motus in relation to the Listing. In its capacity as Transaction sponsor, Standard Bank does not believe that there is any matter that would impact on its ability to exercise reasonable care and judgement to achieve and maintain independence and objectivity in professional dealings in relation to the Company and that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements.

It has various internal procedures in place to ensure that its ability to act independently as Transaction sponsor is not compromised.

Pursuant to these internal procedures, Standard Bank has a compliance control room that identifies and manages conflicts risks and ensures that strict "Chinese walls" are maintained to ensure that as JSE sponsor, it is able to act independently from other divisions within the bank. Standard Bank also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

10.11 Directors' responsibility statement

The directors, whose names are set out herein on page 19 of this Pre-Listing Statement, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-Listing Statement contains all information required by law and the Listings Requirements.

10.12 Documents available for inspection

Copies of the following documents will be available for inspection at the registered offices of Imperial and Motus and the transaction sponsor set out under the "Corporate information and advisors" section of the Pre-Listing Statement during normal business hours on Business Days from the date of issue of the Pre-Listing Statement:

- the MOI of Motus;
- the MOI's of Motus, Motus Corporation Proprietary Limited, Motus Group Proprietary Limited and Motus Capital Proprietary Limited;
- the historical financial information of Motus as at and for the years ended 30 June 2016, 2017 and 2018 as set out in **Annexure 1** to this Pre-Listing Statement;
- the independent reporting accountants and auditors' report on the historical financial information of Motus as reproduced in **Annexure 2** to this Pre-Listing Statement;
- the independent reporting accountants and auditors' report on the *pro forma* financial information of Motus as reproduced in **Annexure 4** to this Pre-Listing Statement;
- written consent letters by experts and advisors, as referred to in Paragraph 10.8 above;
- OS Arbee and OJ Janse van Rensburg's employment contracts;
- the rules of the SAR Scheme, DBP and CSP;
- the Separation Agreement; and
- a signed copy of this Pre-Listing Statement.

Signed at Johannesburg on Tuesday, 27 September 2018 by Ockert Jacobus Janse van Rensburg on behalf of all of the directors of the Company in terms of resolution of the Board.

By order of the Board

27 September 2018

Ockert Jacobus Janse van Rensburg

Chief Financial Officer and Acting Chief Executive Officer

REPORT OF THE HISTORICAL FINANCIAL INFORMATION OF MOTUS FOR THE THREE YEARS ENDED 30 JUNE 2018

MOTUS HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2018

2017/451730/06

The reports and statements set out below comprise the consolidated and Company financial statements for the year ended 30 June 2018; presented to the shareholder. Motus' independent external auditors, Deloitte & Touche have audited the Company and consolidated financial statements for 30 June 2018 and reviewed the 30 June 2017 and 30 June 2016 consolidated financial statements as presented in **Annexure 2** of the Pre-Listing Statement.

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PREPARER OF THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company and consolidated financial statements have been prepared under the supervision of Mr. OJ Janse van Rensburg CA(SA).

OJ Janse van Rensburg
Chief Financial Officer and Acting Chief Executive Officer

20 September 2018

DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors of Motus Holdings Limited ("Motus") are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements for Motus and the underlying Company and related information. The Company and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board in issue and effective for Motus at 30 June 2018 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the JSE Listing Requirements.

Motus' independent external auditors, Deloitte & Touche have audited the Company and consolidated financial statements for 30 June 2018 and reviewed the 30 June 2017 and 30 June 2016 consolidated financial statements, in conformity with International Standards on Auditing and their unmodified report appears as per **Annexure 2** of the Pre-Listing Statement.

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 financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. 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 under review.

The Company and consolidated financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that Motus and the underlying companies will not remain a going concern for the foreseeable future.

The financial statements set out on pages 92 to 156 were approved by the Board of Directors and issued on 20 September 2018 and are signed on their behalf by:

GW Dempster	**OJ Janse van Rensburg**
Chairman	*Chief Financial Officer and Acting Chief Executive Office*

The financial statements are available on the Motus website www.motuscorp.co.za

CERTIFICATE BY THE COMPANY SECRETARY

In my capacity as Company Secretary, I hereby confirm that, in respect of the period under review, the Company has lodged with the CIPC all such returns and notices as are required in terms of the section 88(2)(e) Companies Act of South Africa, No. 71 of 2008, as amended and that all such returns are true, correct and up to date.

RA Venter
Company Secretary

20 September 2018

DIRECTORS' REPORT

NATURE OF BUSINESS

Motus Holdings Limited ("Motus") is a South African based holding company with a selected international presence mainly in the United Kingdom ("UK"), Australia and Southern Africa. Through its subsidiaries and associates, it operates as a diversified (non-manufacturing) business in the automotive sector. Motus participates in the entire automotive value chain through its four business segments namely: Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts.

The activities of Motus' business segments are described below:

- Import and Distribution: Exclusive South African importer of International vehicle brands such as Hyundai, Kia, Renault and Mitsubishi.
- Retail and Rental: Retails passenger and commercial vehicles in South Africa, the UK and Australia. Rents vehicles through car rental outlets in South Africa and neighbouring countries.
- Motor-Related Financial Services: Manages and administers service, maintenance and warranty plans for vehicles and develops and sells value added products. Provides fleet management services and deploys an innovation hub.
- Aftermarket Parts: Distributor, wholesaler and retailer of accessories and aftermarket parts for vehicles through owned branches, retail stores, a network of franchised outlets and specialised workshops.

DATE OF INCORPORATION

Motus Holdings Limited was incorporated in the Republic of South Africa on 12 October 2017.

ULTIMATE SHAREHOLDER

Motus is a wholly owned subsidiary of Imperial Holdings Limited, which is the ultimate shareholder and the JSE listed entity, as at the date of this report.

FINANCIAL RESULTS AND REVIEW

The Board of Directors of Imperial Holdings Limited ("Imperial") resolved in the board meeting on 21 June 2018, to proceed with the Unbundling of Imperial's operations into two businesses namely; the logistics business known as "Imperial Logistics" and the automotive business known as "Motus".

On 12 October 2017, Motus Holdings Limited ("Motus") was formed as a wholly owned subsidiary of Imperial. Effective 31 May 2018, Motus Corporation Proprietary Limited, Motus Capital Proprietary Limited and Imperial Group Limited (referred to as Motus Group Limited) were transferred to Motus as wholly owned subsidiaries in terms of an asset-for-share transaction following the transfer from Imperial of all automotive related interests to these subsidiaries prior to this date.

The Unbundling will be effected through; a proposed distribution in specie of the shares in Motus to shareholders in terms of section 46 of the Companies Act of South Africa No. 71 of 2008, as amended and section 46 of the Income Tax Act of South Africa, No. 58 of 1962; and the simultaneous listing of Motus on the main board of the Johannesburg Stock Exchange ("JSE").

Motus has had a profitable year despite facing challenging economic and market conditions in South Africa. The Australian market has performed well despite a competitive environment, whilst Brexit in the UK has created challenges in that market.

Net attributable profit to the owners of Motus for the year amounted to R2 346 million (2017: R1 569 million; 2016: R1 493 million). Basic earnings per share for the year was 1 162 cents (2017: 777 cents; 2016: 739 cents).

Significant non-operating transactions affecting the Motus results comprise of:

- Profit on sale of properties R720 million (2017: R40 million; 2016: R8 million).
- Impairment of properties R103 million (2017: R9 million; 2016: R7 million).

The financial results of Motus are set out on pages 92 to 156 and the segment report of profit or loss and financial position appear on pages 106 and 112, respectively.

There has been no trading in the underlying holding company since incorporation in October 2017.

DIVIDENDS

Dividends of R3 139 million (1 554 cents per share) were paid to the owners of Motus during the current financial year; 2017: R1 145 million (567 cents per share); 2016: R1 133 million (561 cents per share).

DIRECTORS

The composition of the Board of Directors for the year and to the date of this report is as follows:

Executive directors

	Appointment date	Nationality
OS Arbee	12 October 2017	South African
OJ Janse van Rensburg	12 October 2017	South African

Non-executive director

	Appointment date	Nationality
A Tugendhaft	01 August 2018	South African

Independent non-executive directors

	Appointment date	Nationality
GW Dempster (Chairman)	01 August 2018	South African
P Langeni	01 August 2018	South African
RJA Sparks	17 September 2018	South African
T Skweyiya	17 September 2018	South African

Board diversity

Gender	
Male	5
Female	2
Demographics	
Black South African	4
White South African	3
Independence	
Executive	2
Independent non-executive	4
Non-executive (not independent)	1

The remuneration paid to directors and interests of directors, are disclosed in notes 6.1 to 6.4, respectively to the consolidated financial statements.

The Board of Directors has satisfied itself that the Chief Financial Officer, Mr. OJ Janse van Rensburg has the appropriate qualifications, expertise and experience with which to fulfil his duties. In addition, the Board has satisfied itself that the composition, experience and skills set of the finance function have met the Motus requirements.

COMPANY SECRETARY

The Company Secretary is Mr. RA Venter. The Board of Directors has satisfied itself that, Mr. RA Venter has the appropriate qualifications, expertise and experience with which to fulfil his duties.

The Company Secretary's contact details, and the business and postal addresses of Motus appear on page 160.

AUDITORS

Deloitte & Touche was appointed as auditors of Motus and will continue in office in accordance with section 94(7) of the Companies Act of South Africa No. 71 of 2008.

SUBSIDIARIES, ASSOCIATES AND JOINTS VENTURES

Details of interests in subsidiaries are shown in Annexure A – Interests in subsidiaries. Details of interests in associates and joint ventures are shown in note 8.5 Investments in associates and joint ventures. Significant acquisitions, disposals and changes in shareholding during the year were as follows:

Acquisitions

Year ended 30 June 2018

Motus acquired the following subsidiaries:

- With effect from August 2017:
  - Motus acquired 100% in Pentagon Motor Holdings Limited in the United Kingdom.
- With effect from September 2017:
  - Motus acquired 75% in SWT Group Proprietary Limited in Australia.
- With effect from March 2018:
  - Motus acquired 60% in ARCO Motor Industry Company Limited in Taiwan.

STATED CAPITAL

Motus adopted a new Memorandum of Incorporation (MOI) and amended its stated capital during the year in accordance with the provisions of the Companies Act of South Africa No. 71 of 2008. Further details of the authorised and issued stated capital of the company is provided in note 5.1 Stated capital of the consolidated financial statements. 201 971 450 ordinary shares were in issue as at 30 June 2018.

CAPITAL EXPENDITURE

As a result of significant disposals of property, plant and equipment, and intangible assets during the year, net cash generated amounted to R756 million. In the prior year's, net capital expenditure amounting to R609 million (2016: R545 million) was incurred. During the current year, proceeds on disposals of R1 368 million (2017: R383 million; 2016: R236 million) were received.

Rm	**Audited 2018**	***Reviewed* 2017***	***Reviewed* 2016***
Replacement capital expenditure			
Property, plant and equipment	**(216)**	(344)	(250)
Intangible assets	**(6)**	(6)	(2)
Total	**(222)**	**(350)**	**(252)**
Proceeds from disposals			
Property, plant and equipment	**1 367**	379	236
Intangible assets	**1**	4	–
Total	**1 368**	**383**	**236**
Net replacement capital expenditure			
Property, plant and equipment	**1 151**	35	(14)
Intangible assets	**(5)**	(2)	(2)
Total	**1 146**	**33**	**(16)**
Expansion capital expenditure			
Property, plant and equipment	**(363)**	(613)	(462)
Intangible assets	**(27)**	(29)	(67)
Total	**(390)**	**(642)**	**(529)**
Net capital expenditure			
Property, plant and equipment	**788**	(578)	(476)
Intangible assets	**(32)**	(31)	(69)
Total	**756**	**(609)**	**(545)**

** The amounts disclosed relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations.*

Capital expenditure does not include vehicles for hire. Vehicles for hire is treated as an operating asset and is disclosed in note 3.4. Vehicles for hire, net capital expenditure from continuing operations, amounted to R1 079 million (2017: R1 708 million; 2016: R1 489 million). Details on future commitments are provided in note 7.3 Capital expenditure commitments.

Net capital expenditure incurred on discontinued operations amounts to 2018: Rnil (2017: Rnil; 2016: R18 million). Net capital expenditure incurred on vehicles for hire for discontinued operations amounts to 2018: R nil (2017: Rnil; 2016: R122 million).

EVENTS AFTER THE REPORTING PERIOD

Following the proposed and approved Unbundling of Motus from Imperial, a distribution in specie of the shares in Motus to shareholders in terms of section 46 of the Companies Act of South Africa No. 71 of 2008, as amended and section 46 of the Income Tax Act of South Africa, No. 58 of 1962 will be made by Imperial.

On 17 September 2018 Motus Holdings Limited declared a net dividend of R407 million (202 cents) to its shareholder.

GOING CONCERN

The directors have reviewed the Group and Company budgets, cash flow forecasts, and the solvency and liquidity positions and have satisfied themselves that Motus and the underlying Company are in a sound financial position and that they have access to adequate resources to meet their foreseeable obligations.

Management monitors the cash requirements on an ongoing basis for uncertainties which may arise, and take appropriate action where necessary. These uncertainties include economic uncertainties which may affect the business' ability to meet its objectives in terms of sales growth, improvement in margins and working capital requirements.

The Consolidated statement of financial position as at 30 June 2018 reports a positive equity balance, prior to consideration of non-controlling interests of R11 640 million (2017: R12 196 million; 2016: R11 979 million).

The Consolidated statement of financial position as at 30 June 2018 reports cash and cash equivalents of R1 187 million (2017: R943 million; 2016: R613 million) and a position of solvency of Motus where assets well exceed liabilities by R11 644 million (2017: R11 922 million; 2016: R12 009 million).

On the basis of this review, the Motus directors have concluded that there is a reasonable expectation that Motus will continue to meet its obligations as they fall due for at least the next 12 months from the date of approval of these financial statements. The directors consider it appropriate to adopt the going concern assumption in preparing the consolidated and Company financial statements.

BORROWING POWERS

In terms of the MOI, the borrowing powers of the Company are unlimited. Any borrowings by Motus, were they to be made, would be subject to the provisions of Motus' treasury policy and the Companies Act of South Africa No. 71 of 2008, as amended. The details of borrowings appear in note 4.1 Interest-bearing debt to the consolidated financial statements.

SPECIAL RESOLUTIONS

The Company passed the following special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of Motus, as follows:

- Increase of the Authorised Stated Capital;
- Creation of new classes of shares;
- Converting Motus Holdings Limited from a private company to a public company as at 18 May 2018;
- Authorisation of the adoption of a new MOI approved by the JSE;
- Approving Non-Executive Directors' fees payable for the periods July 2018 to June 2019 and July 2019 to the next annual general meeting;
- General authority to repurchase Company securities;
- Authority to issue ordinary shares;
- Authority to provide financial assistance in terms of section 44 of the Companies Act of South Africa No. 71 of 2008; and
- Authority to provide financial assistance in terms of section 45 of the Companies Act of South Africa No. 71 of 2008.

A register of special resolutions passed is available to the shareholder on request. There were no other special resolutions passed by subsidiary companies during the year under review that affect the understanding of the Company and its subsidiaries.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee has pleasure in submitting this report, which has been approved by the Board and has been prepared incorporating the recommendations of the King Code of Corporate Governance (King IV).

In summary, this committee assists the Board in its responsibilities covering the:

- internal and external audit processes for Motus, taking into account the significant risk;
- adequacy and functioning of the Motus' internal controls; and
- integrity of the financial reporting.

The Audit and Risk Committee has performed all the duties required.

MEMBERS OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE OF THE MEETINGS

As Motus is a wholly owned subsidiary of Imperial, the Audit Committee of Imperial covered the requirements of Motus in their mandate, and through the fulfilment of their duties in the year under consideration, as required under section 94(7) of the Companies Act of South Africa No. 71 of 2008.

The Audit and Risk Committee consists of the independent non-executive directors listed below and meets at least four times per annum in accordance with its charter.

All members act independently as described in the Companies Act of South Africa No. 71 of 2008. The members of the Audit and Risk Committee for the year ended 30 June 2018 comprised Mr. RJA Sparks (Chairman), Mr. G Dempster, Mrs. T Skweyiya, Ms. P Langeni, ("the Audit and Risk Committee"), all of whom are independent non-executive directors of Imperial.

On the basis that Motus is unbundled it will form a new Audit and Risk Committee comprising independent non-executive directors.

During the year under review, four meetings were held and attendance of those meetings is set out in the table below.

	Meetings attended
RJA Sparks (Chairman) (Member since 2006)	4
GW Dempster (Member since 2015)	4
T Skweyiya (Member since 2014)	4
P Langeni (Member since 2005)	4

RM Kgosana and Y Waja resigned as directors and members of the Audit and Risk Committee during the year.

The head of the internal audit department and external auditors, in their capacities as auditors to Motus, attend and report at all Audit and Risk Committee meetings. Motus' risk management function is also represented by the head of risk. Executive directors and relevant senior financial managers attend meetings by invitation. In addition, the chairman and deputy chairman of the Board attend all meetings.

ROLE OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has adopted a formal charter, approved by the Board, setting out its duties and responsibilities as prescribed in the Companies Act of South Africa, No. 71 of 2008 and incorporating additional duties delegated to it by the Board.

The Audit and Risk Committee:

- fulfils the duties that are assigned to it by the Companies Act of South Africa No. 71 of 2008 and as governed by other legislative requirements, including the statutory Audit Committee functions required for subsidiary companies;
- assists the Board in overseeing the quality and integrity of Motus' integrated reporting process, including the financial statements, sustainability reporting and announcements in respect of the financial results;
- ensures that an effective control environment in Motus is maintained;
- reviews and recommends to the Board of Directors, the financial statements;

- provides the Chief Financial Officer, external auditors and the head of internal audit with unrestricted access to the Audit and Risk Committee and its chairman as is required in relation to any matter falling within the ambit of the Audit and Risk Committee;
- meets with the external auditors, senior managers and executive directors as the Audit and Risk Committee may elect;
- meets confidentially with the internal and external auditors without other executive Board members and the Company's Chief Financial Officer being present;
- oversees the activities of, and ensures coordination between, the activities of the internal and external auditors;
- receives and deals with any complaints concerning accounting practices, internal audit or the content and audit of its financial statements or related matters;
- conducts annual reviews of the Audit and Risk Committee's work and terms of reference; and
- assesses the performance and effectiveness of the Audit and Risk Committee and its members on a regular basis.

FINANCE RISK REVIEW COMMITTEES (FRRCS)

Due to the size and diverse nature of Motus, the Audit and Risk Committee has established divisional FRRCs which perform the functions of the Audit and Risk Committee at the divisions. These FRRCs are chaired by an independent person to the underlying business and who reports to the Imperial Audit and Risk Committee. Ms. P Langeni has chaired the Motus FRRC for the year under review.

EXECUTION OF FUNCTIONS DURING THE YEAR

The Audit and Risk Committee is satisfied that, for the 2018 financial year, it has performed all the functions required to be performed by an Audit and Risk Committee as set out in the Companies Act of South Africa No. 71 of 2008 and the Audit and Risk Committee's terms of reference.

The Audit and Risk Committee discharged its functions in terms of the charter and ascribed to it in terms of the Companies Act of South Africa No. 71 of 2008 during the year under review as follows:

EXTERNAL AUDIT

The Audit and Risk Committee among other matters:

- nominated Deloitte & Touche and Mr. JM Bierman as the external auditor and designated auditor, respectively to the shareholder for appointment as auditor for the financial year ended 30 June 2018, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor;
- nominated the external auditor for each material subsidiary company for re-appointment;
- reviewed the audit effectiveness and evaluated the external auditor's internal quality control procedures;
- obtained an annual confirmation from the auditor that their independence was not impaired;
- maintained a policy setting out the categories of non-audit services that the external auditor may and may not provide, split between permitted, permissible and prohibited services;
- approved non-audit services with Deloitte & Touche on an individual basis prior to any engagement, in accordance with the Audit and Risk Committee's policy. Non-audit services are generally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of Motus is required. Fees for audit related services and non-audit services incurred during the year amounted to R2 million (2017: R1 million; 2016: R1 million);
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor;
- the Audit and Risk Committee has satisfied itself as to the qualifications and competence of Deloitte & Touche;
- obtained assurances from the external auditor that adequate accounting records were being maintained by the Company and its material subsidiaries;
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act No. 26 of 2005;
- considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment;

- considered the tenure of the external auditor and found it to be appropriate; and
- noted the requirement relating to mandatory audit firm rotation and that this will be implemented at the appropriate time.

The Audit and Risk Committee is satisfied that Deloitte & Touche is independent of Motus after taking the following factors into account:

- representations made by Deloitte & Touche to the Audit and Risk Committee;
- the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the Company;
- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditor;
- There have not been any significant changes in management which may mitigate the attendant risk of familiarity between the external audit and management;
- Deloitte & Touche has been the auditor of the Company since incorporation in October 2017 and Mr. JM Bierman was appointed for the year ended 30 June 2018. As required by section 92 of the Companies Act of South Africa No. 71 of 20018, the lead audit partner is required to be rotated every five years;
- In compliance with the of the JSE Limited Listings Requirements (paragraph 3.84(h)(iii)) the Audit and Risk Committee obtained and considered all information listed in paragraph 22.15(h) of the Listings Requirements of the JSE in its assessment of the suitability of Deloitte & Touche for re-appointment;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor; and
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

INTERNAL AUDIT

The Audit and Risk Committee:

- reviewed and approved the internal audit charter and annual audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter;
- considered the reports of the internal auditor on Motus' systems of internal control including financial controls, business risk management and maintenance of effective internal control systems;
- received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof; and
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings.

The head of internal audit reports functionally to the chair of the Audit and Risk Committee and administratively to the Chief Financial Officer. The Audit and Risk Committee considered and was satisfied with the effectiveness of the internal audit function and monitored adherence to the annual internal audit plan.

COMBINED ASSURANCE AND RISK MANAGEMENT OVERSIGHT

The Audit and Risk Committee has reviewed the combined assurance model and has satisfied itself as to its completeness. The Audit and Risk Committee is also satisfied that Motus has augmented the assurance coverage obtained from management, and from external and internal assurance providers, in accordance with an appropriate combined assurance model.

The Audit and Risk Committee has an interest in risk management as a result of its responsibility for internal controls. The Audit and Risk Committee has therefore also satisfied itself that the level of unmitigated risks, both individually and in totality, are within the risk appetite of Motus, and that there is sufficient assurance provided to manage risks and the control environment through both internal and external assurance providers.

ADEQUACY AND FUNCTIONING OF THE INTERNAL CONTROLS

The Audit and Risk Committee reviewed the plans and work outputs of the internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, it also reviewed the reporting around the adequacy of the internal controls and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

FINANCIAL REPORTING

The Audit and Risk Committee ensures that the financial reporting to stakeholders fairly presents the state of affairs of Motus which includes the financial statements.

The Audit and Risk Committee amongst other matters:

- confirmed the going concern as the basis of preparation of the financial statements;
- examined and reviewed the financial statements, as well as all other financial information disclosed prior to the submission to the Board for their approval and then for disclosure to stakeholders;
- ensured that the financial statements fairly present the financial position of the Company and of Motus as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the Company and Motus was determined to be a going concern;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed the external auditor's audit report and key audit matters included;
- reviewed the representation letter relating to the financial statements which was signed by management;
- considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- considered accounting treatments, significant unusual transactions and accounting judgements.

PROACTIVE MONITORING

The Audit and Risk Committee hereby confirms that it has considered the findings contained in the Proactive Monitoring reports when preparing the financial statements for the year ended 30 June 2018.

KEY AUDIT MATTERS

The Audit and Risk Committee has considered the key audit matters as outlined in the external auditor's report as presented in **Annexure 2** of the Pre-Listing Statement. These matters have been covered in the significant areas of judgement below.

SIGNIFICANT AREAS OF JUDGEMENT

In arriving at the figures disclosed in the financial statements there are many areas where judgement is needed. These are outlined in note 1.5 Critical accounting judgements, estimates and assumptions to the financial statements. The Audit and Risk Committee has considered the quantum of the assets and liabilities on the statement of financial position and other items that require significant judgement and decided to expand on the following:

- Deferred funds – measurements and revenue recognition;
- Inventory provision;
- Fair value measurement of financial instruments;
- Residual value of tangible assets;
- Impairment of assets;
- Allocation of separately identifiable intangible assets on business combinations;
- Unbundling and separate listing of Motus;
- Valuation of subsidiaries acquired within Motus; and
- Common control.

In making its assessment in each of the above areas the FRRCs and the Audit and Risk Committee examined the external auditor's report and questioned senior management in arriving at their conclusions. The Audit and Risk Committee reviewed the disclosures, and considered the procedures undertaken by the Directors and were satisfied that sufficiently robust processes were followed with regard to the judgements outlined below.

Deferred funds – measurement and revenue recognition

Service, maintenance and warranty contracts are sold with vehicles to cover the cash cost of future expenditure over specified periods. Revenue from vehicle maintenance plans is recognised based on an established pattern of when vehicle maintenance services are performed over the period of the plan. Revenue is adjusted to cater for expected future expenditure which is determined based on historical trends and includes forecasted inflationary adjustments on an annual basis. Significant judgements are applied to determine the stage-of-completion of the plan, known as burn rates of contracts.

Inventory provision

A provision is raised against new, used and demonstration vehicles for loss in the value of inventory held, likely to be incurred through obsolescence, damage, and future expected movement in net realisable value. Based on historical information, a provision of 5% is raised on new inventory over a year old and between 5% – 20% on used inventory over 90 days old, to account for the risk in net realisable value. There has been no change in the assumptions applied in the calculation of the inventory provision in the historic periods presented.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in an active market, their fair value is measured using the discounted cash flow (DCF) valuation techniques. The inputs to these models are taken from observable markets, but where this is not feasible, a degree of judgement is required in establishing these fair values.

Discount rates are calculated with reference to observable market data. Assumed profitability is based on historical performance adjusted for expected growth (refer to note 9.3 Fair value measurement on financial instruments).

Residual value of tangible assets

To arrive at the residual value of a building in present day values, the usage of the building and its forecasted residual value at the end of its useful life needs to be assessed and thereafter present valued. The determination of forecasted residual values requires the use of capitalisation rates (which vary between 9% – 15%) and discount factors which require a high level of judgement. In arriving at estimated residual values, Motus considers the existing condition of the asset, the expected condition of the assets at the end of its useful life, technological innovations, product life cycles, maintenance programs and projected disposal values.

Motus re-assesses the residual values of its assets on an annual basis. Actual residual values can vary from those previously estimated.

Impairment of assets

Goodwill and other indefinite useful life intangible assets are assessed annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates applied. The growth rates and cash flow projections are approved by Directors. The discount rates are established by an independent expert taking into account the geographic and other risk factors relating to the particular cash-generating unit being assessed. For the purpose of impairment testing, goodwill is allocated to each of Motus' cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the business combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first allocated to the goodwill and then to the other assets of the unit on a *pro rata* basis on the carrying amount of each asset in the unit.

Properties are valued over a five-year cycle, or earlier should an impairment indicator arise, with approximately 20% of the property portfolio being valued annually. The valuation is done by an internal expert using the income approach method.

Allocation of separately identifiable intangible assets on business combinations

For the acquisitions of Pentagon Motor Holdings Limited and SWT Group Proprietary Limited, Motus used external specialists in the evaluation of the estimates and judgements applied in identifying intangible assets and the fair value thereof.

The full excess purchase price is recognised as goodwill, as the distribution lights with the Original Equipment Manufacturer (OEM) only transfer upon certain terms and conditions being met and do not automatically transfer as a part of the acquisition. These assets are not controlled resources that are separable in nature as the right cannot be sold separately, transferred, licensed or rented/ exchanged.

Unbundling and separate listing of Motus

At the Imperial Board of Directors meeting on 21 June 2018, it was agreed to proceed with the proposed Unbundling and separate listing of the Motus operations subject to shareholder approval. Motus has been restructured to ensure all of the subsidiaries are now owned by Motus Holdings Limited which will be unbundled to shareholders. For every share owned in Imperial, a share in Motus Holdings Limited will be received by shareholders.

Valuation of subsidiaries acquired within Motus

Subsidiaries were acquired within Motus as a part of the legal restructure, thus ensuring that all automotive businesses held by Motus, were accounted for at fair value. The fair value was determined using an earnings before interest, tax, depreciation and amortisation ("EBITDA") multiple approach, giving consideration to prevailing market conditions and peers. The enterprise value arrived at was adjusted for equity loans (where applicable), net debt, non-controlling interests and investments in associates to calculate the resultant equity value. Refer to note 2 Investments in subsidiaries in the Company financial statements.

Common control

The abovementioned restructuring resulted in the creation of a profit on sale by the selling entity and a premium paid by the acquiring entity above the net asset value of the entities sold and is included as a negative common control reserve in equity and is not reflected as an asset.

Motus Holdings Limited acquired its subsidiaries from Imperial Holdings Limited at fair value and settled the purchase price through a share issue. Motus Holdings Limited reflected the common control reserve as a reduction to equity offsetting the share issue which was made at fair value.

QUALITY OF EARNINGS

The reconciliation of the attributable profits to headline earnings is outlined in note 5.2 Earnings per share.

There were no other material once off income or expense items that affected the operating profit.

RISK MANAGEMENT AND INFORMATION TECHNOLOGY (IT) GOVERNANCE

The Audit and Risk Committee reviewed the policies on risk assessment, including fraud risks and IT risks as they pertain to financial reporting and the going concern assessment, and found them to be sound.

LEGAL AND REGULATORY REQUIREMENTS

To the extent that these may have an impact on the financial statements, the Audit and Risk Committee:

- reviewed legal matters that could have a material impact on Motus;
- reviewed the adequacy and effectiveness of Motus' procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- monitored complaints received via Motus' whistleblowing service; and
- considered reports provided by management, internal audit and the external auditors regarding compliance with legal and regulatory requirements.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

As required by 3.84(h) of the JSE Limited Listings Requirements, the Audit and Risk Committee has satisfied itself that the Chief Financial Officer, Mr. OJ Janse van Rensburg, has the appropriate expertise and experience. In addition, the Audit and Risk Committee satisfied itself that the composition, experience and skills set of the finance function met Motus' requirements.

SUBSIDIARY COMPANIES

The functions of the Audit and Risk Committee are also performed for each subsidiary company that has not appointed an Audit and Risk Committee, on the basis that the Audit and Risk Committee delegates the performance of such functions to sub-committees referred to as Finance Risk Review Committees.

Divisional Finance Risk Review Committees have been constituted and these committees report significant issues to the Motus Audit and Risk Committee. Each divisional Finance Risk Review Committees is chaired by an independent chairman with no operational role in the divisions.

Having achieved its objectives, the Audit and Risk Committee has recommended the consolidated and Company financial statements for the year ended 30 June 2018 for approval to the Board. The Board has subsequently approved the reports, which will be open for discussion at the forthcoming Annual General Meeting.

R Sparks
Chairman

20 September 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

at 30 June 2018

Rm	Notes	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
ASSETS				
Non-current assets		**9 799**	**9 207**	**9 613**
Goodwill	8.3	**953**	539	585
Intangible assets	8.4	**277**	259	310
Investments in associates and joint ventures	8.5	**348**	299	309
Property, plant and equipment	3.2	**6 786**	6 465	6 888
Deferred tax	2.7	**782**	811	930
Investments and other financial instruments	8.7	**653**	834	591
Current assets		**26 682**	**24 736**	**23 426**
Inventories	3.3.1	**15 633**	15 325	14 982
Vehicles for hire	3.4	**3 924**	3 859	3 391
Taxation		**135**	37	50
Trade and other receivables	3.3.3	**4 821**	3 890	4 095
Derivative financial assets		**432**	272	27
Cash resources	4.2	**1 737**	1 353	881
Total assets from continuing operations		**36 481**	**33 943**	**33 039**
Assets classified as held-for-sale	10.3	**235**	633	998
Total assets		**36 716**	**34 576**	**34 037**
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	5.1	**23 358**	23 358	23 358
Common control reserve		**(19 753)**	(19 753)	(19 684)
Hedge accounting reserve		**198**	(34)	(147)
Other reserves		**(716)**	(683)	(675)
Retained income		**8 553**	9 308	9 127
Attributable to owners of Motus		**11 640**	**12 196**	**11 979**
Non-controlling interests	8.6	**4**	(274)	30
Total equity		**11 644**	**11 922**	**12 009**
Liabilities				
Non-current liabilities		**1 914**	**1 851**	**2 069**
Deferred funds		**1 447**	1 510	1 599
Deferred tax	2.7	**31**	19	41
Interest-bearing debt	4.1	**81**	20	45
Provisions	7.1	**301**	168	293
Other financial liabilities		**54**	134	91
Current liabilities		**23 137**	**20 803**	**19 794**
Provisions	7.1	**373**	409	158
Deferred funds		**1 277**	1 297	1 350
Trade and other payables	3.3.2	**13 435**	10 450	10 020
Derivative financial liabilities		**46**	225	440
Taxation		**450**	286	244
Interest-bearing debt	4.1	**7 556**	8 136	7 582
Total liabilities from continuing operations		**25 051**	**22 654**	**21 683**
Liabilities classified as held-for-sale	10.3	**21**	–	165
Total liabilities		**25 072**	**22 654**	**22 028**
Total equity and liabilities		**36 716**	**34 576**	**34 037**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

for the year ended 30 June 2018

Rm	Notes	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
CONTINUING OPERATIONS				
Revenue	2.2	**77 659**	**66 129**	**65 538**
Net operating expenses	2.3	**(72 713)**	(61 202)	(61 018)
Earnings before interest, taxation, depreciation and amortisation		**4 946**	**4 927**	**4 520**
Depreciation, amortisation and impairments		**(1 353)**	(1 588)	(1 228)
Operating profit		**3 593**	**3 339**	**3 292**
Profit on sale of properties, net of impairments		**617**	31	1
Amortisation of intangible assets arising on business combinations	8.4	**(15)**	(16)	(94)
Net foreign exchange losses		**(43)**	(416)	(98)
Other non-operating items	2.4	**(244)**	(81)	(126)
Profit before net financing costs		**3 908**	**2 857**	**2 975**
Finance costs		**(803)**	(947)	(750)
Finance income		**66**	58	75
Profit before share of results of associates and joint ventures		**3 171**	**1 968**	**2 300**
Share of results of associates and joint ventures		**39**	51	74
Profit before tax		**3 210**	**2 019**	**2 374**
Income tax expense	2.6	**(897)**	(671)	(677)
Profit for the year from continuing operations		**2 313**	**1 348**	**1 697**
DISCONTINUED OPERATIONS				
Loss for the year from discontinued operations	10.1	**–**	(38)	(194)
Profit for the year		**2 313**	**1 310**	**1 503**
Net profit attributable to:				
Owners of Motus		**2 346**	**1 569**	**1 493**
Continuing operations		**2 346**	1 605	1 685
Discontinued operations		**–**	(36)	(192)
Non-controlling interests		**(33)**	**(259)**	**10**
Continuing operations		**(33)**	(257)	12
Discontinued operations		**–**	(2)	(2)
		2 313	**1 310**	**1 503**
Earnings per share (cents)				
Continuing operations		**1 162**	**797**	**836**
– Basic		**1 162**	797	836
– Diluted		**1 162**	797	836
Discontinued operations		**–**	**(20)**	**(97)**
– Basic		**–**	(20)	(97)
– Diluted		**–**	(20)	(97)
Total earnings per share	5.2	**1 162**	**777**	**739**
– Basic		**1 162**	**777**	**739**
– Diluted		**1 162**	**777**	**739**

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2018

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Net profit for the year	**2 313**	**1 310**	**1 503**
Other comprehensive income/ (loss)	**231**	97	(387)
Items that may be reclassified subsequently to profit or loss	**231**	**97**	**(387)**
Exchange gains/ (losses) arising on translation of foreign operations	**9**	(69)	(66)
Movement in hedge accounting reserve (net of tax)	**222**	166	(321)
– Effective portion of the change in the fair value of the cashflow hedges	**292**	322	(400)
– Amounts reclassified from hedge accounting reserve to inventory	**11**	(90)	(9)
– Deferred tax relating to the hedge accounting reserve movements	**(81)**	(66)	88
Total comprehensive income for the year	**2 544**	**1 407**	**1 116**
Total comprehensive income attributable to:			
Owners of Motus	**2 579**	1 613	1 176
Non-controlling interests	**(35)**	(206)	(60)
	2 544	**1 407**	**1 116**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2018

Rm	Stated capital	Common control reserve	Hedge accounting reserve	Share-based payment reserve	Foreign translation reserve	Premium paid on purchase of non-controlling interests	Changes in net assets of associates and joint ventures	Total other reserves	Retained income	Attributable to owners of Motus	Non-controlling interests	Total equity
As at 30 June 2016 *Reviewed*												
Opening balance as at 1 July 2015	23 358	(20 119)	69	(62)	(218)	(87)	(2)	(369)	8 828	11 767	916	12 683
Total comprehensive income for the year	–	–	(233)	–	(84)	–	–	(84)	1 493	1 176	(60)	1 116
Attributable profit for the year	–	–	–	–	–	–	–	–	1 493	1 493	10	1 503
Other comprehensive income	–	–	(233)	–	(84)	–	–	(84)	–	(317)	(70)	(387)
Common control recognised on purchase of subsidiaries	–	435	–	–	–	–	–	–	–	435	–	435
Incremental interest purchased from non-controlling interests	–	–	–	–	–	(243)	–	(243)	–	(243)	(660)	(903)
Additional investment by non-controlling interests	–	–	–	–	–	–	–	–	–	–	21	21
Net acquisitions/ (disposals) of non-controlling interests	–	–	–	–	–	39	–	39	–	39	(57)	(18)
Realisation of the disposal of subsidiaries	–	–	17	–	–	–	2	2	(19)	–	–	–
Hedge premiums paid on share-based equity	–	–	–	(66)	–	–	–	(66)	–	(66)	–	(66)
Share-based equity costs charged to the statement of profit or loss	–	–	–	58	–	–	–	58	–	58	4	62
Dividends paid	–	–	–	–	–	–	–	–	(1 133)	(1 133)	(141)	(1 274)
Transfers to other reserves	–	–	–	2	(15)	1	–	(12)	7	(5)	2	(3)
Other movements	–	–	–	–	–	–	–	–	(49)	(49)	5	(44)
Closing balance	**23 358**	**(19 684)**	**(147)**	**(68)**	**(317)**	**(290)**	**–**	**(675)**	**9 127**	**11 979**	**30**	**12 009**

Rm	Stated capital	Common control reserve	Hedge accounting reserve	Share-based payment reserve	Foreign translation reserve	Premium paid on purchase of non-controlling interests	Changes in net assets of associates and joint ventures	Total other reserves	Retained income	Attributable to owners of Motus	Non-controlling interests	Total equity
As at 30 June 2017 *Reviewed*												
Opening balance as at 1 July 2016	23 358	(19 684)	(147)	(68)	(317)	(290)	–	(675)	9 127	11 979	30	12 009
Total comprehensive income for the year	–	–	113	–	(69)	–	–	(69)	1 569	1 613	(206)	1 407
Attributable profit for the year	–	–	–	–	–	–	–	–	1 569	1 569	(259)	1 310
Other comprehensive income	–	–	113	–	(69)	–	–	(69)	–	44	53	97
Common control recognised on purchase of subsidiaries	–	(69)	–	–	–	–	–	–	–	(69)	–	(69)
Incremental interest purchased from non-controlling interests	–	–	–	–	–	(62)	–	(62)	–	(62)	(15)	(77)
Interest sold to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(19)	(19)
Net acquisitions/ (disposals) of non-controlling interests	–	–	–	–	–	52	–	52	–	52	(13)	39
Realisation of the disposal of subsidiaries	–	–	–	2	–	–	–	2	(2)	–	–	–
Hedge premiums paid on share-based equity	–	–	–	(26)	–	–	–	(26)	–	(26)	–	(26)
Share-based equity costs charged to the statement of profit or loss	–	–	–	60	–	–	–	60	–	60	–	60
Dividends paid	–	–	–	–	–	–	–	–	(1 145)	(1 145)	(52)	(1 197)
Transfers to other reserves	–	–	–	35	–	–	–	35	(35)	–	–	–
Other movements	–	–	–	–	–	–	–	–	(206)	(206)	1	(205)
Closing balance	**23 358**	**(19 753)**	**(34)**	**3**	**(386)**	**(300)**	**–**	**(683)**	**9 308**	**12 196**	**(274)**	**11 922**

Rm	Stated capital	Common control reserve	Hedge accounting reserve	Share-based payment reserve	Foreign translation reserve	Premium paid on purchase of non-controlling interests	Changes in net assets of associates and joint ventures	Total other reserves	Retained income	Attributable to owners of Motus	Non-controlling interests	Total equity
As at 30 June 2018 Audited												
Opening balance as at 1 July 2017	**23 358**	**(19 753)**	**(34)**	**3**	**(386)**	**(300)**	**–**	**(683)**	**9 308**	**12 196**	**(274)**	**11 922**
Total comprehensive income for the year	**–**	**–**	**232**	**–**	**1**	**–**	**–**	**1**	**2 346**	**2 579**	**(35)**	**2 544**
Attributable profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2 346**	**2 346**	**(33)**	**2 313**
Other comprehensive income	**–**	**–**	**232**	**–**	**1**	**–**	**–**	**1**	**–**	**233**	**(2)**	**231**
Incremental interest purchased from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(23)**	**–**	**(23)**	**–**	**(23)**	**(12)**	**(35)**
Additional investment by non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**220**	**220**
Net acquisitions/ (disposals) of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**1**	**–**	**1**	**–**	**1**	**109**	**110**
Hedge premiums paid on share-based equity	**–**	**–**	**–**	**(215)**	**–**	**–**	**–**	**(215)**	**–**	**(215)**	**–**	**(215)**
Share-based equity costs charged to the statement of profit or loss	**–**	**–**	**–**	**121**	**–**	**–**	**–**	**121**	**–**	**121**	**–**	**121**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3 139)**	**(3 139)**	**(1)**	**(3 140)**
Transfers to other reserves	**–**	**–**	**–**	**75**	**–**	**15**	**–**	**90**	**(90)**	**–**	**–**	**–**
Other movements	**–**	**–**	**–**	**–**	**(8)**	**–**	**–**	**(8)**	**128**	**120**	**(3)**	**117**
Closing balance	**23 358**	**(19 753)**	**198**	**(16)**	**(393)**	**(307)**	**–**	**(716)**	**8 553**	**11 640**	**4**	**11 644**

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the year ended 30 June 2018

Rm	Notes	Audited 2018*	*Reviewed* 2017*	*Reviewed* 2016*
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers		**77 131**	65 483	65 424
Cash paid to suppliers and employees		**(70 383)**	(61 211)	(63 007)
Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire	2.5	**6 748**	4 272	2 417
Finance costs paid		**(803)**	(958)	(817)
Finance income received		**66**	58	81
Dividend income		**230**	270	186
Tax paid		**(861)**	(597)	(801)
Cash generated by operations before capital expenditure on vehicles for hire		**5 380**	**3 045**	**1 066**
Net capital expenditure – vehicles for hire		**(1 079)**	(1 708)	(1 611)
– Additions		**(4 345)**	(4 539)	(4 311)
– Proceeds on disposals		**3 266**	2 831	2 700
		4 301	**1 337**	**(545)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash (utilised on)/ generated by acquisitions	8.2	**(731)**	33	(93)
Net cash utilised on/ (generated by) disposals	10.2	**57**	(6)	194
Additions to property, plant, equipment and intangible assets		**(612)**	(992)	(806)
Proceeds on disposal of property, plant and equipment and intangible assets		**1 368**	383	243
Movements in investments in associates		**(45)**	527	94
Additions at cost		**(65)**	(48)	(5)
Loans (extended to)/ repaid by associates		**(47)**	52	(17)
Share of dividends from associates		**23**	49	71
Proceeds on sale of associates		**44**	474	45
Increase/ (decrease) in investments		**18**	(181)	15
Advances/ (repayments) of other loans		**6**	187	(23)
Increase in other receivables		**–**	(173)	–
		61	**(222)**	**(376)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to equity holders of Motus		**(3 139)**	(1 145)	(1 133)
Dividends paid to non-controlling interests		**(1)**	(52)	(141)
Net acquisition of non-controlling interests		**(35)**	(96)	(903)
Capital raised from non-controlling interests		**220**	–	21
Movement in other financial liabilities		**(20)**	36	47
Issue of preference shares to non-controlling interests		**40**	–	–
Increase/ (decrease) in floorplan facilities		**81**	(15)	81
Advances/ (repayments) in unsecured loans		**(1 350)**	510	2 662
		(4 204)	**(762)**	**634**
Net increase/ (decrease) in cash and cash equivalents		**158**	353	(287)
Effects of exchange rate changes on cash and cash equivalents		**86**	(23)	11
Cash and cash equivalents at beginning of the year		**943**	613	889
Cash and cash equivalents at end of the year	4.2	**1 187**	**943**	**613**

** Includes cash flows from continuing and discontinued operations.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS

1.1 Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements. The requirements of IFRS 1: *First-time Adoption of International Financial Reporting Standards* have not been presented as the Group's financial statements are extracted from its shareholder and its underlying subsidiaries financial statements which have historically been prepared under IFRS.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Motus' accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognised in the period in which the estimates are revised. The actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been disclosed in note 1.5 Critical accounting judgements, estimates and assumptions.

The financial statements are presented in South African Rand (ZAR), the functional currency of Motus and the Company and all amounts are rounded to the nearest million, except where otherwise indicated. Foreign currency exchange rates used in the conversion of foreign currencies into Rands are set out below:

	Closing rates			Average rates		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
US Dollar	**13.71**	13.06	14.70	**12.86**	13.58	14.51
British Pound	**18.10**	17.02	19.58	**17.31**	17.23	21.47
Australian Dollar	**10.13**	10.04	10.95	**9.97**	10.24	10.56
Euro	**16.01**	14.92	16.32	**15.34**	14.81	16.10

The consolidated and Company financial statements have been prepared on the historical cost basis, except for the following material items included in the statement of financial position that are measured as described below:

- Derivative financial instruments are measured at fair value;
- Common control is measured as the differential in the purchase consideration paid on historical acquisitions and that of Motus; and
- Investments in preference shares (refer to note 8.7 Investments and other financial instruments) are measured at fair value.

1.2 Basis of preparation – common control transactions

Motus businesses did not historically constitute a combined legal group. The historical financial statements of Motus are prepared on the assumption that the Company and its subsidiaries; Motus Capital Proprietary Limited, Motus Group Limited and Motus Corporation Proprietary Limited traded together as a separate legal group for the years ended 30 June 2018, 30 June 2017 and 30 June 2016.

IFRS does not provide guidance on the accounting for common control transactions. In the absence of specific guidance relating to common control transactions, entities should select an appropriate accounting policy using the hierarchy described in IAS 8: *Accounting policies, changes in accounting estimates and errors*. The hierarchy permits the consideration of pronouncements of other standard-setting bodies.

The acquisition by Motus Holdings Limited of Motus Corporation Proprietary Limited, Motus Group Limited and Motus Capital Proprietary Limited meets the definition of a common control transaction as all the combining entities are ultimately controlled by the same party, being Imperial Holdings Limited, before and after the combination, and that control is not transitory.

The following principles of US GAAP have been applied to the transfer of assets between entities under common control:

- When accounting for a transfer of assets or exchange of shares between entities under common control, the entity that receives the net assets or the equity interests shall initially measure the recognised assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer. If the carrying amounts of the assets and liabilities transferred differ from the historical cost of the parent of the entities under common control, for example, because fair value adjustments in business combinations have been recognised on consolidation; then the financial statements of the receiving entity shall reflect the transferred assets and liabilities at the historical cost of Imperial.
- As a result, the receiving entity effectively applies pushdown accounting in its consolidated financial statements.
- There is no change in basis for the net assets received because there is no change in control over the net assets or equity interests from the parent's perspective. Any difference between any proceeds transferred and the carrying amounts of the net assets received is recognised in equity as a common control reserve arising on common control transactions in the receiving entity's consolidated financial statements. No additional goodwill is created.
- Any increases or decreases in ownership interests in subsidiaries without a change in control are recognised as equity transactions. The carrying amounts of Motus' interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to owners of the company. These changes in ownership that have occurred in the respective historical financial years is reflected as such to present the legal ownership applicable for that period.
- The equity method of accounting for associates is adopted in the consolidated financial statements. In applying the equity method, account is taken of Motus' share of accumulated retained earnings and movements in reserves from the effective dates on which the companies became associates and up to the effective dates of disposal. In the event of associates making losses, Motus recognises the losses to the extent of Motus' exposure.
- Transactions with parties external to Motus where a change in shareholding occurred have been accounted for at the effective date of change in shareholding. Subsidiaries and associates which were sold to parties external to Motus have had their share of assets and profits included in the consolidated results when legal ownership was held.
- Acquisitions from parties external to Motus have had their share of assets and profits included in the consolidated results for the periods post effective date, however, the purchase price utilised in acquiring Motus Corporation Proprietary Limited, Motus Capital Proprietary Limited, and Motus Group Limited which includes an amount for these newly acquired subsidiaries has been utilised in determining the common control for the periods 30 June 2015 onwards or when the business was incorporated.

Comparative financial information of Motus for the three years ended 30 June 2018 has been prepared based on the net asset values relating to the statutory entities including all fair values of business combinations that were acquired by Motus Holdings Limited and is not directly comparable to previously published information of Imperial.

The comparative financial information comprises of:

- Motus Corporation Proprietary Limited and its subsidiaries and associates;
- Motus Capital Proprietary Limited and its subsidiaries;
- Motus Group Limited; and
- Subsidiaries of Imperial Holdings Limited as acquired by Motus Holdings Limited and its subsidiaries, effective 30 April 2018.

The above financial information has previously been reported as part of the annual financial statements of Imperial Holdings Limited in the comparative period, which were prepared in accordance with IFRS.

Any intergroup restructurings that took place between the above-mentioned companies during the periods presented, have been eliminated to present the consolidated historical financial information as it would be structured in the newly listed entity.

1.3 Going concern

The directors consider it appropriate to adopt the going concern basis in preparing the consolidated and Company financial statements. Based on their review of the consolidated and Company budgets, cash flows and solvency and liquidity positions as at 30 June 2018, the Motus Board reasonably believes that Motus has adequate resources to continue in operation for the foreseeable future. Refer to the Directors' report for further going concern disclosure.

1.4 Accounting polices

Accounting policies for which no choice is permitted in terms of International Financial Reporting Standards have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole and considering the materiality of the item being discussed. Accounting policies which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future or becomes material to the understanding of the financial statements. Accounting policies that refer to "consolidated" or "Group" apply equally to the Company financial statements where relevant.

No new, revised or amended standards which had a material impact were implemented during the financial reporting period ended 30 June 2018.

1.5 Critical accounting judgements, estimates and assumptions

Deferred funds – measurement and revenue recognition

Service, maintenance and warranty contracts are sold with vehicles to cover the cash cost of future expenditure over specified periods. Revenue from vehicle maintenance plans is recognised based on an established pattern of when vehicle maintenance services are performed over the period of the plan. Revenue is adjusted to cater for expected future expenditure which is determined based on historical trends and includes forecasted inflationary adjustments on an annual basis. Significant judgements made to determine the stage-of-completion of the plan, known as burn rates of contracts, include:

- Vehicles parts inflation;
- Foreign currency movements;
- Wholesale date;
- Policy sale date; and
- Contract duration and mileage.

The balance of the unearned revenue is recognised in profit or loss on termination when the contract mileage has been reached or when the contract expires.

This deferred fund balance includes a liability which is required to cover contractual costs of service, maintenance and warranty work to be carried out in the future and the unearned margin to be recognised over the life of the plans. Actuarial experts are used to determine the inputs required to establish the adequacy of the reserve and the resulting revenue to be recognised and the final liability.

Funds for which there are insufficient claims history are recognised to the extent of the claims incurred until termination.

Inventory provision

A provision is raised against new, used and demonstration vehicles for loss in the value of inventory held, likely to be incurred through obsolescence, damage, and future expected movement in net realisable value. Based on historical information, a provision of 5% is raised on new inventory over a year old and between 5% – 20% on used inventory over 90 days old, to account for the uncertainty in net realisable value. There has been no change in the assumptions applied in the calculation of the inventory provision in the historic periods presented.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in an active market, their fair value is measured using the discounted cash flow (DCF) valuation techniques. The inputs to these models are taken from observable markets, but where this is not feasible, a degree of judgement is required in establishing these fair values.

Discount rates are calculated with reference to observable market data. Assumed profitability is based on historical performance adjusted for expected growth (refer to note 9.3 Fair value measurement on financial instruments).

Significant financial instruments referred to above are:

- Derivative financial instruments measured at fair value; and
- Preference shares measured at fair value.

Trade receivables and trade payables are considered to approximate fair value due to their short-term nature and thus no fair value adjustment is recognised.

Residual value of tangible assets

To arrive at the residual value of a building in today's values, the usage of the building and its forecasted residual value at the end of its useful life needs to be assessed and thereafter present valued. The determination of forecasted residual values requires the use of capitalisation rates, which vary between 9.0% and 15.0% (2017: 9.0% and 14.5%; 2016: 9.0% and 14.5%) and discount factors which require a high level of judgement. In arriving at estimated residual values, Motus considers the existing condition of the asset, the expected condition of the assets at the end of its useful life, technological innovations, product life cycles, maintenance programs and projected disposal values.

Motus re-assesses the residual values of its assets on an annual basis. Actual residual values can vary from those previously estimated.

Impairment of assets

Goodwill and other indefinite useful life intangible assets are assessed annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates applied. The growth rates and cash flow projections are approved by senior management. The discount rates are established by an independent expert taking into account the geographic and other risk factors relating to the particular cash-generating unit being assessed. For the purpose of impairment testing, goodwill is allocated to each of Motus' cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the business combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first allocated to the goodwill and then to the other assets of the unit on a *pro rata* basis on the carrying amount of each asset in the unit.

Properties are valued over a five-year cycle, or earlier should an impairment indicator arise, with approximately 20% of the property portfolio being valued annually. The valuation is done by an internal expert using the income approach method.

Key inputs utilised in the valuation:

- Rental growth per annum: The property valuators approximated future escalations in rental income to 5.4% (2017: 5.4%; 2016: 5.0%), taking into account various micro-economic and macro-economic factors. At the level of individual properties, the rate is adjusted for conditions contractual or other, that are specific to the building under consideration;
- Discount rate: An average discount rate of 5.3% (2017: 5.3%; 2016: 5.9%), over the medium to long-term was used; and
- Capitalisation rate: Determined by taking into account the quality of the properties under consideration. This rate is determined with reference to market transactions of comparable properties, and takes the prevailing interest rates and risk into consideration. The rates used vary between 9.3% and 15.0% (2017: 9.3% and 15.0%; 2016: 9.3% and 14.5%).

Other assumptions used:

- Net rental income used is the current pre-tax rental given normal arms length market conditions, after deducting property maintenance and running costs;
- The useful life of refurbishments is considered to be five years; and
- Economic useful life: 20 – 25 years. Buildings occupied for five years or longer, are assumed to have been occupied for five years.

Based on the calculations performed, the recoverable amount was lower than the carrying value and an impairment loss of R103 million (2017: R8 million; 2016: R7 million) on property was recognised in the following segments:

- Import and Distribution – R8 million (2017: Rnil; 2016: Rnil); and
- Retail and Rental – R95 million (2017: R9 million; 2016: R7 million).

Allocation of separately identifiable intangible assets on business combinations

For the acquisitions of Pentagon Motor Holdings Limited and SWT Group Proprietary Limited, Motus used external specialists in the evaluation of the estimates and judgements applied in identifying intangible assets and the fair value thereof. The most significant of these estimates is the determination of the Purchase Price Allocation Valuation (PPAV) which encompasses:

- Identifying the assets and liabilities acquired and determining their fair values;
- Determining any resultant goodwill and previously unrecorded intangible assets to be recognised on acquisition; and
- Assessing the useful lives of these intangible assets in order to calculate the annual amortisation expense.

The full excess purchase price is recognised as goodwill, as the distribution rights with the OEM only transfer upon certain terms and conditions being met and do not automatically transfer as a part of the acquisition. These assets are not controlled resources that are separable in nature as the right cannot be sold separately, transferred, licensed or rented/ exchanged.

Key sources of estimation and uncertainty

Future cash flows

Motus tests its fixed assets for impairment when indicators of impairment exist, and goodwill and indeterminate assets are tested annually. The recoverable amounts of assets (including goodwill), individual CGUs and groups of CGUs are based on Motus' best estimate of the future cash flows relating to those assets or CGUs, discounted to reflect the time value of money and the risks specific to the asset, group of assets under consideration.

1.6 Events after the reporting period

The Unbundling of Motus Holdings Limited and its subsidiaries from Imperial Holdings Limited will be effected through a distribution in specie to shareholders in terms of section 46 of the Companies Act of South Africa No. 71 of 2008 as amended, and section 46 of the Income Tax Act of South Africa No. 58 of 1962.

On 17 September 2018 Motus Holdings Limited declared a net dividend of R407 million (202 cents) to its shareholder.

1.7 Segment information

Operating segments are reported in a manner consistent with the internal reporting requirements of Motus as provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The operating companies have been allocated to each operating business segment based on management's assessment of their core operating activities, nature of the revenue streams and where they participate in the automotive value chain. Due to the integrated businesses of Retail and Rental wherein vehicles are sold to the retail business at the end of the rental term, this is regarded as one operating segment and accordingly no business segments have been aggregated.

Central costs are allocated to the segment which derives the benefits from the costs.

Segment profit or loss is reported for continued and discontinued operations. Segment revenue reflects both sales to external parties and intragroup transactions across segments which are eliminated under head office and eliminations.

The products and services of each of the business segments are described below:

- Import and Distribution: The sale of imported of International vehicle brands such as Hyundai, Kia, Renault and Mitsubishi.
- Retail and Rental: The sale of new and used passenger and commercial vehicles, parts and after-sales servicing thereof. Rents vehicles through various outlets.
- Motor-Related Financial Services: Manages and administers service, maintenance and warranty plans for vehicles and develops and sells value added products. Provides fleet management services and deploys an innovation hub.
- Aftermarket Parts: Distributor, wholesaler and retailer of accessories and aftermarket parts.

Other financial definitions include:

- Depreciation, amortisation and impairments includes depreciation, amortisation, impairments and profits on disposals of property, plant, equipment and intangible assets. Impairment on goodwill is not included;
- Operating assets are all assets less loans receivable, taxation assets, cash and cash equivalents and assets classified as held-for-sale;
- Operating liabilities are all liabilities less all interest-bearing debt, taxation liabilities and liabilities directly associated to assets classified as held-for-sale;
- Adjusted net working capital consists of inventories, trade and other receivables, derivative instruments, provisions and trade and other payables;
- Net debt includes total interest-bearing debt less cash resources;
- Net capital expenditure includes expansion and net replacement expenditure of property, plant, equipment, intangible assets and vehicles for hire; and
- Adjusted non-current assets include all non-current assets excluding financial instruments (including loans to associates) and deferred tax.

2. RETURNS

2.1 Segment profit or loss

Rm	Motus [3]			Import and Distribution			Retail and Rental			Motor-Related Financial Services			Aftermarket Parts			Head Office and Eliminations			Discontinued		
	2018 [1]	2017 [2]	2016 [2]	2018 [1]	2017 [2]	2016 [2]	2018 [1]	2017 [2]	2016 [2]	2018 [1]	2017 [2]	2016 [2]	2018 [1]	2017 [2]	2016 [2]	2018 [1]	2017 [2]	2016 [2]	2018 [1]	2017 [2]	2016 [2]
PROFIT or LOSS																					
Revenue	**77 659**	**66 129**	**65 538**	**20 128**	**18 172**	**18 331**	**62 759**	**53 362**	**55 132**	**2 166**	**2 036**	**1 944**	**6 632**	**6 153**	**5 824**	**(14 026)**	**(13 594)**	**(15 693)**	**–**	**427**	**2 945**
– South Africa	**54 997**	51 767	50 259	**20 128**	18 172	18 331	**40 227**	39 000	39 853	**2 166**	2 036	1 944	**6 502**	6 153	5 824	**(14 026)**	(13 594)	(15 693)	**–**	315	2 722
– International	**22 662**	14 362	15 279	**–**	–	–	**22 532**	14 362	15 279	**–**	–	–	**130**	–	–	**–**	–	–	**–**	112	223
Operating profit	**3 593**	**3 339**	**3 292**	**788**	**736**	**927**	**1 687**	**1 478**	**1 426**	**889**	**833**	**757**	**447**	**406**	**382**	**(218)**	**(114)**	**(200)**	**–**	**(2)**	**102**
– South Africa	**3 189**	2 985	2 962	**788**	736	927	**1 312**	1 124	1 096	**889**	833	757	**420**	406	382	**(220)**	(114)	(200)	**–**	(3)	105
– International	**404**	354	330	**–**	–	–	**375**	354	330	**–**	–	–	**27**	–	–	**2**	–	–	**–**	1	(3)
Depreciation, amortisation and impairments	**(751)**	**(1 573)**	**(1 321)**	**(515)**	**(622)**	**(653)**	**(182)**	**(721)**	**(686)**	**(174)**	**(183)**	**(150)**	**(40)**	**(41)**	**(39)**	**160**	**(6)**	**207**	**–**	**–**	**(157)**
– South Africa	**(1 268)**	(1 512)	(1 230)	**(515)**	(622)	(653)	**(699)**	(660)	(596)	**(174)**	(183)	(150)	**(40)**	(41)	(39)	**160**	(6)	208	**–**	–	(156)
– International	**517**	(61)	(91)	**–**	–	–	**517**	(61)	(90)	**–**	–	–	**–**	–	–	**–**	–	(1)	**–**	–	(1)
Net finance costs	**(737)**	**(889)**	**(675)**	**(347)**	**(285)**	**(254)**	**(429)**	**(356)**	**(464)**	**(49)**	**(10)**	**5**	**(68)**	**(69)**	**(48)**	**156**	**(169)**	**86**	**–**	**(11)**	**(61)**
– South Africa	**(620)**	(820)	(600)	**(347)**	(285)	(254)	**(314)**	(287)	(389)	**(49)**	(10)	5	**(66)**	(69)	(48)	**156**	(169)	86	**–**	(10)	(59)
– International	**(117)**	(69)	(75)	**–**	–	–	**(115)**	(69)	(75)	**–**	–	–	**(2)**	–	–	**–**	–	–	**–**	(1)	(2)
Profit/ (loss) before tax	**3 210**	**2 019**	**2 374**	**393**	**(190)**	**416**	**1 818**	**1 127**	**948**	**824**	**812**	**720**	**190**	**364**	**369**	**(15)**	**(94)**	**(79)**	**–**	**(16)**	**10**
– South Africa	**2 318**	1 747	2 140	**393**	(190)	416	**953**	855	714	**824**	812	720	**164**	364	369	**(16)**	(94)	(79)	**–**	(13)	6
– International	**892**	272	234	**–**	–	–	**865**	272	234	**–**	–	–	**26**	–	–	**1**	–	–	**–**	(3)	4
Income tax expense	**(897)**	**(671)**	**(677)**	**(143)**	**(159)**	**(164)**	**(509)**	**(298)**	**(294)**	**(165)**	**(140)**	**(129)**	**(84)**	**(89)**	**(94)**	**4**	**15**	**4**	**–**	**6**	**(16)**
Additional segment information																					
Analysis by revenue type																					
Sale of goods	**68 933**	58 468	58 425	**7 920**	6 274	6 457	**54 928**	46 280	46 668	**–**	–	–	**6 604**	6 055	5 795	**(519)**	(141)	(495)	**–**	371	2 156
Rendering of services	**8 726**	7 661	7 113	**222**	201	192	**7 209**	6 689	5 934	**1 098**	823	784	**2**	2	1	**195**	(54)	202	**–**	50	656
	77 659	66 129	65 538	**8 142**	6 475	6 649	**62 137**	52 969	52 602	**1 098**	823	784	**6 606**	6 057	5 796	**(324)**	(195)	(293)	**–**	421	2 812
Inter-group revenue	**–**	–	–	**11 986**	11 697	11 682	**622**	393	2 530	**1 068**	1 213	1 160	**26**	96	28	**(13 702)**	(13 399)	(15 400)	**–**	6	133
	77 659	**66 129**	**65 538**	20 128	**18 172**	**18 331**	62 759	**53 362**	**55 132**	2 166	**2 036**	**1 944**	6 632	**6 153**	**5 824**	(14 026)	**(13 594)**	**(15 693)**	**–**	**427**	**2 945**
Analysis of depreciation, amortisation and impairments	**(751)**	**(1 573)**	**(1 321)**	**(515)**	**(622)**	**(653)**	**(182)**	**(721)**	**(686)**	**(174)**	**(183)**	**(150)**	**(40)**	**(41)**	**(39)**	**160**	**(6)**	**207**	**–**	**–**	**(157)**
Depreciation and amortisation	**(1 340)**	(1 588)	(1 228)	**(527)**	(637)	(540)	**(760)**	(690)	(662)	**(173)**	(184)	(144)	**(39)**	(37)	(34)	**159**	(40)	152	**–**	–	(117)
Profit on disposals and impairments	**604**	31	1	**12**	15	2	**585**	(20)	(5)	**(1)**	1	(6)	**6**	1	–	**2**	34	10	**–**	–	5
Amortisation and impairment of intangible assets arising on business combinations	**(15)**	(16)	(94)	**–**	–	(115)	**(7)**	(11)	(19)	**–**	–	–	**(7)**	(5)	(5)	**(1)**	–	45	**–**	–	(45)
Employee costs	**(6 425)**	(5 781)	(5 755)	**(732)**	(524)	(626)	**(4 669)**	(4 402)	(4 375)	**(409)**	(298)	(288)	**(713)**	(641)	(575)	**98**	84	109	**–**	(115)	(435)
Operating lease charges	**(559)**	(329)	(322)	**(43)**	(30)	(29)	**(462)**	(315)	(301)	**(13)**	(8)	(8)	**(113)**	(81)	(85)	**72**	105	101	**–**	(10)	(81)
Impairment of other financial assets	**173**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**173**	–	–	**–**	–	–	**–**	–	–
Associate income included in pre-tax profits	**39**	51	74	**12**	(6)	(25)	**8**	3	4	**4**	5	49	**15**	39	42	**–**	10	4	**–**	–	2
Operating profit margin	**4,6%**	**5,0%**	**5,0%**	**3,9%**	**4,1%**	**5,1%**	**2,7%**	**2,8%**	**2,6%**	**41,0%**	**40,9%**	**38,9%**	**6,7%**	**6,6%**	**6,6%**	**–**	**–**	**–**	**–**	**–**	**–**

(1) 2018 Audited;

(2) 2017 and 2016 *Reviewed.*

(3) Relates to continuing operations

2.2 Revenue

Included in revenue are net invoiced sales to customers for goods and services, rentals from vehicles for hire, revenue from service, maintenance and warranty contracts and commissions. Where Motus acts as an agent and is remunerated on a commission basis, the commission is included in revenue. Where Motus acts as principal, the total value of business handled is included in revenue.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, when delivery has been made and title has passed, when the amount of the revenue and the related costs can be reliably measured and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Guaranteed buyback arrangements where significant risks and rewards of ownership have not transferred to the purchaser, is accounted for as a lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Revenue from vehicle maintenance plans is recognised based on an established pattern, when vehicle maintenance services are performed over the life of the plan. Revenue is adjusted to cater for expected future expenditure which is determined based on historical trends and includes forecasted inflationary adjustments on an annual basis.

Rm	Audited 2018	*Reviewed* 2017*	*Reviewed* 2016*
External revenue			
Sale of goods	**68 933**	58 468	58 425
Rendering of services	**8 726**	7 661	7 113
Total revenue	**77 659**	**66 129**	**65 538**

** The amounts disclosed in the notes to the statements of profit or loss relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations.*

Revenue received from Motus' associates and joint ventures and revenue between Group entities is disclosed in note 8.8 Related parties.

2.3 Net operating expenses

Rm	Audited 2018	*Reviewed* 2017*	*Reviewed* 2016*
Direct cost of sales	**(61 683)**	(51 786)	(51 500)
Auditors' remuneration	**(36)**	(29)	(25)
Dividend income	**230**	270	186
Unrealised gains on preference share arrangements	**67**	29	70
Employee costs (including directors)	**(6 127)**	(5 508)	(5 428)
Contributions to retirement funds	**(298)**	(273)	(327)
Operating lease charges	**(559)**	(329)	(322)
Other operating expenses	**(4 307)**	(3 576)	(3 672)
Total net operating expenses	**(72 713)**	**(61 202)**	**(61 018)**

** The amounts disclosed in the notes to the statements of profit or loss relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations.*

2.4 Other non-operating items

Rm	Audited 2018	*Reviewed* 2017*	*Reviewed* 2016*
Business acquisition costs	**7**	3	1
Fair value loss/ (gains) on derivatives	**–**	6	(7)
Gain on derecognition of financial instruments	**(5)**	–	–
Impairment of goodwill	**63**	18	183
Impairment of other financial assets	**173**	–	–
Impairment of associates and joint ventures	**8**	39	106
Other non-operating items	**(2)**	15	(157)
Total	**244**	**81**	**126**

** The amounts disclosed in the notes to the statement of profit or loss relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations*

2.5 Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Profit before net financing costs	**3 908**	**2 824**	**2 858**
– Continuing operations	**3 908**	2 857	2 975
– Discontinued operations	**–**	(33)	(117)
Adjusted for:			
Depreciation, amortisation, impairments and recoupments	**1 353**	1 588	1 340
– Continuing operations	**1 353**	1 588	1 228
– Discontinued operations	**–**	–	112
Profit on disposal of properties, net of impairment	**(617)**	(31)	(1)
Amortisation/ (impairments) of intangible assets arising on business combinations	**15**	16	94
Impairment of goodwill	**63**	18	228
– Continuing operations	**63**	18	183
– Discontinued operations	**–**	–	45
Profit on acquisitions of subsidiaries	**–**	79	–
(Profit)/ loss on disposals of subsidiaries	**(4)**	84	(17)
Impairment on assets of disposal group	**–**	–	40
Re-measurement of assets held-for-sale	**–**	(49)	–
Impairment of investments in associates and joint ventures	**8**	39	106
Profit on disposal of investments in associates and joint ventures	**(1)**	(82)	(17)
Impairment of other financial assets	**173**	–	–
Dividend income	**(230)**	(270)	(186)
Unrealised gains on preference share arrangements	**(67)**	(29)	(70)
Recognition of share-based payment expenses costs	**90**	56	60
Foreign exchange loss recognised on disposal of assets held-for-sale	**13**	–	–
Net movement in deferred funds	**(175)**	(229)	(70)
Re-measurement of foreign exchange derivatives	**–**	6	(6)
Net movement in provisions	**78**	192	126
Cash generated by operations before changes in working capital	**4 607**	**4 212**	**4 485**
Decrease/ (increase) in inventories	**1 841**	(799)	(232)
Increase in trade and other receivables	**(353)**	(417)	(44)
Decrease in derivative financial assets	**132**	22	51
Increase/ (decrease) in trade and other payables	**700**	1 422	(1 885)
(Decrease)/ increase in derivative financial liabilities	**(179)**	(168)	42
Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire	**6 748**	**4 272**	**2 417**

2.6 Current taxation

Rm	Audited 2018	*Reviewed* 2017*	*Reviewed* 2016*
Income Tax	**(939)**	**(668)**	**(880)**
Current year	**(955)**	(625)	(743)
Prior year over/(under) provision	**21**	(36)	(140)
Capital gains tax	**(5)**	(7)	3
Deferred taxation charge/ (release)	**42**	**(3)**	**203**
Current year	**48**	19	109
Prior year over/(under) provision	**13**	10	121
Impairments	**(19)**	(32)	(27)
Income tax expense	**(897)**	**(671)**	**(677)**
Reconciliation of effective tax rate (%)			
South African normal tax rate	**28.0**	28.0	28.0
Adjusted for:			
Impairment of goodwill	**0.6**	0.1	2.0
Impairment of other financial assets	**1.5**	–	–
Impairment on investments in associates and joint ventures	**–**	0.4	–
Dividends received	**(1.9)**	(3.7)	(3.0)
Profit on sale of properties	**(0.9)**	(0.4)	–
Impairment of intangible assets arising on business combination	**–**	–	1.4
Assessed losses not recognised	**1.9**	6.8	–
Prior year's taxation	**(1.0)**	1.2	0.8
Impairment of deferred tax assets	**0.6**	1.6	1.1
Foreign tax rate differential	**–**	(0.6)	(0.6)
Other	**(0.5)**	0.7	(0.2)
Effective tax rate **	**28.3**	**34.1**	**29.5**

** The amounts disclosed in the notes to the statements of profit or loss relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations.*

*** Effective tax is calculated on profit before tax excluding the share of income from associates and joint ventures.*

Rm	Audited 2018	*Reviewed* 2017*	*Reviewed* 2016*
Taxation paid			
Amounts payable at beginning of the year (net)	**(249)**	(194)	(91)
Charge per the statement of profit or loss (excluding deferred taxation)	**(939)**	(668)	(880)
Net (acquisitions)/ disposals of subsidiaries	**(3)**	–	12
Direct current tax charge from share-based equity	**31**	6	(2)
Translation of foreign entities	**(15)**	(4)	(11)
Amounts payable at end of the year (Net)	**314**	249	194
	(861)	**(611)**	**(778)**

** The amounts disclosed in the notes to the statements of profit or loss relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations.*

2.7 Deferred tax

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset and where it relates to taxes levied by the same revenue authority and legal entity. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused credits can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation rates, tax rates and competitive forces. The deferred tax assets are reviewed at the end of the reporting period and adjusted taking into consideration the current and forecast results. Deferred tax assets were impaired where entities do not show signs of profitability in the foreseeable future. There are no deductible temporary differences, unused tax losses, unused tax credits and permanent differences that will expire from tax authorities.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Reconciliation of movement			
Balance receivable at beginning of the year	**792**	889	589
Current year charge			
Per the statement of profit or loss	**42**	(3)	203
Amounts recognised in hedge accounting reserve	**(81)**	(66)	88
Net (disposals)/ acquisitions of subsidiaries	**(11)**	(26)	19
Translation of foreign entities	**9**	(2)	10
Re-classification to businesses held-for-sale	**–**	–	(20)
Balance receivable at end of the year	**751**	**792**	**889**
Comprising:			
Deferred tax assets	**782**	811	930
Deferred tax liabilities	**(31)**	(19)	(41)
	751	**792**	**889**

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Analysis of deferred tax			
Property, plant and equipment	**(145)**	(107)	(78)
Intangible assets	**(31)**	(27)	(30)
Vehicles for hire	**(42)**	(37)	(34)
Inventories	**129**	172	200
Deferred funds	**398**	415	419
Provisions	**230**	176	154
Tax losses	**125**	141	146
Other	**87**	59	112
	751	**792**	**889**

There are no taxable temporary differences relating to investments in subsidiaries, investments in associates and joint ventures for which deferred tax liabilities have not been recognised.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Estimated taxation losses			
Unused tax losses available for set-off against future taxable income	**1 796**	1 699	1 020
Deferred tax asset recognised in respect of such losses	**(446)**	(418)	(528)
Remaining tax losses not recognised	**1 350**	**1 281**	**492**

3. OPERATIONS

3.1 Segment financial position

Rm	Motus Holdings [3]			Import and Distribution			Retail and Rental			Motor-Related Financial Services			Aftermarket Parts			Head Office and Eliminations		
	2018[1]	2017[2]	2016[2]	2018[1]	2017[2]	2016[2]	2018[1]	2017[2]	2016[2]	2018[1]	2017[2]	2016[2]	2018[1]	2017[2]	2016[2]	2018[1]	2017[2]	2016[2]
FINANCIAL POSITION																		
Assets																		
Goodwill and intangible assets	**1 230**	798	895	**122**	110	133	**649**	355	422	**4**	9	–	**455**	364	366	**–**	(40)	(26)
Property, plant and equipment	**6 786**	6 465	6 888	**682**	685	1 019	**5 590**	5 279	5 668	**109**	106	10	**420**	413	207	**(15)**	(18)	(16)
Vehicles for hire	**3 924**	3 859	3 391	**1 685**	1 991	1 534	**2 231**	1 959	1 723	**1 732**	1 915	1 071	**–**	–	–	**(1 724)**	(2 006)	(937)
Carrying value of associates and joint ventures	**260**	156	185	**27**	21	(56)	**53**	29	23	**52**	61	62	**122**	119	111	**6**	(74)	45
Investments and other financial instruments	**653**	834	591	**4**	4	4	**–**	–	27	**653**	655	217	**–**	173	–	**(4)**	2	343
Inventories	**15 633**	15 325	14 982	**3 798**	5 445	5 145	**10 167**	8 350	8 457	**270**	397	436	**1 446**	1 121	1 111	**(48)**	12	(167)
Trade and other receivables [4]	**5 253**	4 162	4 122	**2 649**	1 977	1 645	**3 131**	2 295	2 274	**453**	682	907	**691**	592	608	**(1 671)**	(1 384)	(1 312)
Cash resources	**1 737**	1 353	881	**398**	446	258	**808**	409	269	**73**	207	17	**204**	13	14	**254**	278	323
Operating assets	**35 476**	**32 952**	**31 935**	**9 365**	**10 679**	**9 682**	**22 629**	**18 676**	**18 863**	**3 346**	**4 032**	**2 720**	**3 338**	**2 795**	**2 417**	**(3 202)**	**(3 230)**	**(1 747)**
– South Africa	**26 130**	27 203	25 228	**9 365**	10 059	9 058	**13 627**	13 619	13 206	**3 346**	4 032	2 720	**2 994**	2 774	2 402	**(3 202)**	(3 179)	(2 158)
– International	**9 346**	5 749	6 707	**–**	620	624	**9 002**	5 057	5 657	**–**	–	–	**344**	21	15	**–**	51	411
Total assets from continuing operations	**36 481**	**33 943**	**33 039**	**10 928**	**12 223**	**14 824**	**23 320**	**21 699**	**22 468**	**6 315**	**5 765**	**5 324**	**3 357**	**2 643**	**2 174**	**(7 439)**	**(8 387)**	**(11 751)**
Liabilities																		
Deferred funds	**2 724**	2 808	2 949	**–**	–	–	**–**	–	–	**2 895**	2 975	3 108	**–**	–	–	**(171)**	(167)	(159)
Trade and other payables [4]	**13 481**	10 675	10 460	**5 491**	5 146	4 236	**9 061**	6 538	6 770	**631**	636	450	**1 075**	943	902	**(2 777)**	(2 588)	(1 898)
Provisions	**674**	577	451	**275**	66	46	**374**	398	341	**78**	111	148	**52**	44	38	**(105)**	(42)	(122)
Other financial liabilities	**54**	134	91	**10**	102	67	**43**	11	–	**–**	–	10	**1**	5	51	**–**	16	(37)
Operating liabilities	**16 933**	**14 194**	**13 951**	**5 776**	**5 314**	**4 349**	**9 478**	**6 947**	**7 111**	**3 604**	**3 722**	**3 716**	**1 128**	**992**	**991**	**(3 053)**	**(2 781)**	**(2 216)**
– South Africa	**11 803**	11 167	10 721	**5 776**	5 105	4 097	**4 388**	4 132	4 136	**3 604**	3 722	3 716	**1 089**	989	988	**(3 054)**	(2 781)	(2 216)
– International	**5 130**	3 027	3 230	**–**	209	252	**5 090**	2 815	2 975	**–**	–	–	**39**	3	3	**1**	–	–
Total liabilities from continuing operations	**25 051**	**22 654**	**22 028**	**8 032**	**9 682**	**11 606**	**15 923**	**14 137**	**17 067**	**5 264**	**4 517**	**4 332**	**2 351**	**1 663**	**1 181**	**(6 519)**	**(7 345)**	**(12 158)**
Adjusted net working capital	**6 731**	**8 235**	**8 193**	**681**	**2 210**	**2 508**	**3 863**	**3 709**	**3 620**	**14**	**332**	**745**	**1 010**	**726**	**779**	**1 163**	**1 258**	**541**
– South Africa	**5 263**	7 386	7 210	**681**	2 210	2 508	**2 461**	2 871	2 630	**14**	332	745	**943**	716	769	**1 164**	1 257	558
– International	**1,468**	849	983	**–**	–	–	**1,402**	838	990	**–**	–	–	**67**	10	10	**(1)**	1	(17)
Net debt	**5 900**	**6 803**	**6 746**	**1 099**	**2 895**	**2 098**	**4 648**	**3 796**	**5 384**	**(1 426)**	**(1 450)**	**(1 237)**	**945**	**555**	**352**	**634**	**1 007**	**149**
– South Africa	**5 047**	6 391	6 036	**1 099**	2 895	2 098	**3 677**	3 409	4 691	**(1 426)**	(1 450)	(1 237)	**1 086**	555	352	**611**	982	132
– International	**853**	412	710	**–**	–	–	**971**	387	693	**–**	–	–	**(141)**	–	–	**23**	25	17
Net capital expenditure	**(323)**	**(781)**	**(668)**	**(124)**	**186**	**3**	**(170)**	**(744)**	**(406)**	**8**	**(91)**	**163**	**(15)**	**(20)**	**(20)**	**(22)**	**(112)**	**(408)**
– South Africa	**(909)**	(459)	(392)	**(124)**	201	30	**(757)**	(599)	(297)	**8**	(91)	163	**(15)**	(19)	(18)	**(21)**	49	(270)
– International	**586**	(322)	(276)	**–**	(15)	(27)	**587**	(145)	(109)	**–**	–	–	**–**	(1)	(2)	**(1)**	(161)	(138)
Adjusted non-current assets	**8 276**	**7 418**	**7 968**	**831**	**816**	**1 096**	**6 292**	**5 663**	**6 113**	**165**	**176**	**72**	**997**	**896**	**684**	**(9)**	**(132)**	**3**
– South Africa	**6 355**	6 461	6 725	**831**	816	1 096	**4 468**	4 705	4 870	**165**	176	72	**900**	896	684	**(9)**	(132)	3
– International	**1 921**	958	1 243	**–**	–	–	**1 824**	958	1 243	**–**	–	–	**97**	–	–	**–**	–	–

(1) 2018 Audited;

(2) 2017 and 2016 Reviewed.

(3) Relates to continuing operations.

(4) Includes amounts pertaining to derivative financial instruments.

3.2 Property, plant and equipment

Property, plant and equipment mainly comprises of the following:

- Vehicle dealerships;
- Workshops;
- Depots;
- Admin buildings;
- Leasehold improvements;
- Equipment;
- Furniture; and
- Motor vehicles.

Land is stated at cost less accumulated impairment and is not depreciated. All other assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. Assets that are classified as held-for-sale are not depreciated. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation commences when the assets are ready for their intended use and is recognised in profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of each component of an asset to its residual value over its estimated useful life as follows:

- Land – Indefinite;
- Buildings – 20 years;
- Leasehold Improvement – the lesser of the lease period or 5 years;
- Equipment and furniture – 3 to 10 years; and
- Motor vehicles – 3 to 5 years.

Rm	Land, buildings and leasehold improvements	Equipment and furniture	Motor vehicles	Audited Total
As at 30 June 2018				
Cost	6 798	1 798	276	8 872
Accumulated depreciation and impairments	(610)	(1 345)	(131)	(2 086)
Carrying amount	**6 188**	**453**	**145**	**6 786**
Net carrying value at the beginning of the year	5 869	426	170	6 465
Movement during the year				
Acquisition of subsidiaries	287	48	9	344
Additions	317	172	90	579
Proceeds on disposal	(1 285)	(15)	(67)	(1 367)
Profit/ (loss) on disposal	720	(7)	3	716
Depreciation	(49)	(177)	(61)	(287)
Impairments	(103)	(1)	–	(104)
Currency adjustments	47	7	1	55
Re-classification from held-for-sale for disposal	620	–	–	620
Re-classification to held-for-sale	(235)	–	–	(235)
Closing balance	**6 188**	**453**	**145**	**6 786**

Rm	Land, buildings and leasehold improvements	Equipment and furniture	Motor vehicles	*Reviewed* Total
As at 30 June 2017				
Cost	6 258	1 542	295	8 095
Accumulated depreciation and impairments	(389)	(1 116)	(125)	(1 630)
Carrying amount	**5 869**	**426**	**170**	**6 465**
Net carrying value at the beginning of the year	6 223	484	181	6 888
Movement during the year				
Disposal of subsidiaries	(5)	(59)	–	(64)
Additions	564	179	210	953
Proceeds on disposal	(199)	(12)	(168)	(379)
Profit/ (loss) on disposal	40	(13)	4	31
Depreciation	(34)	(185)	(57)	(276)
(Impairments)/ reversal of impairment	(8)	3	–	(5)
Currency adjustments	(118)	(13)	–	(131)
Re-classification from held-for-sale for disposal	33	48	–	81
Re-classifications to held-for-sale	(627)	(6)	–	(633)
Closing balance	**5 869**	**426**	**170**	**6 465**

Rm	Land, buildings and leasehold improvements	Equipment and furniture	Motor vehicles	*Reviewed* Total
As at 30 June 2016				
Cost	6 604	1 565	313	8 482
Accumulated depreciation and impairments	(381)	(1 081)	(132)	(1 594)
Carrying amount	**6 223**	**484**	**181**	**6 888**
Net carrying value at the beginning of the year	5 926	462	188	6 576
Movement during the year				
Disposal of subsidiaries	(70)	(17)	(18)	(105)
Additions	303	214	194	711
Proceeds on disposal	(75)	(16)	(145)	(236)
Profit/ (loss) on disposal	8	(2)	2	8
Depreciation	(34)	(183)	(65)	(282)
Impairments	(7)	(4)	–	(11)
Currency adjustments	116	3	6	125
Re-classification from held-for-sale for disposal	169	36	19	224
Re-classifications to held-for-sale	(113)	(9)	–	(122)
Closing balance	**6 223**	**484**	**181**	**6 888**

Investment properties

Included in property, plant and equipment is R165 million (2017: R269 million; 2016: R182 million) relating to property which is primarily owned occupied but for which a portion is sublet. This property is measured in accordance with principles as described above for property, plant and equipment.

The property is valued in accordance with the Directors' valuation and has not been performed by a qualified independent valuer. The fair value of the property amounts to R218 million (2017: R311 million; 2016: R182 million).

Rental income amounting to R22 million (2017: R38 million; 2016: R24 million) was earned during the year and direct costs of R8 million (2017: R10 million; 2016: R10 million) were incurred.

Impairment losses recognised during the year

During 2018, the impairment loss of R103 million (2017: R8 million; 2016: R7 million) represented the write down of properties to their recoverable amounts when compared to the internal valuations performed. The impairment loss arose from higher capitalisation rates on lower grade dealerships resulting in a charge in the current year. The process and parameters used are outlined in note 1.5 Critical accounting judgements estimates and assumptions.

Security

Property, plant and equipment with a carrying value of R42 million (2017: R34 million; 2016: R34 million) has been encumbered as security for interest-bearing debt (refer to note 4.1 Interest-bearing debt).

3.3 Net working capital

Assets that Motus expects to realise, or intends to sell or consume in its normal operating cycle; would include inventory and trade and other receivables. The operating cycles for these assets are generally not more than twelve months. Certain vehicles for hire have an operating cycle of more than 12 months but are classified as current. In general, the vehicles for hire operating cycle does not exceed 12 months. Vehicles that have reached the end of their useful lives as vehicles for hire are re-classified to inventories.

3.3.1 *Inventories*

The cost of inventory is determined as follows:

- Vehicles – specific cost;
- Parts and accessories – weighted average cost;
- Work in progress includes direct costs and a proportion of overheads; and
- Other – first in, first out.

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
New vehicles	**7 902**	8 642	8 724
Demonstration vehicles	**1 781**	1 558	1 482
Used vehicles	**3 477**	2 969	2 581
Parts, accessories and finished goods	**2 426**	2 105	2 146
Work in progress	**31**	35	33
Other	**16**	16	16
Total inventory	**15 633**	**15 325**	**14 982**
Inventories carried at net realisable value included above	**3 554**	4 640	4 168
Inventory expensed to profit or loss during the year	**61 683**	51 786	51 500

Security

The carrying value of inventories that have been encumbered as security amount to R605 million (2017: R814 million; 2016: R1 371 million) for interest-bearing borrowings (refer to note 4.1 Interest-bearing debt).

3.3.2 *Trade and other payables*

The directors consider that the carrying amount of the trade and other payables approximates their fair value, as the carrying amount is based on contractual rights and obligations and is short-term in nature. Refer to note 9 Financial management for Motus' financial risk management policies.

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Trade payables	**5 445**	4 470	4 073
Other accruals	**3 247**	3 161	2 753
Secured floorplans from franchisor	**4 597**	2 705	3 102
Deferred income	**146**	114	92
Total trade and other payables	**13 435**	**10 450**	**10 020**

No interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged as per the suppliers' terms and conditions on the applicable supplier's outstanding balance. Motus has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The average credit period taken for trade purchases is 30 days.

Secured floorplans from franchisor is made up of interest-bearing and interest-free portions. The amounts outstanding become interest-bearing after 14 to 21 days. These terms and conditions are outlined by the OEM and vary between franchises. Floorplans which are interest-free and within the specified OEM period are classified as trade payables and floorplans over the specified period have been classified as interest-bearing debt. Refer to note 4.1 Interest-bearing debt.

3.3.3 *Trade and other receivables*

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Trade receivables	**3 759**	2 740	2 970
Gross receivables	**3 961**	2 930	3 103
Provision for doubtful debts	**(202)**	(190)	(133)
Other receivables	**1 062**	1 150	1 125
Total trade and other receivables	**4 821**	**3 890**	**4 095**

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where needed, Motus obtains appropriate collateral to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary boards.

Trade accounts receivable consist of a large, widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. Creditworthiness of trade receivables is assessed when credit is first extended and is reviewed regularly thereafter. The granting of credit is controlled by the application of account limits. Where considered appropriate, use is made of credit guarantee insurance.

Risk exposures arise from the supply of vehicles and equipment to external dealerships and customers. Where vehicles are supplied to external dealerships these are generally covered by a dealer floorplan with a bank, and will usually settle within credit terms, and exposure to credit risk is therefore minimised. When dealing with external customers, the sale of a vehicle is required to be fully financed before delivery, thereby mitigating the credit risk.

Risk exposures arise from the granting of credit to customers for parts and vehicle rental. The risk is managed by monthly review of trade receivables ageing. The risk is mitigated by stringent background checks and credit limits being imposed on all new customers, continuous review of credit limits, as well as taking legal action against defaulting customers.

The carrying amount of trade and other receivables represents the maximum credit exposure at 30 June. None were given as collateral for any security provided.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Trade receivables, not past due	**3 171**	**2 156**	**2 413**
Past due receivables	**790**	**774**	**690**
Less than one month	**514**	461	440
Between one and three months	**163**	129	129
More than three months	**82**	131	98
More than one year	**31**	53	23
Total gross trade receivables	**3 961**	**2 930**	**3 103**

Based on past experience, Motus believes that no impairment is necessary in respect of trade receivables not past due as the amount relates to customers that have a good track record with Motus, and there has been no objective evidence to the contrary.

Included in trade receivables are receivables which are past the original expected collection date (past due) at the reporting date. There has not, however, been a significant change in credit quality and the amounts are still considered recoverable. Those which are not considered to be recoverable have been included in the provision for doubtful debts. A summarised age analysis of past due trade receivables is set out above.

The overdue trade receivables ageing profile above is considered typical of the various industries in which certain of our businesses operate. Given this, and the nature of the related counterparties, these amounts are considered recoverable.

Before these trade receivables can be impaired, they are evaluated for the possibility of any recovery, which includes an examination of the length of time they have been outstanding. Provision is made for bad debts on trade accounts receivable. The directors do not consider there to be any material credit risk exposure not already covered by a doubtful debt provision.

There is no significant concentration of risk in respect of any particular customer or industry segment. There is no single customer whose revenue streams exceed 5% of Motus' revenue.

The movement in the provision for doubtful debts for the year was:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Carrying value at the beginning of the year	**(190)**	(133)	(169)
Net (acquisitions)/ disposals of subsidiaries	**(3)**	5	20
Amounts reversed to profit or loss	**–**	2	2
(Charged)/ released to profit or loss	**(78)**	(106)	5
Amounts utilised during the year	**71**	48	–
Currency adjustments	**(2)**	3	–
Re-classifications (from)/ to assets held-for-sale	**–**	(9)	9
Carrying value at the end of the year	**(202)**	**(190)**	**(133)**

Aging of impaired receivables:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Less than three months	**(90)**	(58)	(70)
More than three months	**(112)**	(132)	(63)
	(202)	**(190)**	**(133)**

3.4 Vehicles for hire

Depreciation is calculated on a straight-line basis to write off the cost of the vehicle to its residual value over its estimated useful life of between one to five years. Vehicles for hire are re-classified to inventories at their carrying amount when they cease to be rented and become available for sale. Vehicles for hire have an operating life cycle of 12 months. Whilst extensions are available, they are not provided for a prolonged period of time.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Cost	**4 670**	4 572	3 876
Accumulated depreciation	**(746)**	(713)	(485)
Carrying amount	**3 924**	**3 859**	**3 391**
Net carrying value at the beginning of the year	3 859	3 391	3 552
Movements during the year:			
Disposal of subsidiaries	**–**	–	(736)
Additions	**4 345**	4 539	4 017
Proceeds on disposal	**(3 266)**	(2 831)	(2 528)
Profit on disposal	**–**	1	–
Depreciation	**(1 009)**	(1 242)	(861)
Currency adjustments	**–**	(1)	2
Re-classifications to inventories	**(5)**	2	(55)
Closing balance	**3 924**	**3 859**	**3 391**

Security

Certain vehicles for hire have been encumbered as security for interest-bearing debt as follows: 2018: R414 million (2017: R441 million; 2016: R429 million), refer to note 4.1 Interest-bearing debt.

3.5 Hedge accounting reserve

Motus enters into forward exchange contracts and options in order to hedge its exposure to foreign exchange risk. These are classified as cash flow hedges where hedging criteria is met. Motus does not use derivative financial instruments for speculative purposes. Changes in the fair value of derivative instruments that are not formally designated in a hedge relationship are recognised immediately in profit or loss. Level 2 financial instruments are fair valued using future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at the rate that reflects the credit risk of the various counterparties at the date of entering in to the contract. The cash flow hedge reserve comprises the effective portion or the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet matured, net of taxation. Derivative instruments that are designated as hedges are as follows:

As at 30 June 2018, R232 million has been recognised in other comprehensive income (2017: R113 million, 2016: (R233 million)). It is anticipated that the sale of the vehicles will take place in the next 12 months, at which time the amount of deferred equity will be reclassified to profit or loss.

Currency risk

This is the risk of losses arising from the effects of adverse movements in exchange rates on net foreign currency asset or liability positions. The policy of Motus is to maintain a fully covered foreign exchange risk position in respect of foreign currency commitments. The exception to this is Renault South Africa Proprietary Limited where the impact of any currency movements are shared jointly with the OEM.

Motus has entered into certain financial instruments authorised by Assets and Liabilities Committee (ALCO) to cover currency risk to the importation of inventories at 30 June and specific foreign commitments not yet due. Hyundai Automotive South Africa Proprietary Limited, Kia South Africa Proprietary Limited and Mitsubishi Motors South Africa Proprietary Limited enter into hedging instruments for all firm commitments, and for on a seven-month rolling hedging strategy.

Automotive spare parts may be settled in the spot markets and where specific South African Exchange Control authorisation has been obtained from authorised dealers in foreign exchange, up to 75% of forecast annual sales can be covered. The day-to-day management of foreign exchange risk is performed on a decentralised basis by the various business units within Motus' hedging policies and guidelines. Trade-related import exposures are managed through the use of natural hedges arising from foreign assets, as well as forward exchange contracts and the option structures authorised by ALCO.

The details of these contracts are as follows:

Foreign currency	Foreign amount (millions)	Average exchange	Contract value Rm	Market value Rm
2018				
Bought				
US Dollar	252	13.45	3 227	3 480
Euro	164	15.45	2 564	2 677
Pound Sterling	–	17.61	5	5
Japanese Yen	681	0.12	79	86
			5 875	**6 248**
2017				
Bought				
US Dollar	74	13.52	996	996
Euro	155	14.59	2 267	2 341
Pound Sterling	1	16.73	9	9
Japanese Yen	482	0.12	58	57
			3 330	**3 403**
2016				
Bought				
US Dollar	123	15.09	1 866	1 775
Euro	176	17.33	3 048	2 903
Pound Sterling	2	20.40	38	35
Japanese Yen	340	0.13	46	47
			4 998	**4 760**

Fair value is calculated as the difference between the contracted value and the value to maturity.

Foreign exchange sensitivity

The impact from a 10% movement in the value of the Rand would approximately have a R450 million (2017: R245 million; 2016: R343 million) impact on Motus' profit or loss on realisation. The 10% sensitivity rate is based on the Directors' assessment of a reasonable possible change in foreign exchange rates over the foreseeable future, with regards to market value.

The sensitivity of profits to changes in exchange rates is a result of the foreign exchange gains or losses on re-measurement of foreign denominated financial assets and liabilities translated at spot rates offset by equivalent gains or losses in currency derivatives.

4. FUNDING

4.1 Interest-bearing debt

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Long-term			
Non-redeemable, non-participating, cumulative preference shares	**40**	–	–
Call borrowings	**41**	–	20
Loans secured by mortgage bonds over fixed property	**–**	20	25
	81	**20**	**45**
Short-term			
Floorplans	**1 320**	962	1 027
Unsecured loans	**5 686**	6 764	6 222
Bank overdrafts	**550**	410	333
Total borrowings at amortised cost	**7 637**	**8 156**	**7 627**
Less: Current portion of interest-bearing debt	**(7 556)**	(8 136)	(7 582)
Long-term borrowings	**81**	**20**	**45**

Included in floorplans are the Wesbank and Standard bank facilities relating to vehicles for hire. The values which are as follows: 2018: R198 million Wesbank and Standard Bank R216 million (2017: Wesbank R283 million and Standard Bank R149 million; 2016: Wesbank R429 million and Standard Bank Rnil).

These facilities are repayable within 12 months and bear the following interest:

- Wesbank – prime interest rate in South Africa less 2.0%; and
- Standard Bank – prime interest rate in South Africa less 1.9%.

Included in interest-bearing debt is non-redeemable, non-participating, cumulative preference shares relating to Renault South Africa Proprietary Limited. The preference shares are classified as non-current debt as they are repayable on 15 January 2021 to Renault SAS France. These bear interest at a rate of 58.6% of the prime interest rate in South Africa and is due monthly.

Interest rate analysis	Current year interest rates (%)	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Fixed				
Loans secured by mortgage bonds over fixed property	11.8	**–**	20	25
Unsecured loan	0.5 – 9.0	**5**	–	–
Variable linked				
Unsecured loans	0.5 – 11.8	**5 681**	6 764	6 222
Floorplans	3.4 – 12.0	**1 320**	962	1 027
Call borrowings	4.0 – 10.5	**41**	–	20
Convertible, non-redeemable preference share	5.7	**40**	–	–
Bank overdrafts	1.0 – 11.3	**550**	410	333
		7 637	**8 156**	**7 627**

Details of encumbered assets

Rm		Carrying value of debt secured	Carrying value of encum-bered assets	Property, plant and equipment	Vehicles for hire	Inventories
Debt instruments						
Mortgage bonds		–	**42**	42	–	–
Floorplans		1 320	**1 019**	–	414	605
	2018	**1 320**	**1 061**	**42**	**414**	**605**
	2017	962	1 289	34	441	814
	2016	1 047	1 834	34	429	1 371

Maturity analysis of interest-bearing borrowings by denominated currency

Rm	One to five years	Less than one year	% of total 2018	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
SA Rand	81	4 804	63%	**4 885**	7 114	6 573
Euro	–	1 428	19%	**1 428**	–	–
British Pound	–	237	3%	**237**	365	418
US Dollar	–	224	3%	**224**	64	78
Australian Dollar	–	781	11%	**781**	471	542
Other	–	82	1%	**82**	142	16
	81	**7 556**	**100%**	**7 637**	**8 156**	**7 627**

Borrowing facilities

Borrowing facilities have been managed by Imperial as at 30 June 2018. These facilities are being replaced by Motus, following the proposed and approved Unbundling of Motus from Imperial. In terms of the MOI, the borrowing powers of Motus is unlimited. The balance of Motus' funding requirements (after floorplans and banking facilities) is dealt with through an intercompany loan with Imperial.

Interest rate risk

Borrowings issued at floating rates expose Motus to cash flow and interest rate risk, while fixed rate borrowings expose Motus to fair value interest rate risk. Cash flow interest rate risk arises from movements in market rates relative to the agreed lending rates on contractual debt instruments.

Motus analyses the impact on profit or loss of defined interest rate shifts – taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. The ALCO reviews appropriate exposure levels and implement hedges where required.

Upon Unbundling, external sources of funding will be obtained and utilised after which Motus aims to have a mix of 50% floating and 50% fixed rate debt.

Motus' treasury follows a centralised cash management process including cash management systems across bank accounts in South Africa to minimise risk and related interest costs. Motus' offshore cash management is managed by the treasury departments in the respective businesses.

Interest rate sensitivity

The interest rate profile of total borrowings is reflected above.

If interest rates had been 1% higher/ lower (holding all other variables constant), Motus' profit/ loss would decrease/ increase by R20 million (2017: R18 million; 2016: R24 million). This is attributable to Motus' exposure to interest rates on its variable rate borrowings which have not been fixed through the use of fixed-for-floating interest rate swap instruments.

This analysis was prepared on the assumption that the amount outstanding at the end of the year was outstanding for the entire year.

Capital management

Motus' objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns and growth for shareholders and benefits for other stakeholders. Motus maintains an appropriate mix of equity and equity like instruments and debt in order to optimise the weighted average cost of capital (WACC) within an appropriate risk profile. Capital allocation is evaluated against the expected and forecast return on invested capital against the appropriate WACC for that division or business.

Consistent with others in the industry, Motus monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash resources.

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Interest-bearing debt	**7 637**	8 156	7 627
Less: Cash resources	**(1 737)**	(1 353)	(881)
Net debt	**5 900**	6 803	6 746
Total equity	**11 644**	11 922	12 009
Gearing ratio	**51%**	57%	56%

There were no re-classifications of financial assets or financial liabilities that occurred during the year. There were no financial assets or liabilities settled or extinguished which did not meet the de-recognition requirements.

4.2 Cash resources

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Deposits and funds at call	**1 726**	1 177	867
Cash on hand and at bank	**11**	176	14
Total cash resources	**1 737**	**1 353**	**881**
Effective interest rates	**0.0% – 6.0%**	**0.0% – 6.5%**	**0.0% – 6.5%**

Cash and cash equivalents are the Motus' short-term cash resources and overdrafts readily converted into cash under Motus' cash management facility and is calculated as follows:

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Cash resources	**1 737**	1 353	881
Bank overdrafts	**(550)**	(410)	(333)
Re-classified to held-for-sale	**–**	–	65
Total cash and cash equivalents	**1 187**	**943**	**613**

Credit risk

It is Motus' policy to deposit short-term cash with reputable financial institutions with investment grade credit ratings assigned by international or recognised credit-rating agencies or counterparties authorised by the Investment Committee.

The carrying amount of these cash resources represents the maximum credit exposure on 30 June. None of the financial assets above were given as collateral for any security provided.

5. SHAREHOLDERS' INTEREST

5.1 Stated capital

Ordinary shares

The ordinary shares carry one vote per share and are entitled to an ordinary dividend.

Deferred ordinary shares

The deferred ordinary shares carry one vote per share and are not entitled to dividends. Holders of deferred ordinary shares have the right to receive a fixed number of ordinary shares on predetermined dates.

Preference shares

Preference shares are non-redeemable, cumulative, non-participating, no par value preference shares in the stated capital of the Company. Preference shares carry one vote per share. Each preference share ranks with regards to dividends and repayment of capital, prior to ordinary shares.

Redeemable preference shares

Preference shares that are redeemable, non-participating, no par value preference shares in the stated capital of the Company. Redeemable preference shares do not confer on the holder the right to vote at meetings of the Company, except where a dividend or any part of any such dividend on such share or redemption payment remains in arrears and unpaid. Each preference share ranks with regards to dividends and repayment of capital, prior to ordinary shares.

Directors interests in issued stated capital

The aggregate shareholdings of the directors in the issued ordinary stated capital of Motus are outlined in note 6.4 Directors' interest in shares.

Authorised stated capital

394 999 000 ordinary shares of no par value

10 000 000 deferred ordinary shares of no par value

40 000 000 preference shares of no par value

2 000 000 redeemable preference shares of no par value

Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Issued and fully paid stated capital			
201 971 450 ordinary shares of no par value	**23 358**	23 358	23 358
	23 358	**23 358**	**23 358**

Motus Holdings Limited was incorporated in the current year. For purposes of common control, issued stated capital was reinstated for the comparative periods.

5.2 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to owners of Motus by the weighted average number of ordinary shares in issue during the year, net of shares repurchased.

Diluted earnings per share

For diluted earnings per share, the weighted average number of ordinary shares in issue, net of shares repurchased, is adjusted for the dilutive effect of potential ordinary shares under the share incentive schemes and an associate's obligation to deliver shares. Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease basic earnings per share. The effect of anti-dilutive potential ordinary shares is excluded from the calculation of diluted earnings per share. No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

No dilutive instruments have been issued as at reporting date and accordingly there is no dilutive impact on earnings per share.

Headline earnings per share

The presentation of headline earnings per share is mandated under the JSE Listings Requirements and is calculated in accordance with Circular 4/2018 – Headline Earnings, as issued by the South African Institute of Chartered Accountants (SAICA).

Cents	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Basic earnings per share	**1 162**	**777**	**739**
– Continuing	**1 162**	797	836
– Discontinued	**–**	(20)	(97)
Diluted basic earnings per share	**1 162**	777	739
– Continuing	**1 162**	797	836
– Discontinued	**–**	(20)	(97)
Headline earnings per share	**986**	**826**	**914**
– Continuing	**986**	846	1 011
– Discontinued	**–**	(20)	(97)
Diluted headline earnings per share	**986**	**826**	**914**
– Continuing	**986**	846	1 011
– Discontinued	**–**	(20)	(97)
Net asset value (NAV) per ordinary share	**5 762**	6 038	5 930
Tangible net asset value (TNAV) per ordinary share	**5 153**	5 643	5 487

Weighted average number of ordinary shares

The weighted average number of ordinary shares used in the calculations is as follows:

Millions	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Weighted average number of ordinary shares for basic and diluted	**202**	202	202

Basic earnings

The profit used in the calculation of basic earnings per share is as follows:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Profit attributable to the owners of the parent	**2 346**	**1 569**	**1 493**
Loss from discontinued operations	**–**	36	192
Profit for the purposes of basic and diluted earnings per share from continuing operations	**2 346**	**1 605**	**1 685**

Headline earnings

Headline earnings are determined as follows:

Rm	Gross*	Tax	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Earnings used in the calculation of basic earnings per share			**2 346**	**1 569**	**1 493**
Adjusted for:					
– Impairment of property, plant and equipment	103	(18)	**85**	4	8
– Impairment of intangible assets	–	–	**–**	22	30
– Recoupment for disposal of property, plant and equipment	(716)	208	**(508)**	(25)	(6)
– Loss on disposal of intangible assets	5	(1)	**4**	–	–
– Impairment of goodwill	63	–	**63**	18	183
– Impairment loss on assets of disposal groups	(3)	–	**(3)**	(20)	47
– Impairment of investments in associates and joint ventures	8	–	**8**	39	106
– (Profit)/ loss on disposal of subsidiaries and businesses	(4)	–	**(4)**	62	(14)
Headline earnings			**1 991**	**1 669**	**1 847**
Discontinued operations			**–**	38	194
Continuing operations			**1 991**	**1 707**	**2 041**

**Gross amounts include pre-tax values including amounts pertaining to non-controlling interests in shares.*

6. OUR PEOPLE

6.1 Directors' remuneration and prescribed officers

R'000	Salary	Bonus	Retirement and medical contributions	Directors' fees	Total 2018 Audited[3]	Total 2017 *Reviewed*	Total 2016 *Reviewed*	Expected value of long-term incentive awards made in 2018 [2]	Expected value of long-term incentive awards made in 2017 [1]	Expected value of long-term incentive awards made in 2016 [1]
Executive Directors										
OS Arbee [4]	9 232	12 065	451	–	**21 748**	15 644	13 560	–	8 345	6 090
O Janse van Rensburg	4 101	4 100	399	–	**8 600**	6 375	3 375	–	4 699	2 650
Total executive directors	**13 333**	**16 165**	**850**	**–**	**30 348**	**22 019**	**16 935**	**–**	**13 044**	**8 740**
Non-Executive Directors										
GW Dempster [4]	–	–	–	1 180	**1 180**	818	614	–	–	–
A Tugendhaft [4]	–	–	–	1 019	**1 019**	961	907	–	–	–
P Langeni [4]	–	–	–	975	**975**	683	546	–	–	–
RJA Sparks [4]	–	–	–	1 835	**1 835**	1 639	1 129	–	–	–
T Skweyiya [4]	–	–	–	634	**634**	526	471	–	–	–
Total non-executive directors	**–**	**–**	**–**	**5 643**	**5 643**	**4 627**	**3 667**	**–**	**–**	**–**
Prescribed Officers										
PB Michaux	5 554	5 760	445	–	11 759	10 550	9 600	–	4 854	5 270
K Cassel	3 317	3 496	502	–	7 315	7 522	1 465	–	3 068	4 993
Total prescribed officers	**8 871**	**9 256**	**947**	**–**	**19 074**	**18 072**	**11 065**	**–**	**7 922**	**10 263**

(1) This represents the expected value of all long-term incentive awards made in the reporting year. The expected value is calculated using a Black-Scholes valuation model.

(2) 2018 allocations will only be determined and allocated after Unbundling.

(3) All directors and prescribed officers are employed under standard employment contracts.

(4) Directors' remuneration paid/ payable by Imperial for the years presented.

6.2 Share appreciation rights

The selected participants receive annual grants of Share Appreciation Rights (SARs), which are conditional rights to receive shares equal to the difference between the exercise price and the grant price. On the proposed Unbundling, they will be settled in the shares of Motus only. Vesting of rights is subject to performance conditions being met and participants remaining employed with Motus for the vesting period. These performance conditions will be based on the combined values of both Imperial and Motus. The value created will that will need to be settled in shares will compare the combined share prices of Imperial and Motus to the original strike price.

The fair values for the share-based payment expense is calculated using a Black-Scholes pricing model. The inputs into the model established at the grant dates and which have not changed were as follows:

	2017	2016	2015	2014
Volatility (%)	35.6	34.0	32.0	28.4
Weighted average share price (Rand)	152.65	127.77	174.65	193.77
Weighted average exercise price (Rand)	152.65	127.77	174.65	193.77
Weighted average fair value (Rand)	44.25	39.08	48.76	46.67
Expected life (years)	4.3	4.4	4.3	4.3
Average risk-free rate (%)	7.6	8.8	7.5	7.8
Expected dividend yield (%)	4.0	3.8	3.5	4.3

*No share appreciation rights were issued during 2018.

The volatilities were determined by calculating the historical volatility of the Imperial's share price over the previous three years. The expected life is determined by the rules of the schemes which dictate the final expiry date. No share appreciation rights were issued as at 30 June 2018.

Details of rights by year of grant

	Number of rights	Average exercise price (Rand)	Expiry date
Grant date			
Exercisable rights	912 547		
June 2012	163 647	170.57	June 2019
June 2013	374 476	195.20	June 2020
June 2014	374 424	193.77	June 2020
October 2015	1 252 235	174.65	June 2021
June 2016	2 217 740	127.77	June 2022
June 2017	2 447 016	152.65	June 2023
Total unexercised rights at the end of the year	**6 829 538**		

Movement in the number of rights

	Audited 2018		*Reviewed* 2017		*Reviewed* 2016	
	Number of rights	Weighted average exercise price (Rand)	Number of rights	Weighted average exercise price (Rand)	Number of rights	Weighted average exercise price (Rand)
Rights granted at beginning of the year	**9 597 681**	**160.70**	4 977 173	178.75	4 683 937	182.65
Rights allocated during the year relating to the prior year	**–**	**–**	2 959 944	127.77	629 338	174.65
Allocated during the year	**–**	**–**	2 494 425	152.65	284 683	127.77
Exercised during the year	**(2 017 270)**	**179.16**	(137 115)	116.68	(144 622)	143.77
Forfeited during the year	**(750 873)**	**173.89**	(696 746)	187.33	(476 163)	184.95
Unexercised rights at end of the year	**6 829 538**	**153.79**	**9 597 681**	**160.70**	**4 977 173**	**178.75**

There are no options that expired during the year.

The share appreciation rights for Executive Directors and Prescribed Officers are set out below.

	Allocation date	Price on allocation date (R)	Vesting date	Number of rights*	Number of rights exercised	Number of rights forfeited	Number of rights remaining
OS Arbee							
	15-Jun-11	116.59	02-Jun-18	23 377	(23 377)	–	–
	26-Jun-12	170.57	02-Jun-19	40 770	(40 770)	–	–
	15-Jun-13	195.20	10-Jun-20	49 986	–	–	49 986
OJ Janse van Rensburg							
	15-Jun-14	180.02	10-Jun-21	30 347	(21 871)	(8 476)	–
	06-Oct-15	174.65	23-Jun-22	35 910	–	–	35 910
	18-May-16	127.77	30-Jun-21	57 975	–	–	57 975
	21-Jun-17	152.65	30-Jun-22	91 188	–	–	91 188
PB Michaux							
	13-Jun-12	170.57	02-Jun-19	28 467	(28 467)	–	–
	11-Jun-13	195.20	10-Jun-20	32 918	(32 918)	–	–
K Cassel							
	06-Oct-15	174.65	23-Jun-22	22 458	–	–	22 458
	18-May-16	127.77	30-Jun-21	87 230	–	–	87 230
	21-Jun-17	152.65	30-Jun-22	125 352	–	–	125 352

*The number of rights that will eventually vest is subject to the achievement of performance conditions linked to core EPS targets relative to a peer group of 20 JSE listed companies and return on invested capital (ROIC) targets relative to weighted cost of capital. The rights vested could be fewer than the number granted.

Net gains on share options

R'000	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
OS Arbee	**8 520**	4 511	1 564
OJ Janse van Rensburg	**1 132**	–	–
PB Michaux	**6 207**	753	1 108
K Cassel	**1 214**	–	–
	17 073	**5 264**	**2 672**

6.3 Deferred bonus plan

These rights entitle participants to invest in Imperial shares which, if held for three years, will be matched by Imperial on a one-for-one basis by the allocation of an equal number of Imperial shares for no consideration. After the proposed Unbundling, they will be settled in both Imperial and Motus shares by Motus. For every right granted the participants will receive an Imperial share and a Motus share.

The fair values for the share-based payment expense is calculated using a Black-Scholes pricing model. The inputs into the model established at the grant dates and which have not changed were as follows:

	2017	2016	2015	2014
Volatility (%)	35.6	34.0	32.0	28.4
Weighted average share price (Rand)	152.65	127.77	174.65	193.77
Weighted average fair value (Rand)	134.09	112.76	156.08	168.45
Expected life (years)	3.2	3.3	3.2	3.2
Average risk-free rate (%)	7.6	8.8	7.5	7.8
Expected dividend yield (%)	4.0	3.8	3.5	4.3

* No deferred bonus plans were issued during 2018.

The volatilities were determined by calculating the historical volatility of the Imperial's share price over the previous three years. The expected life is determined by the rules of the schemes which dictate the final expiry date. No deferred bonus plans were issued as at 30 June 2018.

Details of rights taken up and to be vested by year of grant

	Number of rights	Expiry date
Rights Taken Up		
September 2015	127 344	September 2018
September 2016	194 222	September 2019
September 2017	160 892	September 2020
Total unexercised rights at the end of the year	**482 458**	

Movement in the number of rights granted

	2018 Number of rights	2017 Number of rights	2016 Number of rights
Rights granted at beginning of the year	**443 475**	291 719	197 543
Allocated during the year	**164 331**	204 256	138 281
Exercised during the year	**(121 909)**	(46 684)	(42 116)
Forfeited during the year	**(3 439)**	(5 816)	(1 989)
Unexercised rights at end of the year	**482 458**	**443 475**	**291 719**

The deferred bonus plans for Executive Directors are set out below. The Prescribed Officers do not hold any rights to Deferred Bonus Plans.

Executive Director	Allocation date	Vesting date	Number of shares committed to the plan	Vested during the year	Balance remaining
OS Arbee					
	13-Jun-14	15-Sep-17	30 965	(30 965)	–
	06-Oct-15	15-Sep-18	36 416	–	36 416
	18-May-16	16-Sep-19	54 003	–	54 003
	21-Jun-17	16-Sep-20	62 234	–	62 234
OJ Janse van Rensburg					
	13-Jun-14	15-Sep-17	2 800	(2 800)	–
	06-Oct-15	15-Sep-18	3 277	–	3 277
	18-May-16	16-Sep-19	5 421	–	5 421
	21-Jun-17	16-Sep-20	7 959	–	7 959

Net gains or losses on rights is included in note 6.2 Share appreciation rights above. No deferred bonus plans were awarded as at 30 June 2018.

6.4 Directors' interests in shares

The beneficial and non-beneficial interests of directors and prescribed officers in the ordinary shares of Motus were:

	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Executive Directors			
OS Arbee	**161 476**	134 850	121 771
OJ Janse van Rensburg	**16 657**	11 498	6 077
Non-executive Directors			
RJA Sparks	**40 000**	60 000	60 000
Prescribed Officers			
PB Michaux	**95 931**	95 931	57 519
K Cassel	**11 288**	11 288	5 188
	325 352	**313 567**	**250 555**

All shares disclosed in 2018 are beneficial shares directly held by directors. In the prior year 20 000 (2016: 20 000) non-beneficial shares were held indirectly by directors. There have been no changes in directors' interest in contracts up to and including the date of approval and issue of the financial statements.

6.5 Key management

Key management personnel are directors and those executives having authority and responsibility for planning, directing and controlling the activities of Motus. Directors of Motus and certain senior management personnel have been classified as key management personnel.

Remuneration paid to key management personnel is as follows:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Salaries and allowances	**48**	33	28
Bonuses	**46**	39	12
Contributions to retirement funds	**4**	3	4
Directors' fees	**6**	5	4
Share-based expense	**90**	56	64
Other benefits	**1**	1	1
	195	137	113
Number of key management personnel	**17**	**15**	**15**
Net gains on share options and cash retention bonuses	**24**	**6**	**4**

Details relating to the remuneration of executive and non-executive directors and prescribed officers, as well as information pertaining to Directors' and Prescribed Officers' interest in the stated capital of the Company, share options outstanding and benefits in terms of share options exercised are disclosed in note 6.2 Share appreciation rights to 6.4 Directors' interests in shares above.

Motus has many different operations, where Motus' personnel may be transacting. Transactions entered into during the year with key management personnel were on terms and conditions no more favourable than those available to other employees, customers or suppliers and include transactions in respect of the employee option plans, contracts of employment and reimbursement of expenses, as well as other transactions. Key management has to report any transactions with Motus in excess of R100 000. The total value of the goods and services supplied to or from key management on an arm's length basis amounted to:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Total value of the goods and services supplied to or from key management	**4**	6	7

The Directors have confirmed that they held no interest in any transaction of any significance with Motus or any of its subsidiaries. Accordingly, a conflict of interest with regard to directors' interest in contracts does not exist.

During 2018, Motus paid for services amounting to R3 million, on an arm's length basis from a firm of attorneys in which Mr A Tugendhaft has an interest.

Mr N Lynch is part of the key management of Motus and is an indirect beneficiary of Lynch Family Holdings, a shareholder of Imperial.

7. PROVISIONS AND COMMITMENTS

7.1 Provisions

Maintenance and warranty provision

Present obligations arising under maintenance and warranty contracts, not funded by the OEM, are recognised and measured as provisions.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where Motus has a contract under which the unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected from the contract.

Other provisions

Other provisions mainly include present obligations arising under certain contracts with vehicle manufacturers which attract an interest component as a mechanism to derive profit sharing amounts on these contracts. Interest is thus recorded within funds which will be released on termination and a portion paid over to the vehicle manufacturers as a profit share arrangement.

Rm	Maintenance and warranty	Onerous contracts	Other	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
At 30 June						
Carrying value at beginning of the year	86	185	306	577	451	341
Charged to profit or loss	(5)	86	57	138	140	145
Amount raised	–	86	103	189	160	215
Unused amounts reversed	(5)	–	(46)	(51)	(20)	(70)
Amounts (utilised)/ raised	(6)	(6)	(29)	(41)	1	(36)
Disposal of subsidiaries	–	–	–	–	(9)	(4)
Currency adjustments	–	–	–	–	(6)	5
Carrying value at end of the year	**75**	**265**	**334**	**674**	**577**	**451**
Maturity profile						
Less than one year	58	102	213	373	409	158
One to five years	17	163	121	301	168	293
	75	**265**	**334**	**674**	**577**	**451**

7.2 Leases

Motus has entered into various operating lease agreements on properties, motor vehicles and equipment.

- Leases on properties are contracted for periods between 1 and 25 years with renewal options of between 1 and 15 years. Rental escalations on properties vary between 1% and 20% per annum;
- Motor vehicle leases are contracted for periods between 1 and 60 months with rentals linked to the prime interest rate; and
- Leases on plant and equipment are contracted for periods between 1 and 3 years with rentals linked to the prime interest rate.

Motus has entered into operating lease agreement whereby a property is being leased to an external party for a period of seven years. The rental charge escalates at 7% per annum and tenant has the option to renew the lease for another five years. Rental income for these leases is disclosed in note 3.2 Property, plant and equipment.

Lease charges incurred during the year amounted to:

Rm	Audited 2018	*Reviewed* 2017*	*Reviewed* 2016*
Property	**508**	287	278
Plant and equipment	**24**	18	19
Vehicles	**27**	23	24
Other	**–**	1	1
Total lease charges	**559**	**329**	**322**

* The amounts disclosed in the notes to the statements of profit or loss relate to continuing operations only. Refer to note 10.1 Loss from discontinued operations, for certain disclosures relating to discontinued operations.

There are no lease charges contingent upon turnover.

At 30 June future non-cancellable minimum lease rentals are payable during the following financial years:

Rm	More than five years	One to five years	Less than one year	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Operating lease payables						
Property	613	765	322	1 700	783	924
Plant and equipment	–	3	3	6	7	4
Vehicles	–	20	66	86	42	207
	613	**788**	**391**	**1 792**	**832**	**1 135**
Operating lease receivables						
Property	117	139	33	289	148	51
Plant and equipment	–	–	–	–	1	522
	117	**139**	**33**	**289**	**149**	**573**

7.3 Capital expenditure commitments

The commitments are substantially for the replacement of vehicles for hire and the construction of buildings to be used by Motus, which will be financed from proceeds from disposals and existing facilities.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Contracted	**32**	77	402
Authorised by Directors but not contracted	**311**	11	39
	343	**88**	**441**

7.4 Contingent liabilities

Details regarding financial guarantees issued are disclosed below. Motus does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised.

Financial guarantees

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Letters of credit	**2 567**	2 606	1 404
Guarantees	**1 128**	3 228	3 123
Uvundlu Investment Proprietary Limited As part of the sale of Uvundlu Investment Proprietary Limited in 2016, Motus has issued a guarantee to bankers in respect of their rental book. The exposure is based on the lower of R144 million or 60% of Uvundlu's utilisation of the facility over a three-year period.	**5**	60	116
	3 700	**5 894**	**4 643**

Litigation

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Subsidiary companies have received summons' for claims. Motus and its legal advisors believe that these claims are possible to succeed but not probable.	**22**	1	40
	22	**1**	**40**

Except for the above claims, there is no current or pending litigation that is considered likely to have a material adverse effect on Motus.

8. OUR GROUP

8.1 Business combinations

Business combinations during the year

Acquisitions during the reporting period

A number of businesses were acquired during the year to complement existing businesses. An assessment of control was performed by Motus based on whether Motus has the practical ability to direct the relevant activities unilaterally. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, Motus concluded that it did have a dominant interest to direct the relevant activities of the subsidiaries acquired.

The fair value of assets acquired and liabilities assumed at the acquisition date were as follows.

Business acquired	Nature of business	Operating segment	Effective Date	Interest acquired (%)	Purchase consideration transferred Rm
Pentagon Motor Holdings Limited	Vehicle dealership group operating in the UK	Retail and Rental	August 2017	100	479
SWT Group Proprietary Limited	Vehicle dealership group operating in Australia	Retail and Rental	September 2017	75	261
ARCO Motor Industry Company Limited	Distributor of motor vehicle engine parts in Taiwan	Aftermarket parts	March 2018	60	185

ARCO Motor Industry Company Limited's financial year end is 31 December as stipulated by local legislation and due to the timing of the acquisition could not be amended.

Rm	Pentagon Motor Holdings Limited	SWT Group Proprietary Limited	ARCO Motor Industry Company Limited	Individually immaterial acquisitions	Total
Fair value of assets acquired and liabilities assumed at date of acquisition:					
Assets					
Intangible assets	2	–	43	7	52
Property, plant and equipment	338	26	4	7	375
Inventories	1 758	255	51	41	2 105
Taxation	12	11	–	–	23
Trade and other receivables	427	55	25	12	519
Cash resources	75	23	120	–	218
	2 612	**370**	**243**	**67**	**3 292**
Liabilities					
Trade and other payables	2 230	58	26	10	2 324
Interest-bearing debt	69	240	–	1	310
Taxation	4	8	15	–	27
	2 303	**306**	**41**	**11**	**2 661**
Acquiree's fair value of net assets at acquisition	309	64	202	56	631
Non-controlling interests	(19)	(16)	(81)	–	(116)
Net assets acquired	290	48	121	56	515
Purchase consideration transferred	**479**	**261**	**185**	**67**	**992**
Cash paid	479	261	185	67	992
Goodwill	**189**	**213**	**64**	**11**	**477**

Reasons for the acquisition

Motus acquired a 100% shareholding in Pentagon Motor Holding Limited (UK). This acquisition is in line with Motus' strategic intent to expand its presence into selected international markets. The Pentagon acquisition has resulted in a presence in the passenger vehicle market in the UK where Motus, prior to this acquisition, only had a presence in the commercial vehicle market in the UK.

Motus acquired a 75% shareholding in SWT Group Proprietary Limited (Australia). This acquisition is in line with Motus' strategic intent to expand its presence into selected international markets. This acquisition has further expanded the Motus presence in the passenger vehicle market in Australia.

With effect from March 2018, Motus acquired 60% in ARCO Motor Industry Company Limited (ARCO) (Taiwan). ARCO is a wholesale distributor of Aftermarket parts and the acquisition thereof is in line with Motus' strategic intent to expand its presence into selected international markets.

Impact of the acquisitions on the results of Motus

From the dates of acquisition, the businesses acquired during the year contributed revenue of R8 194 million, operating profit of R119 million and after-tax profit of R38 million.

Had the businesses been acquired at the beginning of the year their contributions would have been as follows: Revenue R10 070 million, operating profit R132 million and profit after tax R44 million.

Separately identifiable intangible assets

As at the acquisition date the fair value of the separately identifiable intangible assets for ARCO was R42 million. This fair value, which is classified as level 3 in the fair value hierarchy, was determined using the Multi-period Excess Earnings Method (MEEM) valuation technique for contract based intangible assets and the Relief-from-royalty method for the brand name.

The significant unobservable valuation inputs were as follows:

Brand name	
Discount rate	16.9%
Royalty rate	1.8%
Contact based intangible assets	
Weighted average discount rates	14.5 – 14.9%
Terminal growth rates	2.0%

The assumptions used in arriving at projected cash flows were based on past experience and adjusted for any expected changes.

For the acquisitions of Pentagon Motor Holdings Limited and SWT Group Proprietary Limited, Motus used external specialists in the evaluation of the estimates and judgements applied in identifying intangible assets and the fair value thereof. The most significant of these estimates is the determination of the Purchase Price Allocation Valuation (PPAV) which encompasses:

- Identifying the assets and liabilities acquired and determining their fair values;
- Determining any resultant goodwill and previously unrecorded intangible assets to be recognised on acquisition; and
- Assessing the useful lives of these intangible assets in order to calculate the annual amortisation expense.

The full excess purchase price is recognised as goodwill, as the distribution rights with the OEM only transfer upon certain terms and conditions being met and do not automatically transfer as a part of the acquisition. These assets are not controlled resources that are separable in nature as the right cannot be sold separately, transferred, licensed or rented/ exchanged.

Other details

The ARCO acquisition had gross contractual receivables of R526 million with R7 million as doubtful.

Non-controlling interests have been calculated based on the proportionate share of the fair value acquiree's net assets. The fair value of the net assets was determined using an earnings multiple that was adjusted for prevailing market conditions.

8.2 Acquisition of subsidiaries

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Non-current assets	**853**	**20**	**159**
Goodwill	**447**	–	(15)
Intangible assets	**53**	–	30
Investments in associates and joint ventures	**–**	–	120
Property, plant and equipment	**353**	20	24
Current assets	**2 678**	**47**	**161**
Inventories	**1 976**	31	73
Cash resources	**213**	–	63
Trade and other receivables	**489**	16	25
Non-current liabilities	**(3)**	**–**	**(9)**
Deferred tax	**(3)**	–	(9)
Current liabilities	**(2 469)**	**(179)**	**306**
Trade and other payables	**(2 183)**	(13)	(11)
Interest-bearing (debt)/ receivable	**(283)**	(166)	319
Taxation	**(3)**	–	(2)
Common control reserve	**–**	–	(436)
Non-controlling interests	**(115)**	–	(25)
Purchase consideration transferred	**944**	**(112)**	**156**
Loss recognised on acquisition	**–**	79	–
Cash utilised on/ (generated by) acquisitions	**944**	**(33)**	**156**
Cash resources acquired	**(213)**	–	(63)
Net cash utilised on/ (generated by) acquisitions	**731**	**(33)**	**93**

8.3 Goodwill

Goodwill is allocated to the cash-generating unit (CGU) that is expected to benefit from the acquisition. Goodwill is measured and managed at an operating entity level.

None of the goodwill arising on the acquisitions is expected to be deductible for tax purposes (2017: Rnil; 2016: Rnil)

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Net carrying value at the beginning of the year	**539**	585	818
Movement during the year			
Acquisitions/ (disposals) of subsidiaries	**447**	(28)	(33)
Impairments	**(63)**	(18)	(183)
Currency adjustments	**30**	(28)	11
Re-classifications to held-for-sale	**–**	28	(28)
Net carrying value at end of the year	**953**	**539**	**585**

The carrying value of goodwill has been allocated to the following CGUs for impairment testing:

Rm	Carrying amount Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Retail and Rental			
Imperial Commercials UK Proprietary Limited	**67**	63	73
S&B Commercials PLC	**58**	55	63
Orwell Trucks Limited	**62**	58	67
Pentagon Motor Holdings Limited	**158**	–	–
SWT Group Proprietary Limited	**212**	–	–
Aftermarket Parts			
Africa Automotive Aftermarket Parts Solutions (AAAS, previously Midas)	**185**	202	202
ARCO Motor Industry Company Limited	**65**	–	–
Beekman Super Canopies Proprietary Limited	**76**	76	76
	883	**454**	**481**
Immaterial goodwill amounts	**70**	85	104
Carrying value of goodwill	**953**	**539**	**585**

Goodwill impairment testing

Impairment of goodwill arises when the recoverable amount of the CGU, including goodwill is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use. The Directors have determined the recoverable amount using the value in use method in assessing goodwill for impairment purposes and which uses cashflow projection based on budgets approved by the Directors for a five-year period.

A summary of the related assumptions used in determining the recoverable amounts are:

Rm	Pre-tax discount rate Audited 2018	*Reviewed* 2017	*Reviewed* 2016	Terminal growth rate Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Retail and Rental						
Imperial Commercials UK Proprietary Limited	**10.9**	10.9	11.3	**2.5**	2.5	2.5
S&B Commercials PLC	**10.7**	9.9	10.2	**2.5**	2.5	2.5
Orwell Trucks Limited	**10.6**	10.6	10.6	**2.5**	2.5	2.5
Pentagon Motor Holdings Limited	**10.7**	–	–	**2.5**	–	–
SWT Group Proprietary Limited	**13.5**	–	–	**2.3**	–	–
Aftermarket Parts						
Africa Automotive Aftermarket Parts Solutions (AAAS, previously Midas)	**18.0**	18.6	17.2	**5.3**	5.4	5.4
ARCO Motor Industry Company Limited	**18.4**	–	–	**2.0**	–	–
Beekman Super Canopies Proprietary Limited	**17.9**	18.7	19.7	**5.3**	5.4	5.4

The following material CGU's provided for an impairment of goodwill during the year:

CGU	Description of CGU	Business segment	Goodwill impaired Rm	Terminal growth rate %	Pre-tax discount rate used %
Afintaparts	Commercial vehicle parts distribution	Aftermarket Parts	17	5.3%	19.4%
Europcar Van Rental	Short term rental of commercial vehicles	Retail and Rental	26	5.0%	18.3%
			43		

Key assumptions applied are as follows:

Cash flow projections:

The value in use is calculated using the forecasted cash inflows and outflows which are expected to be derived from continuing use of the CGU and its ultimate disposal. Cash flow projections for financial forecasts are based on expected revenue, operating margins, working capital requirements and capital expenditure, which were approved by Directors.

The expected revenues were based on market share assumptions, volume growth and price increases. No significant change in market share was assumed during the forecasted period of five years and is based on the average market share in the period immediately before the forecast period. Volume growth was based on average growth experienced in recent years. The exchange rates used in the cash flow projections were consistent with external sources of information. Operating margins reflect past experience but are adjusted for any expected changes for the individual CGU.

In arriving at the future cash flows, assumptions applied are market share assumptions, operating margins and the impact of foreign exchange rates.

Growth rates:

Growth rates applied are determined based on future trends within the industry, geographic location and past experience within the operating divisions. Growth rates can fluctuate from year to year based on the assumptions used to determine these rates.

Motus used steady growth rates to extrapolate revenues beyond the forecasted period, which were consistent with publicly available information relating to long-term average growth rates for each of the markets in which each of the respective CGUs operates.

Discount rates:

The discount rates present the current market assessment of the risks for each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow projections. The discount rate calculations are derived from the CGU's weighted average cost of capital and takes into account both the cost of debt and the cost of equity.

Cost of equity was arrived at by using the capital asset pricing model (CAPM) which, where necessary, takes into account an equity risk premium and a small stock premium. The CAPM uses market betas of comparable entities in arriving at the cost of equity. The cost of debt is based on the interest-bearing debt the CGU is obliged to service.

The debt to equity ratio was determined by applying market value weights based on theoretical target gearing levels, giving consideration to industry averages and using data of comparable entities.

Change in key assumptions:

The estimated recoverable amounts of the all CGUs, with the exception of SWT Group Proprietary Limited, exceeded their carrying values by approximately R3 737 million and due to this significant headroom, they are not impacted by a 10% variation to management's estimates when comparing the carrying value to the recoverable amount.

The headroom on SWT Group Proprietary Limited as at 30 June 2018, using management assumptions as disclosed, is R15 million. The impact as at 30 June 2018 of either a 10% increase or 10% decrease would be as follows:

Rm	10% increase	10% decrease
Pre-tax discount rates	7	(6)
Terminal growth rates	55	(72)

8.4 Intangible assets

The assumptions regarding estimated useful lives for the financial year were as follows:

- Customer lists, contracts and networks: 10 years; and
- Computer software: 2 years.

Rm	Customer lists, contracts and networks	Computer software	Audited total
As at 30 June 2018			
Cost	353	267	**620**
Accumulated depreciation and impairment	(156)	(187)	**(343)**
Carrying amount	**197**	**80**	**277**
Net carrying value at the beginning of the year	161	98	**259**
Movement during the year			
Acquisition of subsidiaries	51	1	**52**
Additions	2	31	**33**
Proceeds on disposal	–	(1)	**(1)**
Loss on disposal	–	(5)	**(5)**
Amortisation	–	(44)	**(44)**
Amortisation of intangible assets arising on business combinations	(15)	–	**(15)**
Currency adjustments	4	–	**4**
Re-classifications	(6)	–	**(6)**
Net carrying value at the end of the year	**197**	**80**	**277**

Included in customer lists, contracts and networks are the distribution rights relating to Renault South Africa Proprietary Limited of R107 million (2017: R107 million, 2016: R107 million). The distribution rights are regarded as having an indeterminate useful life as there is no foreseeable limit to the period over which the operations of Renault South Africa Proprietary Limited will not generate net cash inflows. An intangible asset will be regarded as having an indeterminate useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. These distribution rights therefore have an indeterminate useful life and are not amortised, but tested annually for impairment.

No impairment loss was recognised on these distribution rights as at 30 June 2018.

Rm	Customer lists, contracts and networks	Computer software	Reviewed total
As at 30 June 2017			
Cost	250	269	519
Accumulated depreciation and impairment	(89)	(171)	(260)
Carrying amount	**161**	**98**	**259**
Net carrying value at the beginning of the year	182	128	310
Movement during the year			
Disposal of subsidiaries	–	(5)	(5)
Additions	–	35	35
Proceeds on disposal	–	(5)	(5)
Amortisation	–	(34)	(34)
Impairments	–	(30)	(30)
Amortisation of intangible assets arising on business combinations	(16)	–	(16)
Currency adjustments	(5)	–	(5)
Re-classifications	–	10	10
Assets held-for-sale	–	(1)	(1)
Net carrying value at the end of the year	**161**	**98**	**259**

Rm	Customer lists, contracts and networks	Computer software	Reviewed total
As at 30 June 2016			
Cost	300	254	554
Accumulated depreciation and impairment	(118)	(126)	(244)
Carrying amount	**182**	**128**	**310**
Net carrying value at the beginning of the year	326	102	428
Movement during the year			
Acquisitions/ (disposals) of subsidiaries	30	(1)	29
Additions	–	69	69
Amortisation	–	(36)	(36)
Impairments	(36)	(6)	(42)
Amortisation of intangible assets arising on business combinations	(94)	–	(94)
Currency adjustments	1	–	1
Re-classifications	(45)	–	(45)
Net carrying value at the end of the year	**182**	**128**	**310**

8.5 Investments in associates and joint ventures

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Shares at cost	**108**	101	162
Share of post-acquisition reserves	**152**	55	23
Carrying value of associates and joint ventures	**260**	**156**	**185**
Indebtedness by associates and joint ventures	**88**	143	124
Less than one year	**4**	13	24
More than one year	**–**	–	7
More than five years	**84**	130	93
Net investment in associates and joint ventures	**348**	**299**	**309**

The following equity accounted associates are material to Motus.

	Ukhamba Holdings Limited	NGK Spark Plugs South Africa Proprietary Limited
Nature of relationship with Motus	Black empowerment partner who currently owns ordinary and deferred ordinary Motus shares	Associate that manufactures and sells spark plugs and other parts
Principal place of business/ Country of incorporation	South Africa	South Africa
Year end	30 June	31 March
Ownership interest/ Voting rights held	46.9%*	25.0%

*The Motus share to be created on Unbundling.

There has been no change in shareholding for the above associates in the historic periods presented. Investments in joint ventures are equity accounted. An assessment of control was performed by Motus based on whether Motus has the practical ability to direct the relevant activities unilaterally. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, Motus concluded that it did not have a dominant interest to direct the relevant activities of the associates and joint ventures acquired.

The following is summarised financial information for these associates, based on their respective consolidated financial statements prepared in accordance with IFRS, modified for fair value adjustments made at the time of acquisition and differences in accounting policies.

Rm	Ukhamba Holdings Limited			NGK Spark Plugs South Africa Proprietary Limited		
	Audited 2018	***Reviewed* 2017**	***Reviewed* 2016**	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Revenue	**–**	–	–	**542**	516	468
Net (loss)/ profit for the year	**(65)**	(168)	(82)	**54**	67	69
Other comprehensive income/ (loss)	**378**	120	(438)	**–**	–	–
Total comprehensive income/ (loss)	**313**	**(48)**	**(520)**	**54**	**67**	**69**
Current assets	**73**	76	72	**344**	314	335
Total assets	**4 087**	3 370	3 290	**394**	359	361
Current liabilities	**1**	9	6	**146**	109	98
Total liabilities	**2 229**	1 806	1 774	**150**	110	100
Total equity	**1 858**	**1 564**	**1 516**	**244**	**249**	**261**
Group's proportional interest in net assets of investee at beginning of the year	**367**	355	459	**62**	65	56
Share of total comprehensive income/ (loss)	**73**	(12)	(122)	**13**	17	17
Dividends paid to/ (received from) associate	**(5)**	24	18	**–**	(20)	(8)
Group's proportional interest in net assets of investee	**435**	367	355	**75**	62	65
Reversal of fair value adjustment on shares and losses that exceed Motus' net interest in the associate	**(435)**	(367)	(355)	**–**	–	–
Carrying value of the interest in the investee at the end of the year	**–**	**–**	**–**	**75**	**62**	**65**

The unrecognised losses on Ukhamba Holdings Limited for the year under amounted to R64 million (2017: R161 million; 2016: R85 million).

Immaterial associates and joint ventures

The following summarised financial information for Motus' interest in immaterial associates and joint ventures is based on the amounts reported in Motus' consolidated financial statements:

	Associates			Joint Ventures		
Rm	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**	**Audited 2018**	***Reviewed* 2017**	***Reviewed* 2016**
Net profit/ (loss) for the year	**71**	88	10	**1**	(20)	(95)
Other comprehensive income/ (loss)	**1**	–	–	**–**	(1)	–
Total comprehensive income/ (loss)	**72**	**88**	**10**	**1**	**(21)**	**(95)**
Carrying value of interest in immaterial associates	**254**	**205**	**216**	**19**	**32**	**28**

Where restrictions exist on Motus' ability to remit funds due to regulatory restrictions or other circumstances from associates and joint ventures, cash dividends are recognised as funds become available.

The unrecognised profits on these associates amounted to R23 million (2017: Rnil million; 2016: Rnil million).

8.6 Non-controlling interests

The following subsidiaries have non-controlling interests that are material to Motus:

Subsidiary	**Principal place of business**	**Operating segment**	**Ownership interest held by NCI (%)**		
			2018	**2017**	**2016**
Renault South Africa Proprietary Limited	South Africa	Import and Distribution	40	40	40
ARCO Motor Industry Company Limited	Taiwan	Aftermarket Parts	40	–	–
SWT Group Proprietary Limited	Australia	Retail and Rental	25	–	–

The following is summarised financial information for abovementioned companies based on their respective consolidated financial statements prepared in accordance with IFRS, modified for fair value adjustments made at time of acquisition and differences in accounting policies. The information is before inter-company eliminations with other entities in Motus.

Rm	Renault South Africa Proprietary Limited Audited 2018	*Reviewed* 2017	*Reviewed* 2016	ARCO Motor Industry Limited Audited 2018*	SWT Group Proprietary Limited Audited 2018*
Revenue	**4 663**	**4 142**	**3 929**	**130**	**1 404**
Net profit for the year	**(88)**	**(462)**	**(146)**	**21**	**21**
Net profit attributable to non-controlling interests	**(35)**	(185)	(58)	**8**	**5**
Other comprehensive (loss)/ income	**(25)**	130	(112)	**17**	**(4)**
Total comprehensive (loss)/ income	**(113)**	**(332)**	**(258)**	**38**	**17**
Income attributable to non-controlling interests	**(45)**	(133)	(103)	**15**	**4**
Total current assets	**2 042**	2 304	2 268	**247**	**352**
Total assets	**2 265**	2 533	2 512	**252**	**394**
Total current liabilities	**1 404**	1 244	1 343	**43**	**313**
Total liabilities	**2 362**	3 067	2 713	**43**	**313**
Total equity	**(97)**	**(534)**	**(201)**	**209**	**81**
Equity attributable to non-controlling interests	**(39)**	(214)	(80)	**84**	**20**
Purchase price allocation attributable to non-controlling interest	**–**	–	–	**13**	**–**
Total non-controlling interest	**(39)**	(214)	(80)	**97**	**20**
Capital injected by non-controlling interests	**220**	–	–		
Cash paid for non-controlling interests	**–**	–	–	**–**	**18**

*Acquisitions made in the current year.

No dividends were paid to the abovementioned non-controlling interests for the periods presented.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Total comprehensive (loss)/ income	**(16)**	(72)	21
Carrying value of interest in immaterial non-controlling interest	**(75)**	(60)	110

There are no material subsidiaries that are not consolidated.

8.7 Investments and other financial instruments

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Preference shares (Level 3 in the fair value hierarchy)	**637**	648	333
Listed investments	**15**	1	106
Other non-current financial assets	**–**	6	100
Loans and receivables at amortised cost	**1**	179	52
Total	**653**	**834**	**591**
Effective interest rates on loans	**–**	**8.0%**	**7.8%**

A receivable, amounting to R173 million, arising on the sale of a subsidiary in the prior year was derecognised in the current year.

The preference shares are preference shares in Hollard relating to cell captive arrangements. Investment revenue received from preference shares has been disclosed in note 2.3 Operating profit, as fair value gains on cell captive arrangements. The shares are carried at fair value. The asset has been assessed for impairment based on the historical and forecast dividends received and no impairment is required. During the financial year, Motus did not acquire additional preference shares in Hollard.

8.8 Related parties

Subsidiaries, associates, joint ventures, Motus pension and provident funds, and directors and prescribed officers are defined as key management and are considered to be related parties. Refer to note 6.5 Key management for disclose on related party transaction. During the year, the Company and its subsidiaries, associates and joint ventures, in the ordinary course of business, entered into various sale and purchase transactions with each other including:

- Sale of new vehicles and parts between Importers, Dealerships and Car Rental;
- Servicing of vehicles under vehicle plans by the Dealerships;
- Administration by Motor-related Financial Services of the vehicle plans sold by the Importers and Dealerships; and
- Administration fees, interest, dividends and rental income.

These transactions are eliminated on consolidation and accordingly are not disclosed below. These transactions occurred under terms that are no less favorable than those arranged with third parties.

Revenues between Group entities

The following intra-group revenue has been eliminated:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Sale of goods	**17 926**	16 213	14 983
Rendering of services	**2 403**	1 121	2 164
Total revenue	**20 329**	**17 334**	**17 147**

Subsidiaries

Details of interests in principal subsidiaries are disclosed in Annexure A – Interests in subsidiaries.

Transactions with Imperial outside Motus

Included in total revenue is the revenue earned from businesses held within the Imperial Logistics division amounting to R279 million (2017: R280 million; 2016: R599 million).

Included in trade receivables are amounts owed by Imperial and its subsidiaries amounting to R9 million (2017: R10 million; 2016: R4 million). Included in trade payables are amounts owed by Imperial and its subsidiaries amounting to R14 million (2017: R33 million; 2016: R14 million).

The following amounts are due to Imperial and its subsidiaries and are included in note 4.1 Interest-bearing debt:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Brian Porter Holdings Proprietary Limited	**26**	26	26
Imperial Capital Proprietary Limited	**360**	132	151
Imperial Finance Division	**5 284**	5 632	5 054
Imperial Mobility Finance BV	**–**	204	284
Murnau Holdings Proprietary Limited	**12**	12	12
Premier Auto Kimberley Proprietary Limited	**(1)**	(1)	(1)
Tannery Panelbeaters Proprietary Limited	**(2)**	(2)	(2)
Total	**5 679**	**6 003**	**5 524**

Interest incurred on the above amounts due to Imperial and its subsidiaries and which has been included in Finance costs as per the Consolidated statements of profit or loss amounts to:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Imperial Capital Proprietary Limited	**3**	6	5
Imperial Finance Division	**553**	696	595
Imperial Mobility Finance BV	**4**	8	12
Total	**560**	**710**	**612**

Included in operating expenses are administration fees paid to Imperial and its subsidiaries amounting to R163 million (2017: R128 million; 2016: R109 million).

Dividends amounting to R3 139 million (2017: R1 145 million; 2016: R1 133 million) were paid to Imperial.

Associates and joint ventures

Details of investments in associates and joint ventures that are material to Motus are disclosed in note 8.5. Investments in associates and joint ventures.

The following intra-group revenue has been included:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Sale of goods	**61**	79	91
Rendering of services	**11**	19	26
Total	**72**	**98**	**117**

The following amounts are due and are included in Other financial liabilities:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Lereko Motors Proprietary Limited	**35**	6	(15)
Car Hire Brokers Proprietary Limited	**11**	11	11
Total	**46**	**17**	**(4)**

9. FINANCIAL MANAGEMENT

9.1 Financial risk factors

The Motus' treasury activities are aligned to the Company's decentralised business model and ALCO's strategies. ALCO is a board subcommittee responsible for implementing best practice asset and liability risk management with its main objectives being the management of liquidity, interest rate, price and foreign exchange risk. The ALCO meets every quarter and follows a comprehensive risk management process. The treasury department implements the ALCO risk management policies and directives and provides financial risk management services to the various divisional businesses, coordinates access to domestic and international financial markets for bank as well as debt capital markets funding. The treasury department monitors and manages the financial risks relating to the operations of Motus through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk, interest rate risk, and credit risk) and liquidity risk.

The day-to-day management of foreign exchange risk and credit risk is performed on a decentralised basis by the various business units within the Motus' hedging policies and guidelines.

Motus seeks to minimise the effects of these risks by matching assets and liabilities as far as possible or by using derivative financial instruments to hedge the foreign exchange risk exposures.

Motus' objectives, policies and processes for measuring and managing these risks are detailed in the following notes:

	Note
Currency risk	3.5
Interest rate risk	4.1
Credit risk	3.3.3 & 4.2
Liquidity risk	9.2

9.2 Liquidity risk

Liquidity risk arises should Motus have insufficient funds or marketable assets available to fulfil its future cash flow obligations. Motus' liquidity risk management framework is designed to identify, measure and manage liquidity risk such that sufficient liquid resources are always available to fund operations and commitments.

The responsibility for liquidity risk management rests with the ALCO, which has developed an appropriate liquidity risk management framework for the management of Motus' short, medium and long-term funding requirements. Motus manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained. Appropriate probability factors are applied to cash flow forecasts, when forecasts are not certain. Monthly, quarterly and five-year cash flows are updated on a regular basis.

Upon Unbundling, external sources of funding will be obtained and utilised after which Motus endeavors to have between 55% to 75% of its debt of a long-term nature.

The undiscounted cash flows of Motus' financial assets fall into the following maturity profiles:

Rm	Contractual cash flows	Less than one year	One to five years	More than five years
Preference shares	**637**	260	–	377
Listed investments	**15**	8	5	2
Derivative financial assets	**432**	432		
Trade and other receivables [1]	**4 210**	4 210	–	–
2018	**5 294**	**4 910**	**5**	**379**
2017	4 519	4 171	–	348
2016	4 202	3 897	–	305

(1) Trade and other receivables exclude Value Added Tax amounting to 2018: R117 million (2017: R148 million; 2016: R229 million) and prepaid expenditure amounting to R493 million (2017: R329 million; 2016: R282 million) as it is not a financial instrument.

The undiscounted cash flows of Motus' financial liabilities fall into the following maturity profiles:

Rm	Contractual cashflows	Less than one year	One to five years	More than five years
Interest-bearing debt	**7 637**	7 556	41	40
Derivative financial liabilities	**46**	46		
Other financial liabilities	**54**	44	–	10
Trade payables and other payables [1]	**12 707**	12 707	–	–
2018	**20 444**	**20 353**	**41**	**50**
2017	17 986	17 866	85	35
2016	17 228	17 131	56	41

(1) Trade and other payables excluded Value Added Tax amounting to R157 million (2017: R186 million; 2016: R147 million) and staff related costs amounting to R571 million (2017: R793 million; 2016: R802 million) as it is not a financial instrument.

9.3 Fair value measurement of financial instruments

9.3.1 *Fair value hierarchy*

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical instruments.

Level 2: Fair value is derived through the use of valuation techniques based on observable inputs, either directly or indirectly.

Level 3: Fair value is derived through the use of valuation techniques using inputs not based on observable market data.

Rm	Audited 2018 Carrying value	Level 1	Level 2	Level 3	At amortised cost	*Reviewed* 2017 Carrying value	*Reviewed* 2016 Carrying value
Financial assets							
Preference shares	**637**	–	–	637	–	648	333
Listed investments	**15**	15	–	–	–	1	106
Other non-current financial assets	**–**	–	–	–	–	6	100
Loans and other receivables	**1**	–	–	–	1	179	52
Trade and other receivables	**4 210**	**–**	–	–	**4 210**	**3 412**	**3 584**
– Trade receivables	**3 759**	–	–	–	3 759	2 740	2 970
– Other receivables	**451**	–	–	–	451	672	614
Derivative financial asset	**432**	–	432	–	–	272	27
Cash resources	**1 737**	–	–	–	1 737	1 353	881
	7 032	**15**	**432**	**637**	**5 948**	**5 871**	**5 083**

Financial liabilities	Audited 2018 Carrying value	Level 1	Level 2	Level 3	At amortised cost	*Reviewed* 2017 Carrying value	*Reviewed* 2016 Carrying value
Interest-bearing debt	**7 637**	–	–	–	7 637	8 156	7 627
Other financial liabilities	**54**	–	–	–	54	133	91
Trade and other payables	**12 707**	**–**	–	–	**12 707**	**9 472**	**9 070**
– Trade payables and accruals	**5 445**	–	–	–	5 445	4 470	4 073
– Other accruals	**2 519**	–	–	–	2 519	2 182	1 803
– Secured floorplans from franchisor	**4 597**	–	–	–	4 597	2 705	3 102
– Deferred income	**146**	–	–	–	146	115	92
Derivative financial liability	**46**	–	46	–	–	225	440
	20 444	**–**	**46**	**–**	**20 398**	**17 986**	**17 228**

9.3.2 ***Level 3 sensitivity information***

The fair values of the level 3 financial assets of R637 million (2017: R648 million; 2016: R333 million) which consists of the fair value of the preference shares and the accrued dividend income were estimated by applying a cash flow projection technique. Cash flow projections are based on expected dividends receivable. These cash flow projections cover a five-year forecast period, which are then extrapolated into perpetuity using a discount rate of 17% (2017: 14%; 2016: nil%).

The fair value measurement is based on significant inputs that are not observable in the market. Key assumptions used in the valuations includes the assumed probability of achieving profits targets and the discount rates applied. The assumed profitabilities were based on historical performances but adjusted for expected growth.

The following table shows how the fair value of the level 3 financial liabilities as at 30 June 2018 would change if the significant assumptions were to be replaced by a reasonable possible alternative.

Financial instrument	Valuation technique	Main assumption	Carrying value Rm	Increase in assets/ liabilities Rm	Decrease in assets/ liabilities Rm
Preference shares	Cash flow projection	Present value of expected cash flows	637	13	(13)

Movement in level 3 financial instruments carried at fair value

The following table shows a reconciliation of the opening and closing balances of level 3 financial instruments carried at fair value at 30 June 2018:

Financial assets

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Carrying value at the beginning of the year	**648**	333	188
Preference shares acquired	**–**	255	–
Movements in dividends receivable	**(78)**	31	75
Fair valued through profit or loss as unrealised gains	**67**	29	70
Carrying value at the end of the year	**637**	**648**	**333**

Transfers between hierarchy levels

There were no transfers between the fair value hierarchies during the current and the prior year.

10. DISCONTINUED OPERATIONS/ HELD-FOR-SALE

10.1 Loss from discontinued operations

The Board took a decision to dispose of operations that are no longer considered to be aligned with the Motus strategy. In terms of IFRS 5: *Non-current assets held-for-sale and discontinued operations*, these businesses have been presented as discontinued operations in the Motus statement of profit or loss.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
The loss from discontinued operations is analysed as follows:			
Revenue	**–**	427	2 945
Loss after taxation for the year is as follows:			
Operating (loss)/ profit	**–**	(2)	102
Exceptional items	**–**	(28)	(188)
Impairment of goodwill	**–**	–	(45)
Foreign exchange (losses)/ gains	**–**	(3)	12
Share of result of associates and joint ventures	**–**	–	2
Net finance costs	**–**	(11)	(61)
Loss before tax	**–**	**(44)**	**(178)**
Income tax expense	**–**	6	(16)
Loss from discontinued operations	**–**	**(38)**	**(194)**
Operating (loss)/ profit is calculated after charging:			
Depreciation, amortisation, impairment and loss on disposal	**–**	–	(112)
Employee costs (including directors)	**–**	(115)	(435)
Operating lease charges	**–**	(10)	(81)
Cash flows from discontinued operations	**–**		
Cash flows utilised in operating activities	**–**	(39)	(198)
Cash flows utilised in investing activities	**–**	(2)	(134)
Cash flows generated from/ (utilised in) in financing activities	**–**	28	(45)
Net decrease in cash and cash equivalents	**–**	**(13)**	**(377)**

10.2 Disposal of subsidiaries

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Non-current assets	**17**	**195**	**184**
Goodwill	**–**	28	18
Intangible assets	**–**	5	1
Investments in associates and joint ventures	**–**	51	2
Property, plant and equipment	**9**	84	129
Deferred tax	**8**	26	–
Investments and other financial assets	**–**	1	34
Current assets	**98**	**364**	**1 466**
Inventories	**29**	199	346
Vehicles for hire	**–**	–	736
Cash resources	**–**	25	140
Trade and other receivables	**69**	138	244
Taxation	**–**	2	–
Non-current liabilities	**–**	**–**	**(28)**
Deferred tax	**–**	–	(28)
Current liabilities	**(57)**	**(495)**	**(1 262)**
Provisions	**–**	(9)	(4)
Trade and other payables	**(53)**	(127)	(407)
Interest-bearing debt	**(4)**	(359)	(837)
Taxation	**–**	–	(14)
Net reserves transferred	**–**	52	39
Non-controlling interests	**(5)**	(13)	(82)
Net assets disposed	**53**	**103**	**317**
Profit/ (loss) on disposal of subsidiaries	**4**	(84)	17
Cash generated by disposals	**57**	19	334
Cash resources disposed	**–**	(25)	(140)
Net cash generated by/ (received from) disposals	**57**	**(6)**	**194**

10.3 Assets and liabilities classified as held-for-sale

Assets and liabilities held-for-sale includes assets and liabilities relating to a discontinued operation as referred to in note 10.1 Loss from discontinued operations and assets and liabilities considered to be non-core. In the current year, the assets held-for-sale relate to dealership properties. As part of the Motus strategy, all non-strategic properties will be disposed of. This disposal is expected to occur within the next 12 months and has therefore been classified as held-for-sale. The proceeds from disposal are expected to exceed or equal the net carrying amount of the assets.

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Major classes of assets comprising the assets held-for-sale			
Property, plant and equipment	**235**	633	122
Investments in associates and joint ventures	**–**	–	477
Deferred tax	**–**	–	20
Investments and other financial instruments	**–**	–	1
Inventories	**–**	–	216
Trade and other receivables	**–**	–	97
Cash resources	**–**	–	65
	235	**633**	**998**
Major classes of liabilities directly associated with the assets held-for-sale			
Interest-bearing debt	**21**	–	125
Other financial liabilities	**–**	–	6
Provisions	**–**	–	34
	21	**–**	**165**

The assets and liabilities held-for-sale arise from the following segments:

Rm	Audited 2018	*Reviewed* 2017	*Reviewed* 2016
Import and Distribution	**58**	149	98
Retail and Rental	**126**	417	202
Motor-Related Financial Services	**–**	–	474
Aftermarket Parts	**30**	67	59
	214	**633**	**833**

11. NEW ISSUED STANDARDS NOT YET EFFECTIVE

The following new and revised International Financial Reporting Standards that could have an impact on Motus' future financial statements. Motus is in the process of considering the impact of the new and revised International Financial Reporting Standards on its financial statements.

There are various other amendments and interpretations which have been issued. None of these are expected to have a significant impact on Motus.

Pronouncement	Title
IFRS 9: Financial Instruments	The standard was issued in July 2014 to replace IAS 39: *Financial Instruments: Recognition and Measurement* and becomes effective for accounting periods beginning on or after 1 January 2018, and will be adopted by Motus on 1 July 2018. IFRS 9 will not have a material impact on the initial classification and measurement of Motus' financial instruments, however additional impairments may be raised under the estimated credit loss model relating to financial assets. Motus' doubtful debt provisions will be based on expected credit losses and not incurred losses, but the effect will be immaterial. The implementation will also simplify hedge accounting and result in increased disclosure.
IFRS 15: Revenue from Customers	The standard is effective for accounting periods beginning on or after 1 January 2018 and will be adopted by Motus on 1 July 2018. Motus, especially in the Motor-Related Financial Services segment, has a substantial number of long-term contracts in terms of the service, maintenance and warranty plans. Each portfolio of contracts has been assessed for impact in terms of the five-step approach. IFRS 15 will not have a material impact on Motus.
IFRS 16: Leases	The standard is effective for accounting periods beginning on or after 1 January 2019 and will be adopted by Motus on 1 July 2019 and replaces IAS 17: *Leases*. IFRS 16 sets out a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. IFRS 16 applies a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. IFRS 16 will primarily change lease accounting for lessees and is expected to have a significant impact on Motus' financial statements, as lease agreements will give rise to the recognition of an asset representing the right to use the leased item and a loan obligation for future lease payables. Lease costs will be recognised in the form of depreciation of the right-of-use asset and interest on the lease liability. This will directly increase the level of presentation and disclosure within the financial statements. Lessor accounting under IFRS 16 is similar to existing IAS 17 accounting and is not expected to have a material impact for Motus. Motus will be in a position to quantify the impact of the changes required by IFRS 16 early in the first quarter of the year commencing 1 July 2019. The manner in which Motus elects to adopt IFRS 16 has yet to be decided.

COMPANY FINANCIAL STATEMENTS

Motus Holdings Limited was incorporated in the current year. As at 30 June 2018 there has been no trading. Accordingly, a statement of comprehensive income, statement of cash flows and statement of changes in equity have not been presented. Refer to note 5.1 Stated capital in the consolidated financial statements for the stated capital and **Annexure A** for information on the principal subsidiaries of Motus Holdings Limited.

Notes included in the consolidated financial statements pertaining to related parties, going concern and subsequent events are applicable to the company financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

at 30 June 2018

Rm	Notes	Audited 2018
ASSETS		
Non-current assets		**22 860**
Investments in subsidiaries	2	**22 860**
Current assets		**498**
Loans due by affiliated companies	3	**498**
Total assets		**23 358**
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	4	**23 358**
Attributable to the owner of Motus		**23 358**
Total equity		**23 358**
Deferred taxation	5	**–**
Total liabilities		**–**
Total equity and liabilities		**23 358**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the period ended 30 June 2018

1. ACCOUNTING POLICIES

The company has adopted the accounting policies as outlined in the consolidated financial statements.

2. INVESTMENTS IN SUBSIDIARIES

Rm	Audited 2018
Motus Corporation Proprietary Limited	**10 822**
Motus Group Limited	**8 808**
Motus Capital Proprietary Limited	**3 230**
Total	**22 860**

The services of independent external advisors were utilised to determine the fair enterprise value of Motus. A five-year cash flow projection was prepared per business segment and per geographical region considered to be material by management.

A trading earnings before interest, tax, depreciation and amortisation ("EBITDA") multiple approach was utilised to perform the valuation, giving consideration to prevailing market conditions and peers. The enterprise value arrived at was adjusted for equity loans, net debt, non-controlling interests, and investments in associates to calculate the resultant equity value.

3. LOANS DUE FROM AFFILIATED COMPANIES

Rm	Audited 2018
Motus Corporation Proprietary Limited	**152**
Brietta Trading Proprietary Limited	**161**
Africa Automotive Aftermarket Solutions (a division of Motus Group Limited)	**185**
Total	**498**

The loans are interest free, unsecured with no fixed terms of repayment. Motus Holdings Limited has no intention to recall the loans in the next twelve months.

4. STATED CAPITAL

Rm	Audited 2018
Ordinary stated capital issued	**23 358**
Total	**23 358**

During 2018, Motus Holdings Limited was formed as a wholly owned subsidiary of Imperial Holdings Limited. Effective 31 May 2018, Motus Corporation Proprietary Limited, Motus Capital Proprietary Limited and Motus Group Limited were transferred to Motus as wholly owned subsidiaries in terms of an asset-for-share transaction, therefore giving rise to the stated capital.

For further disclosures on stated capital refer to note 5.1 Stated capital in the consolidated financial statements.

5. DEFERRED TAXATION

Arising on the acquisition of investments in subsidiaries are taxable temporary differences amounting to R4 396 million as at 30 June 2018. These taxable temporary differences have not been recognised in terms of *IFRS 3: Business combinations*.

INTERESTS IN SUBSIDIARIES

Motus is a diversified international group of companies that is a non-manufacturing service provider to the automotive sector. The consolidated financial statements include the accounts of Motus Holdings Limited (the Company) and all of its subsidiaries at 30 June 2018.

Motus holds majority voting rights in all of its subsidiaries. There are no significant judgements or assumptions made in determining whether Motus has control, joint control or significant influence.

Motus has 79 wholly owned subsidiaries and 10 non-wholly owned subsidiaries as at 30 June 2018.

THE PRINCIPAL SUBSIDIARIES OF THE COMPANY AND THEIR ACTIVITIES ARE:

Subsidiary	Place of incorporation	Ownership Interest (%)	Nature of business
Motus Corporation Proprietary Limited	South Africa	**100**	Motus Corporation Proprietary Limited imports and distributes passenger, light and heavy commercial vehicles, automotive products, and motorcycles in Southern Africa. It also sells service, maintenance and warranty products and has investments in property companies. Further details on the composition of Motus Corporation Proprietary Limited and its subsidiaries are provided below.
Motus Group Limited	South Africa	**100**	Business conducted by Motus Group Limited comprises of vehicle rental, motor trading, automotive parts, property investments, and group services. Details on the businesses included are provided below.
Motus Capital Proprietary Limited	South Africa	**100**	Motus Capital Proprietary Limited is a registered Domestic Treasury Management Company (DTMC). It holds the interest in our operations in Africa, Dubai, United Kingdom, Australia and Taiwan. Details on the businesses included are provided below.

THE PRINCIPAL OPERATING SUBSIDIARIES OF MOTUS CORPORATION PROPRIETARY LIMITED AND THEIR ACTIVITIES ARE:

Subsidiary	Place of incorporation	Ownership Interest (%)	Nature of business
Hyundai Auto South Africa Proprietary Limited	South Africa	**100**	Hyundai Auto South Africa Proprietary Limited is an importer and distributor of Hyundai vehicles and parts for Southern Africa. Motus has established a network of dealerships in South Africa, Namibia and Botswana.
Renault South Africa Proprietary Limited	South Africa	**60**	Renault South Africa Proprietary Limited, through distribution agreements with Renault SAS France, imports and distributes Renault motor vehicles and parts in South Africa. Imperial Car Imports, a wholly owned subsidiary of Motus has a 60% interest in Renault South Africa Proprietary Limited.
Kia Motors South Africa Proprietary Limited	South Africa	**100**	Kia Motors South Africa Proprietary Limited is an importer and distributor of Kia vehicles and parts for South Africa.

THE PRINCIPAL BUSINESS OF MOTUS GROUP LIMITED:

Motus Group Limited is divisionalised as follows:

Division	Place of incorporation	Nature of business
Vehicle Retail	South Africa	The Vehicle Retail business within Motus Group Limited comprises of motorcycles, passenger, light, medium and heavy (including extra heavy) commercial vehicle dealerships in South Africa. The franchise dealerships represent the major OEM brands.
Car Rental	South Africa	The Car Rental operations housed within Motus Group Limited comprises of two business units: Car Rental (Europcar and Tempest) and Used Car Sales (Auto Pedigree brand). This division operates in South Africa and neighbouring countries.
Aftermarket Parts	South Africa	The Aftermarket Parts business markets and distributes quality automotive parts and accessories and D.I.Y products through selected channels. The business comprises of the following franchises; AAAS (previously Midas), Motolek, ADCO, CBS and Auto Care & Diagnostics.
Finance	South Africa	Provides the treasury function of Motus.

THE PRINCIPAL OPERATING SUBSIDIARIES OF MOTUS CAPITAL PROPRIETARY LIMITED AND THEIR ACTIVITIES ARE:

Subsidiary	Place of incorporation	Ownership Interest (%)	Nature of business
S&B Commercials PLC	United Kingdom	**100**	Retail, distribution and servicing of commercial vehicles through dealerships based in the United Kingdom.
Imperial Mobility UK Proprietary Limited Commercials	United Kingdom	**100**	Imperial Commercial UK is involved in the commercial vehicle market, from light to extra-heavy commercial vehicles. It sells new and used vehicles as well as related financial services, parts and servicing.
Pentagon Motor Holdings Limited	United Kingdom	**100**	Retail and distribution of passenger vehicles in the United Kingdom through 21 dealerships.
SWT Group Proprietary Limited	Australia	**75**	Retail and distribution of passenger vehicles in Australia through 16 dealerships.
Australian Automotive Group Proprietary Limited	Australia	**100**	Retail of passenger vehicles in Australia through 14 dealerships

NON-CONTROLLING INTEREST IN MOTUS' ACTIVITIES

Subsidiaries with non-controlling shareholding are outlined in note 8.6 Non-controlling interests.

CORPORATE INFORMATION

Company registration number
Registration number: 2017/451730/06

Business address and registered office
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Company Secretary
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2052

Principal bankers
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Nedbank Limited

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INDEPENDENT REPORTING ACCOUNTANTS AND AUDITORS' REPORT ON THE REPORT OF THE HISTORICAL FINANCIAL INFORMATION FOR MOTUS FOR THE THREE YEARS ENDED 30 JUNE 2016, 2017 AND 2018

The Directors
Motus Holdings Limited
1 Van Buuren Road
Bedfordview
2008

Dear Sirs/Mesdames

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE PRE-LISTING STATEMENT

Introduction

We have audited the historical financial information of Motus Holdings Limited (the Group or the Company) in respect of the year ended 30 June 2018 as presented in **Annexure 1** of the Pre-Listing Statement, and we have reviewed the historical financial information of the Group in respect of the years ended 30 June 2017 and 30 June 2016 as presented in **Annexure 1** of the Pre-Listing Statement.

Historical Financial Information for the Year Ended 30 June 2018

Opinion

The historical financial information in respect of the year ended 30 June 2018 comprises the consolidated and separate statement of financial position as at the year-end date, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The historical financial information was prepared in accordance with the requirements of the JSE Listings Requirements. The JSE Listings Requirements require the historical financial information to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate statement of financial position of Motus Holdings Limited as at 30 June 2018, and its consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the JSE Listings requirements.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Historical Financial Information for the year ended 30 June 2018. These matters were addressed in the context of our audit of the Historical Financial Information for the year ended 30 June 2018 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Valuation of deferred funds (Group) The Group has a liability for deferred funds which comprises the service, maintenance and warranty funds, in terms of which they are obligated to repair and other services over a specified period. At 30 June 2018 the value of the liability is R2.7 billion (2017: R2.8 billion). The determination of the adequacy of the reserves and the recognition of the related revenue in accordance with IAS 18 *Revenue* is complex. The values recognised are based on expected earnings curves, dependent upon forecasted burn rates derived from key assumptions, including: • vehicle parts inflation; • foreign currency devaluation; and • estimated usage of vehicles. The directors have engaged experts to assist in confirming the adequacy of the reserve recognised for the service, maintenance and warranty contracts in the deferred funds balance. Due to the complexity of the abovementioned actuarial assumptions and the associated risk that the quantum of the reserves and relating revenue realised is inappropriate, the deferred funds have been identified as a key audit matter. The disclosure related to the deferred funds is contained in note 1.5.	We assessed and challenged the assumptions that the Group made in valuing the deferred funds balance comprising service, maintenance and warranty funds, with a focus on the adequacy of the reserves recognised and the appropriateness of the related revenue release earned. This included: • engaging an independent actuarial specialist to evaluate the work performed by the directors' expert, including: – assessing the appropriateness of the models utilised by the directors' expert; – assessing the independence, objectivity, competence and experience of the directors' expert and – evaluating the reasonableness of the ranges derived by the directors' expert on the inputs utilised; • testing the inputs into the financial models, and • comparing the sufficiency of the funds against historical information and performing a retrospective review thereon. We are satisfied with the actuarial assumptions applied and consequently with the measurement of the reserves as at 30 June 2018. We are satisfied that the relating revenue earned for the year is appropriate. The related disclosure in the financial statements is sufficient.

Key audit matter	How the matter was addressed in the audit
Business combinations (Group) The Group, in its stated strategy to diversify its portfolio through acquisitions in mature markets has expanded through the acquisition of Pentagon Motor Holdings Limited in the United Kingdom and SWT Group Proprietary Limited in Australia during the current year. The accounting for these acquisitions is governed by IFRS 3 *Business Combinations* and requirements under the standard can be complex and requires the Directors to exercise judgement. The most significant of these estimates is the determination of the Purchase Price Allocation Valuation ("PPAV") which encompasses: • Identifying the assets and liabilities acquired and determining their fair values; • Determining any resultant goodwill and previously unrecorded intangible assets to be recognised on acquisition, and • Assessing the useful lives of acquired intangible assets where separately identified. The Directors engaged external experts to assist with the identification of acquired assets and liabilities. Due to the value of this acquisition and the level of judgement and estimate involved in the PPAV, the accounting for the business combination has been identified as a key audit matter. Note 8.1 and Note 8.2 provides the relevant disclosure for the abovementioned acquisitions.	Our audit work included the following: • We assessed the carrying values of the acquired assets and liabilities compared to the fair values at acquisition date. • Assessing the completeness of assets and liabilities acquired. • Involving our IFRS accounting specialists in evaluating the judgements applied in consideration of the treatment of the franchise agreements in the respective territories. • Re-computing the resulting goodwill to be recognised on acquisition. • We assessed whether the effective date of the acquisition as determined by the Directors was in compliance with IFRS 3 through inspection of the salient terms and conditions of the purchase agreement. • Performing procedures to determine that the acquisition was correctly included in the consolidation from the effective date. The PPAV's and the accounting for the acquisitions was assessed to be appropriate based on evidence obtained. We consider the disclosures related to the acquisition to be appropriate.

Key audit matter	How the matter was addressed in the audit
Business combinations (common control transactions) (Group)	
The Group has undergone an internal restructure with its shareholder in anticipation of the unbundling of the business during the 2019 financial year. The restructure has resulted in the alignment of a Motus statutory structure with its previously managed, and reported, operating segments. This has included the sale and transfer of various companies within the Group resulting in the recording of inter-group gains which are required to be eliminated for the purposes of the consolidated financial statements in order to reflect financial information at historical values previously reported in the ultimate shareholder's annual financial statements. Note 1.2 provides the relevant disclosure on common control.	To determine whether the restructure was accounted for correctly in deriving historical cost, we focused our audit procedures on the following areas: • With the assistance of our IFRS accounting specialists, we evaluated the accounting treatment adopted by the directors for the different aspects of the internal restructuring against the appropriate accounting standards. • We involved our internal corporate finance specialists to review the valuation of the businesses which were transferred and thereby independently assessed the Director's expert key judgements and assumptions. • We involved our taxation specialists to review the tax consequences of the restructuring in the underlying statutory entities and the overall Group. • We critically analysed the elimination of the inter-group adjustments to determine whether appropriate consolidation journal entries had been processed to eliminate fair value adjustments so to accurately reflect the results at the historical cost previously reported to the ultimate shareholders. Based on the results of these procedures, we are satisfied that the internal restructuring has been accounted for in accordance with the inter-group contracts and relevant accounting standards and, all inter-group adjustments arising on the restructure have been eliminated for Group purposes. The disclosure provided is appropriate.

Key audit matter	How the matter was addressed in the audit
Valuation of investments (Company) Sales and transfers of underlying statutory structures were effected in concluding the abovementioned internal restructure which resulted in the recognition of the acquisition of R22,9 billion investments in Motus Holdings Limited. Due to the judgements utilised by the directors in determining the investment value, the internal nature of the transaction, and the quantum thereof, this has been identified as a key audit matter. The judgements made in determining the inputs included: • in conjunction with the directors' experts, the appropriateness of the model utilised in determining fair value; • the identification of relevant cash-generating units and geographical locations which required further analysis; • the consideration of the application of control premium in determining fair value, and • the identification of an appropriate peer set in the respective geographies. Refer to note 2 where disclosure regarding the assumptions utilised has been included.	To assess the accuracy of the valuation and critically evaluate the market relatedness thereof, we performed the following audit procedures: • We involved our internal corporate finance specialists to review the Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA")/ Enterprise Value multiples used in the valuation of the businesses transferred and to independently assess management's expert. • We analysed the cash flow projections utilised in the determination of Enterprise Value against 30 June 2018 actual results and 30 June 2019 forecasts and assessed the appropriateness of reclassifications between operating segments and their related statutory entities for disclosure purposes. • Reviewed the accuracy of the underlying calculations in deriving the equity value of acquired businesses. Based on the results of these procedures, we are satisfied that the investments have been recognised at fair value. The disclosure provided is appropriate.

Emphasis of Matter – Basis of Preparation – Common Control Transactions

We draw attention to note 1.2 to the consolidated financial statements for the year ended 30 June 2018, which describes the basis of preparation with regards to common control transactions. Our opinion is not modified in respect of this matter.

Directors' responsibility for the Historical Financial Information

The Company's directors are responsible for the preparation and fair presentation of the historical financial information, for the year ended 30 June 2018, in accordance with the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The JSE Listings Requirements require the historical financial information in respect of each annual period to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and also, as a minimum, to be presented and contain the disclosures required by the JSE Listings Requirements.

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

Auditor's responsibility for the Audit of the Historical Financial Information for the year ended 30 June 2018

Our objectives are to obtain reasonable assurance about whether the historical financial information for the year ended 30 June 2018 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the historical financial information.

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

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

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

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

Review Report on the Historical Financial Information for the years ended 30 June 2017 and 30 June 2016

We have reviewed the historical financial information of the Group in respect of the years ended 30 June 2017 and 30 June 2016 set out in **Annexure 1**, comprising the consolidated statement of financial position, and the consolidated statements of comprehensive income, changes in equity and cash flows, and selected explanatory notes for the periods then ended.

Responsibilities of the directors for the Historical Financial Information for the years ended 30 June 2017 and 30 June 2016

The Group's directors are responsible for the preparation of the historical financial information for the years ended 30 June 2017 and 30 June 2016, in accordance with the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The JSE Listings Requirements require the historical financial information in respect of each annual period to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and also, as a minimum, to be presented and contain the disclosures required by the JSE Listings Requirements.

Auditor's responsibility for the Review of Historical Financial Information for the years ended 30 June 2017 and 30 June 2016

Our responsibility is to express a conclusion on the historical financial information, for the years ended 30 June 2017 and 30 June 2016, based on the review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the historical financial information is not prepared, in all material respects, in accordance with the requirements of the JSE Listings Requirements. This standard also requires us to comply with relevant ethical requirements.

A review of the historical financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of the directors and others within the entity, as appropriate, and applying analytical procedures; and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the historical financial information.

Conclusion on the Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information of Motus Holdings Limited for the years ended 30 June 2017 and 30 June 2016 do not present fairly, in all material respects, the financial position of the Group as at 30 June 2017 and 30 June 2016, and its financial performance and cash flows for the period then ended, in accordance with the International Financial Reporting Standards and the JSE Listing requirements.

Purpose of the report

The purpose of our report is for the Pre-Listing Statement of Motus Holdings Limited and is not to be used for any other purpose. As a result, the historical financial information may not be suitable for another purpose.

Deloitte & Touche
Registered Auditor
Per: JM Bierman
Partner

20 September 2018

Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton

PRO FORMA FINANCIAL INFORMATION OF MOTUS

Basis of preparation

The definitions and interpretations commencing on page 13 of the Pre-Listing Statement have been used throughout this Annexure 3. The *pro forma* financial information should be read in conjunction with section 8 of the Pre-Listing Statement.

1. The table below sets out the financial effects of the Unbundling. The financial effects have been prepared for illustrative purposes only, in order to enable Shareholders to assess the impact of the listing if it were implemented on the dates indicated in the notes below.
2. The financial effects have been prepared using accounting policies that comply with IFRS and are consistent with those applied by the Company in its audited report of historical financial information for the year ended 30 June 2018. For a full understanding of Motus' accounting policies, please refer to Motus' report of historical financial information for the year ended 30 June 2018, which can be found in Annexure 1
3. Due to their *pro forma* nature, the financial effects may not fairly present the financial position or the effect on earnings, equity or cash flows of Motus after the implementation of the listing.
4. The preparation of the Financial Effects is the responsibility of the directors. Consistent with the foregoing, the *pro forma* Financial Effects set forth in the table below are based on available information and certain assumptions and estimates, which the Board believe, are reasonable.
5. The *pro forma* figures below have been given no greater prominence than unadjusted financial figures, are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information of Motus and adjustments have been quantified on the same basis as would normally be calculated in preparing financial statements.
6. Refer to the accountants' report on *Pro forma* financial effects in **Annexure 4**.
7. The *pro forma* consolidated statement of profit and loss is prepared on the assumption that the Unbundling took place on 1 July 2017. The *pro forma* consolidated statement of financial position is prepared on the assumption that the Unbundling took place on 30 June 2018.
8. The financial effects have been prepared in accordance with the JSE Listings Requirements and in compliance with the SAICA Guide on *Pro forma* Financial Information.

The financial effects are based on the annual results in compliance with paragraph 8.25(a) of the JSE Listings Requirements.

Pro forma consolidated statement of profit or loss

R million	Results before *pro forma* effects[1]	Increased costs of share schemes[2]	Increased costs as listed entity[3]	Decreased funding costs[4]	Treasury shares to be received by Motus[5]	Issue to Ukhamba[6]	Reallocation of debt to long term[7]	Net dividend declared[8]	Results after *pro forma* effects
Revenue	**77 659**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**77 659**
Net operating expenses	(72 713)	(2)	(31)	–	–	(178)	–	–	(72 924)
Earnings before interest, taxation, depreciation, amortisation	**4 946**	**(2)**	**(31)**	**–**	**–**	**(178)**	**–**	**–**	**4 735**
Depreciation, amortisation and impairments	(1 353)								(1 353)
Operating profit	**3 593**	**(2)**	**(31)**	**–**	**–**	**(178)**	**–**	**–**	**3 382**
Profit on sale of properties, net of impairments	617	–	–	–	–	–	–	–	617
Amortisation of intangible assets arising on business combinations	(15)	–	–	–	–	–	–	–	(15)
Net foreign exchange losses	(43)	–	–	–	–	–	–	–	(43)
Other non-operating items	(244)	–	–	–	–	–	–	–	(244)
Profit before net financing costs	**3 908**	**(2)**	**(31)**	**–**	**–**	**(178)**	**–**	**–**	**3 697**
Finance costs	(803)	–	–	15	–	–	–	–	(788)
Finance income	66	–	–	–	–	–	–	–	66
Profit before share of results of associates and joint ventures	**3 171**	**(2)**	**(31)**	**15**	**–**	**(178)**	**–**	**–**	**2 975**
Share of results of associates and joint ventures	39	–	–	–	–	–	–	–	39
Profit before tax	**3 210**	**(2)**	**(31)**	**15**	**–**	**(178)**	**–**	**–**	**3 014**
Income tax expense	(897)	1	9	(4)	–	–	–	–	(891)
Profit for the year from continuing operations	**2 313**	**(1)**	**(22)**	**11**	**–**	**(178)**	**–**	**–**	**2 123**
Net profit attributable to:									
Owners of Motus	**2 346**	(1)	(22)	11	–	(178)	–	–	**2 156**
Non-controlling interests	**(33)**	–	–	–	–	–	–	–	**(33)**
	2 313	**(1)**	**(22)**	**11**	**–**	**(178)**	**–**	**–**	**2 123**
Earnings per share (cents)									
Total earnings per share									
– Basic	**1 162**	(1)	(11)	5	–	(88)	–	–	**1 101**
– Diluted	**1 162**	(1)	(11)	5	–	(88)	–	–	**1 076**

Notes to the *pro forma* consolidated statement of profit or loss:

1 *The results have been extracted from the report of historical financial information for the 12 months ended 30 June 2018 without adjustment.*

2 *This is the transitional cost relating to the existing DBP share scheme as the settlements for 2019 and 2020 post Unbundling will be in shares of both Imperial and Motus. This requires the ongoing trueing up of the liability, in respect of the Imperial shares to be delivered to the share price of the Imperial shares which is assumed to grow by 8% for the year. The impact of the increased liability will be reduced by the fair value benefit of the Imperial shares resulting in an increased cost of R2 million, with the related tax impact of R1 million. The final impact could be higher if the combined share price immediately post the Unbundling is higher than the Imperial share price immediately prior to the Unbundling. This assumes that the Unbundling is effective 1 July 2017.*

3 *This is the ongoing impact of the increased costs of being a separately listed entity being the difference between the administration fees (R119 million) no longer charged by the group head office and the additional costs of being listed separately (R150 million). The tax impact of which is R9 million calculated at a tax rate of 28%. This assumes that the Unbundling is effective 1 July 2017. The actual listing costs of Motus are borne by Imperial.*

4 *Currently Motus has access to facilities which are utilised to fund the Imperial Group's combined operations by advancing inter-group loans to the operating entities. After Unbundling, Imperial and Motus will have separate facilities with an appropriate mix of long- and short-term repayment profiles. The actual impact on funding will depend on how Motus' treasury department draws down on the facilities and the exact mix of funding. Based on a similar funding mix to that currently in place, it is estimated that the blended cost of funding will decrease by R15 million and is of a continuing nature. The tax impact of which is at 28%.*

5 *When Motus is Unbundled, Imperial will receive one Motus share for every Imperial share owned as treasury shares. Motus will have rights to the Motus and Imperial shares to hedge its obligations to settle share incentive schemes based on its share of the obligations. Motus' share of the Imperial shares received will be classified as an investment and fair valued through profit or loss. The number of shares in issue will reduce by the Motus shares received from Imperial and impact the weighted average shares in issue. This will result in an increase in EPS and HEPS and results in the adjustments to EPS and HEPS reflected in the table above not adding to the total column. All Motus shares will be owned as treasury shares. 2 156 457 shares will be transferred at an estimated value of R126.66 per share.*

6 *Motus will issue 5.8 million deferred ordinary shares to Ukhamba being a Black Economic Empowerment partner of Motus. These shares will be issued at their par value of 4 cents which is below their market value. As these shares are issued to improve Motus' Black Economic Empowerment credentials, there is a once off share-based equity cost that needs to be recognised of R178 million. The Motus deferred ordinary shares issued to Ukhamba are included in the weighted average number of shares in issue, and Motus silences the total number of Motus shares owned by Ukhamba attributable to Motus based on its 46.9% shareholding.*

7 *Borrowing facilities have been managed by Imperial as at 30 June 2018. These facilities are being replaced by Motus, following the proposed and approved Unbundling of Motus from Imperial.*

8 *Final net dividend of R407 million declared to Imperial post year-end.*

Earnings per share information for the year ended 30 June 2018

R million	Results before *pro forma* effects	Increased costs of share schemes	Increased costs as listed entity	Decreased funding costs	Treasury shares to be received by Motus	Issue to Ukhamba	Reallocation of debt to long term	Net dividend declared	Results after *pro forma* effects
Headline earnings reconciliation									
Earnings	**2 346**	(1)	(22)	11	–	(178)	–	–	**2 156**
Recoupment for the disposal of property, plant and equipment	**(508)**	–	–	–	–	–	–	–	**(508)**
Loss on disposal of intangible assets	**4**	–	–	–	–	–	–	–	**4**
Impairment of property, plant and equipment	**85**	–	–	–	–	–	–	–	**85**
Impairment of goodwill	**63**	–	–	–	–	–	–	–	**63**
Impairment of investment in associates and joint ventures	**8**	–	–	–	–	–	–	–	**8**
(Profit)/loss on disposal of subsidiaries and businesses	**(4)**	–	–	–	–	–	–	–	**(4)**
Impairment loss on assets on disposal group	**(3)**	–	–	–	–	–	–	–	**(3)**
Headline earnings	**1 991**	**(1)**	**(22)**	**11**	**–**	**(178)**	**–**	**–**	**1 801**
Headline earnings per share (cents)									
Total operations									
– Basic	**986**	(1)	(11)	5	–	(88)	–	–	**920**
– Diluted	**986**	(1)	(11)	5	–	(88)	–	–	**899**
ADDITIONAL INFORMATION									
Number of ordinary shares in issue (million)									
– total shares	**202.0**	–	–	–	–	–	–	–	**202.0**
– net of shares repurchased	**202.0**	–	–	–	(2.2)	(4.0)	–	–	**195.8**
– weighted average for basic[1]	**202.0**	–	–	–	(2.2)	(4.0)	–	–	**195.8**
– weighted average for diluted[1]	**202.0**	–	–	–	(2.2)	0.5	–	–	**200.3**
Number of other shares (million)									
– Deferred ordinary shares to convert to ordinary shares	**5.8**	–	–	–	–	–	–	–	**5.8**

Notes:

[1] *Assumes number of shares in issue at the date of Unbundling.*

Pro forma consolidated statement of financial position

R million	Results before *pro forma* effects [1]	Increased costs of share schemes[2]	Increased costs as listed entity[3]	Decreased funding costs[4]	Treasury shares to be received by Motus[5]	Issue to Ukhamba[6]	Reallocation of debt to long term[7]	Net dividend declared[8]	Results after *pro forma* effects
ASSETS									
Non-current assets	**9 799**	**–**	**–**	**–**	**37**	**–**	**–**	**–**	**9 836**
Goodwill	953	–	–	–	–	–	–	–	953
Intangible assets	277	–	–	–	–	–	–	–	277
Investment in associates and joint ventures	348	–	–	–	–	–	–	–	348
Property, plant and equipment	6 786	–	–	–	–	–	–	–	6 786
Deferred tax	782	–	–	–	–	–	–	–	782
Investments and other financial instruments	653	–	–	–	37	–	–	–	690
Current assets	**26 682**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**26 682**
Inventories	15 633	–	–	–	–	–	–	–	15 633
Vehicles for hire	3 924	–	–	–	–	–	–	–	3 924
Taxation	135	–	–	–	–	–	–	–	135
Trade and other receivables	4 821	–	–	–	–	–	–	–	4 821
Derivative financial assets	432	–	–	–	–	–	–	–	432
Cash resources	1 737	–	–	–	–	–	–	–	1 737
Assets classified as held-for-sale	235	–	–	–	–	–	–	–	235
Total assets	**36 716**	**–**	**–**	**–**	**37**	**–**	**–**	**–**	**36 753**
EQUITY AND LIABILITIES									
Capital and reserves									
Stated capital	23 358	–	–	–	–	–	–	–	23 358
Common control reserve	(19 753)	–	–	–	311	–	–	–	(19 442)
Shares repurchased (treasury shares)	–	–	–	–	(274)	–	–	–	(274)
Hedge accounting reserve	198	–	–	–	–	–	–	–	198
Other reserves	(716)	(18)	–	–	–	178	–	–	(556)
Retained income	8 553	–	–	–	–	(178)	–	(407)	7 968
Attributable to owners of Motus	**11 640**	**(18)**	**–**	**–**	**37**	**–**	**–**	**(407)**	**11 252**
Non-controlling interests	4	–	–	–	–	–	–	–	4
Total equity	**11 644**	**(18)**	**–**	**–**	**37**	**–**	**–**	**(407)**	**11 256**

R million	Results before *pro forma* effects [1]	Increased costs of share schemes[2]	Increased costs as listed entity[3]	Decreased funding costs[4]	Treasury shares to be received by Motus[5]	Issue to Ukhamba[6]	Reallocation of debt to long term[7]	Net dividend declared[8]	Results after *pro forma* effects
LIABILITIES									
Non-current liabilities	**1 914**	**18**	**–**	**–**	**–**	**–**	**5 038**	**–**	**6 970**
Deferred funds	1 447	–	–	–	–	–	–	–	1 447
Deferred tax	31	–	–	–	–	–	–	–	31
Interest-bearing debt	81	–	–	–	–	–	5 038	–	5 119
Provisions	301	–	–	–	–	–	–	–	301
Other financial liabilities	54	18	–	–	–	–	–	–	72
Current liabilities	**23 137**	**–**	**–**	**–**	**–**	**–**	**(5 038)**	**407**	**18 506**
Provisions	373	–	–	–	–	–	–	–	373
Deferred funds	1 277	–	–	–	–	–	–	–	1 277
Trade and other payables	13 435	–	–	–	–	–	–	–	13 435
Derivative financial liabilities	46	–	–	–	–	–	–	–	46
Taxation	450	–	–	–	–	–	–	–	450
Interest-bearing debt	7 556	–	–	–	–	–	(5 038)	407	2 925
Liabilities classified as held-for-sale	21	–	–	–	–	–	–	–	21
Total liabilities	**25 072**	**18**	**–**	**–**	**–**	**–**	**–**	**407**	**25 497**
Total equity and liabilities	**36 716**	**–**	**–**	**–**	**37**	**–**	**–**	**–**	**36 753**
NAV per ordinary share (cents)	5 762	(9)	–	–	18	–	–	(201)	5 747
NTAV per ordinary share (cents)	5 153	(9)	–	–	18	–	–	(201)	5 118

Notes to the pro forma consolidated statement of financial position:

1 *The results before pro forma effects have been extracted from the historical financial information for the twelve months ended 30 June 2018 without adjustment.*

2 *The initial liability of R18 million for delivery of Imperial shares to Motus participants is recognised against the share based equity reserve.*

3 *There is no impact on the financial position as the Unbundling is assumed to be 30 June 2018.*

4 *There is no impact on the financial position as the Unbundling is assumed to be 30 June 2018.*

5 *When Motus is Unbundled it will receive rights to both Motus and Imperial shares. Motus' rights will attach through a new class of shares issued by a subsidiary of Imperial which will allow Motus to receive shares from that subsidiary to settle share incentive schemes based on its share of the obligations. Motus' share of the Imperial shares received will be classified as an investment and fair valued through profit or loss. The number of shares in issue will reduce by the Motus shares received from Imperial and impact the weighted average shares in issue. This means that the adjustments to NAV and NTAV will not add to the total column.*

6 *Motus will issue 5.8 million deferred ordinary shares to Ukhamba being a Black Economic Empowerment partner of Motus. These shares will be issued at their par value of 4 cents which is below their market value. As these shares are issued to improve Motus' Black Economic Empowerment credentials, there is a once-off share based equity cost that needs to be recognised of R178 million.*

7 *Borrowing facilities have been managed by Imperial as at 30 June 2018 who has advanced funding to Motus on an inter-company loan. These facilities are being replaced by Motus, following the proposed and approved Unbundling of Motus from Imperial.*

8 *Final net dividend of R407 million declared to Imperial post year-end.*

9 *There are no other post balance sheet events which require adjustments to the pro forma financial effects.*

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A PRE-LISTING STATEMENT

To the Directors of Motus Holdings Limited
1 Van Buuren Road
Bedfordview
2008

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of *Pro forma* Financial Information Included in a Pre-listing Statement

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Motus Holdings Limited (the "Group") by the Directors. The *pro forma* financial information, as set out in paragraph 8.3 and **Annexure 3** of the Pre-Listing Statement to be dated on or about 27 September 2018, consists of the *pro forma* consolidated statement of profit or loss and the *pro forma* consolidated statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in Section 2 of the Pre-Listing Statement, on the Group's financial position as at 30 June 2018, and the Group's financial performance for the period then ended, as if the corporate action or event had taken place at 30 June 2018 and 1 July 2017 respectively. As part of this process, information about the Group's financial position and financial performance has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2018, on which an unmodified auditor's report was issued on 20 September 2018.

Directors' Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 8.3 and **Annexure 3** of the Pre-Listing Statement.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

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

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

about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction on or around 22 November 2018.

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

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

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 8.3 and **Annexure 3** of the Pre-Listing Statement.

Deloitte & Touche
Registered Auditor
Per: JM Bierman
Partner

20 September 2018

Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton

DETAILS REGARDING PRINCIPAL PROPERTIES OCCUPIED

Principal immovable property owned by Motus are set out below:

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
AMHA Properties Proprietary Limited	242 452 729	Dealership Ford, Hyundai and Isuzu	2-18 Blaxland Road, Ryde	New South Wales	Lot 4 DP 5873, Lot 3 DP 443926, Lot 2 DP 443925, Lot 17 DP 777986	2013	6 515
Kaalfontein Yard Proprietary Limited	173 740 489	Bond Store & Auction House – Motorvia & MFC (Nedbank)	Lindsey Road, Kaalfontein, Kempton Park	Gauteng	Erven 4 & 5 Witfontein Ext 9; Erven 6 – 8 Witfontein Ext 10 & the Remaining Extent of the Farm Witfontein No. 11	2014	159 862
Motus Corporation Proprietary Limited	161 365 718	Southgate 2 Bond Store	59 Beechgate Crescent, Southgate Industrial Park, Umbogintwini	KwaZulu-Natal	Portion 9 of Erf 1 Umbogintwini	2007	290 503
AMHA Properties Proprietary Limited	151 494 036	Dealership Ford, Renault and Isuzu	17 Victoria Road, Castle Hill	New South Wales	Lot 1 DP 599607	2008	8 284
AMHA Properties Proprietary Limited	136 979 474	Dealership Ford & Mitsubishi	780 Pittwater Road, Brookvale and 15 Cater Road, Brookvale	New South Wales	Lot 1 Deposited Plan 1068612 and Lot 34 DP9504	2006	7 656
Motus Group Limited	115 358 444	Dealership – Audi Sandton (Also a Vodacom Mast)	Cnr Katherine Street & Grayston Drive, Atholl, Sandton	Gauteng	Erf 190 Atholl Ext 12	2013	7 230
Motus Group Limited	110 375 192	Dealership – Lindsay Saker (VW & Audi)	Cnr Aliwal, Zastron & Wes Burger Streets, Bloemfontein Central	Free State	Portion 1 of Erf 1930 Bloemfontein	2013	28 826
Motus Group Limited	100 950 862	Dealership – Mercedes Benz Bedfordview (Lifestyle Centre)	Concorde Road (Cnr Arbroath Road), Bedfordview	Gauteng	Erven 2027 and 2028 Bedfordview Ext 352 (Former Portion 1070 of the Farm Elandsfontein No. 90)	2007	18 043
Motus Corporation Proprietary Limited	91 965 239	Dealership – Kia & Hyundai Constantia Kloof	Cnr Hendrik Potgieter Road & Kweper Close, Constantia Kloof, Roodepoort	Gauteng	Erf 772 Constantia Kloof Ext 6; Erf 4951 – 4952 Weltevredenpark Ext 151	2013	22 285
Motus Corporation Proprietary Limited	90 682 524	Dealership – Hyundai Edenvale (Service Reception, Commercial Workshop & Stock Parking)	138 – 140 8th Avenue (Cnr 10th Street); 137 – 141 7th Street, Edenvale	Gauteng	Remaining Extent of Erf 33 Edenvale, Portions 2 & 4 of Erf 33 Edenvale and Portions 1 & 2 of Erf 34 Edenvale	1999, 2000, 2005 & 2006	4 955
Motus Group Limited	89 010 251	Dealership – Toyota, Chrysler, Mitsubishi, Filling Station – BP	Cnr Hyperama Link Street, Dick Kemp Street & Edenvale Road	Gauteng	Erven 200 & 201 Meadowdale Ext 6	2011	18 549
AMHA Properties Proprietary Limited	87 753 671	Dealership Ford	145-151 Main Street, Blacktown	New South Wales	Lot 1 DP 1151328	2007	8 139
Motus Corporation Proprietary Limited	87 638 719	Dealership – Hyundai Silver Lakes	8 Bendeman Boulevard (off Solomon Mahlangu Drive), Six Fountains, Silver Lakes	Gauteng	Portion of Erf 1781 Equestria Ext 220	2014	19 002

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Corporation Proprietary Limited	85 236 859	Dealership – Fourways Multifranchise (Kia & Hyundai)	Cnr Cedar Road & Uranium Street, Fourways	Gauteng	Erven 2132 – 2134 Witkoppen Ext 134 (Formerly Portion 438 (a Portion of Portion 128) of the Farm Witkoppen No. 194)	2014	20 510
Direct Shelf 126 Proprietary Limited	81 392 470	Dealership – New Hyundai Vereeniging (Under construction)	Johannesburg Road (R82) (Accessed from Imam Haroon Road), Duncanville, Vereeniging	Gauteng	Erf 1059 & Portion 1 of Erf 1060 Duncanville Ext 4	2014	7 714
Motus Group Limited	70 970 485	Dealership – Motus Toyota Nelspruit (Includes Lexus)	Cnr R40 & Wille Street, Riverside Park Ext 20, Nelspruit	Mpumalanga	Erf 219 Riverside Park Ext 20	2011	25 672
Motus Group Limited	70 816 805	Dealership – Imperial Toyota Parktown	Empire Road/M1 Fly-over, Parktown, Johannesburg	Gauteng	Portion 395 (a portion of Portion 106) of the Farm Braamfontein No 53 IR	2008	15 754
Motus Group Limited	70 803 146	Dealership – Imperial Toyota Langeberg	Cnr Brington Road and Okavango Drive, Langeberg Ridge, Kraaifontein	Western Cape	Portion 179 of the Farm 311 Langeberg (Cape RD)	2015	19 238
Motus Corporation Proprietary Limited	65 543 662	Dealership – Hyundai East Rand	1 Pond Road (Cnr North Rand Road, Pond Road & Annabella Road), Bardene, Boksburg	Gauteng	Erf 629 Bardene Ext 18	2012	8 194
Motus Group Limited	64 750 222	Dealership – Imperial Toyota Kempton Park	5 – 13 Spitfire Street, 25 – 27 Catalina Avenue, 8 – 14 Sunderland Street	Gauteng	Erf 1051 Rhodesfield (Formerly Erven 47 – 51 & 53 – 58 Rhodesfield)	2010	11 913
IH Mobility Holdings UK	61 813 413	Dealership	Ashbourne Road, Mackworth, Derby DE22 4NB	Derby	Ashbourne Road, Mackworth, Derby DE22 4NB	2006	Not specified
Motus Corporation Proprietary Limited	60 942 801	Dealership – East Rand Multifranchise	Cnr Rietfontein & Madeley Roads, Jansen Park, Boksburg	Gauteng	Portion 223 (a Portion of Portion 182) of the Farm Driefontein No. 85 IR	2006	23 940
Motus Group Limited	58 601 755	Dealership – Land Rover, Jaguar & Volvo Bloemfontein	Cnr Zastron, Hill & Wes Burger Streets, Bloemfontein Central	Free State	Erven 11336 & 24908 Bloemfontein (Consolidated Erf 37114)	2013	5 051
Motus Group Limited	55 832 835	Commercial Dealership – Mercedes Benz Boksburg	Delta Road, Hughes, Boksburg	Gauteng	Erven 159 – 164 Hughes Ext 21 & Portion 143 of the Farm Driefontein No. 85 IR	2005	20 451
Jurgens Properties Australia Proprietary Limited	54 428 183	Dealership	13 Sharnet Circuit, Paknham, Melbourne, 3810, Victoria	Victoria	Lot 2 – 708951X	2013	7 013
Motus Group Limited	53 492 537	Panel Shop & PDI Centre – Imperial Auto Body	Springbok Ave, Jet Park, Boksburg	Gauteng	Portion 455 (of Portion 224) of the Farm Klipfontein	2008	21 385
Motus Corporation Proprietary Limited	53 044 065	Dealership – Kia Strijdom Park	Cnr Malibongwe, CR Swart & Langwe Drives, Strijdom Park, Randburg	Gauteng	Erf 78 Strijdom Park Ext 2	2010	1 635
Reeve Derby Limited	51 901 226	Dealership	Chadderton Way and Westhulme Way, Oldham, OL1 2QL	Oldham	Chadderton Way and Westhulme Way, Oldham, OL1 2QL	2005	1 831
Motus Corporation Proprietary Limited	51 804 034	Warehousing – Renault PDC	3 Orlando Street, Spartan, Kempton Park	Gauteng	Portion 115 of Erf 602 Spartan Ext 2	2015	15 041

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Group Limited	51 162 824	Commercial Dealership – MAN (Johannesburg Truck and Bus)	83 Heidelberg Road, City Deep Production Park, City Deep, Johannesburg	Gauteng	Erf 240 City Deep Ext 13	2012	20 689
Motus Corporation Proprietary Limited	50 098 656	Dealership – Pinetown Multifranchise	98 – 106 Josiah Gumede Road, Pinetown Central, Pinetown	KwaZulu-Natal	Erf 32105 Pinetown	2012	8 880
Motus Corporation Proprietary Limited	49 553 675	Dealership – Menlyn Multifranchise (Kia & Hyundai)	224 & 238 Garsfontein Road (232 Bali Avenue), Menlyn, Pretoria East	Gauteng	Erf 761 Newlands Extention 1	2005	19 322
Motus Group Limited	49 463 090	Dealership – Imperial Toyota Strijdompark	49 Highview Boulevard, Ferndale, Randburg	Gauteng	Erf 2060 Ferndale Ext 26	2017	8 515
Motus Corporation Proprietary Limited	49 399 552	Warehousing – Kia PDC	9 Ronbex Road, Activia Park, Germiston	Gauteng	Remaining Extent of Erf 45 Activia Park	2011	24 445
Motus Corporation Proprietary Limited	49 075 068	Dealership – Nelspruit Multifranchise	Cnr R40 & Wille Street, Riverside Park Ext 20, Nelspruit	Mpumalanga	Erf 218 Riverside Park Ext 20	2010	29 494
Motus Corporation Proprietary Limited	44 948 281	Dealership – Hatfield Hyundai	1259, 1273 & 1277 Stanza Bopape Street, Hatfield, Pretoria	Gauteng	Erf 809 Hatfield	2013	6 380
Motus Corporation Proprietary Limited	44 890 634	Dealership – Hyundai Boksburg (Includes Hyundai Commercial)	37 North Rand Road (Cnr Elno Street), Boksburg	Gauteng	Erven 336 – 339 Hughes Ext 55	2006	28 100
Motus Group Limited	43 770 993	Imperial Technical Training Academy Germiston	Dakota Crescent, Airport Park, Germiston	Gauteng	Erf 143 Airport Park Ext 4	2008	4 690
IH Mobility Holdings UK	43 300 268	Dealership	Faraday Road, Dorcan, Swindon, SN3 5JY	Swindon	Faraday Road, Dorcan, Swindon, SN3 5JY	2006	1 464
Motus Group Limited	42 898 172	Commercial Dealership – Magnis Pretoria East	Rooiberg Street, N4 Gateway Industrial Park, Pretoria East	Gauteng	Erf 604 Willow Park Manor Ext 65	2012	17 364
Motus Corporation Proprietary Limited	42 165 655	Dealership – Polokwane Multifranchise	Cnr Nelson Mandela Drive & N1, Polokwane Ext 27, Polokwane	Limpopo	Portion 4 of Erf 6471 Pietersburg Ext 27	2004	8 030
Motus Corporation Proprietary Limited	42 104 847	Dealership – Tygerberg Multifranchise (Kia & Renault)	River's Edge Business Park, Winelands Close, Stikland, Bellville	Western Cape	Unit 17 SS River's Edge Business Park & Erven 40766 & 40768 Bellville (Also Exclusive Use Areas P1 & P2)	2008 & 2015	8 618
Motus Corporation Proprietary Limited	41 944 242	Dealership – Renault Tokai	197 Main Road, Retreat	Western Cape	Remaining Extent of Erf 83331 Cape Town	2013	4 335
Motus Group Limited	40 804 351	Dealership – Ford, Mazda, Jaguar, Land Rover	Knysna Street, Eden Meander, George	Western Cape	Erf 26136 George	2013	7 500
Motus Group Limited	40 256 204	Commercial Dealership – Mercurius Trucks Polokwane	1 Corporate Park (N1), Marmer Street, Magna Via, Polokwane	Limpopo	Portion 43 of Erf 5658 Pietersburg Ext 12	2013	15 582
Motus Group Limited	40 162 164	Dealership – Lindsay Saker Edenvale (VW)	Van Riebeeck Avenue (Cnr Stoneridge Drive), Greenstone Hill, Edenvale	Gauteng	Erven 1359 & 1360 Greenstone Hill Ext 32	2009	6 094

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Corporation Proprietary Limited	39 195 341	Warehouse – Hyundai PDC	76 Cavaleros Drive, Industries West, Germiston	Gauteng	Erf 127 Jupiter Ext 3	2009	14 218
Motus Group Limited	38 668 894	Dealership – BMW Vaalridge Auto, Lindsay Saker, Auto Pedigree	Cnr Troost Street & General Smuts Road, Duncanville	Gauteng	Erf 1025; Portion of the Remaining Extent of Erf 643 Duncanville	2007	54 439
Motus Corporation Proprietary Limited	38 663 329	Dealership – Centurion Hyundai & Renault	Cnr John Vorster Drive & Oak Avenue, Highveld, Centurion	Gauteng	Erf 2996 Highveld Ext 35	2004	24 320
Motus Corporation Proprietary Limited	38 021 425	Dealership – Roodepoort Multifranchise	49 Ontdekkers Road, Helderkruin, Roodepoort	Gauteng	Erf 2325 Helderkruin Ext 30	2007	13 648
Reeve Derby Limited	35 917 189	Dealership	100 Savile Street, Sheffield, S4 7UD	Sheffield	100 Savile Street, Sheffield, S4 7UD	2007	6 500
Hyundai Automotive South Africa Proprietary Limited	35 872 756	Truck Assembly Plant – Hyundai	Sasolburg Place, Apex, Benoni	Gauteng	Erven 398, 399, 400 & 407 Apex Ext 3	2000	31 926
IH Mobility Holdings UK	35 681 554	Dealership	Days Road, St Philips, Bristol, Avon. BS2 0QP	Bristol	Days Road, St Philips, Bristol, Avon. BS2 0QP	2006	Not specified
Motus Group Limited	34 938 250	Dealership – Mercedes Benz Klerksdorp & Auto Pedigree	N12 Provincial Road (Cnr Joe Slovo Road & Platan Avenue)	North West	Portion 572 of the Farm Townlands of Klerksdorp No. 424 IP	2007	39 563
Motus Group Limited	33 977 244	Dealership – Mercedes Benz East Rand Mall	Cnr North Rand & Oosthuizen Roads, Bardene, Boksburg	Gauteng	Erven 1201 & 1202 Bardene Ext 70 (Former Portion 698 of the Farm Klipfontein)	2004	13 369
Motus Corporation Proprietary Limited	33 782 791	Dealership – Vacant (Ex Midrand Multifranchise)	Cnr Olifantsfontein & Pretoria Roads, Midrand	Gauteng	Erf 247 Randjespark Ext 79	2008	10 992
Motus Corporation Proprietary Limited	33 483 145	Showroom – Kia Kempton Park	6/8 Catalina Avenue (Cnr Lodestar & Mustang Streets & Catalina Avenue)	Gauteng	Erven 246 & 271 Rhodesfield	2006	2 564
Motus Corporation Proprietary Limited	33 343 138	Dealership – Edenvale Multifranchise	Cnr Herman & Dick Kemp Streets, Meadowdale, Germiston	Gauteng	Erf 5 Meadowdale	2007	12 800
Motus Group Limited	31 296 598	Office Building – Motus Head Office	Cnr Geldenhuys & Van Dort Streets, Bedfordview	Gauteng	Erf 358 Bedfordview Ext 81	2014	3 123
Motus Corporation Proprietary Limited	31 190 172	Dealership – Hyundai Umhlanga	2 Jubilee Grove & 5/7 Solstice Road, Gateway, Umhlanga Rocks	KwaZulu-Natal	Portions 11 & 12 of Erf 2689 Umhlanga Rocks & Portion 15 of Erf 2483 Umhlanga Rocks	2002	4 453
Reeve Derby Limited	30 493 882	Dealership	Derby Road, Stretton, Burton, DE13 0DF	Burton	Derby Road, Stretton, Burton, DE13 0DF	2002	11 130
Motus Corporation Proprietary Limited	29 780 544	Dealership – Paarden Eiland Multifranchise	25 Kings Road (Cnr Section Road), Brooklyn	Western Cape	Erf 159992 Cape Town	2005	9 394
Motus Group Limited	29 573 334	Dealership – Lindsay Saker East Rand (VW)	142 North Rand Road, Bardene, Boksburg	Gauteng	Consolidated Erf 1322 Bardene Ext 67 (Previously Erven 1198 & 1199 Bardene Ext 67)	2006	13 431
Motus Group Limited	29 408 510	Dealership – Lindsay Saker Johannesburg (VW)	Mooi Street (Corner School Street), Johannesburg CBD	Gauteng	Erven 1090 – 1093 & 1252 City & Suburban Ext 2	2000 & 2007	14 152

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Corporation Proprietary Limited	28 704 679	Dealership – Hyundai & Kia Roodepoort	Cnr C R Swart & Ontdekkers Roads, Wilro Park, Roodepoort	Gauteng	Erf 2601 Wilropark Ext 11 & Remaining Extent of Portion 213 (a Portion of Portion 40) of the Farm Roodepoort No. 237	2001 & 2004	16 835
Motus Group Limited	28 458 387	Commercial Dealership – Mercedes Benz Commercial & Imperial Technical Training Academy	Cnr Dekema & Osborn Roads, Wadeville	Gauteng	Portion 208 of Erf 534 Wadeville Ext 2	2000	35 947
Motus Group Limited	27 951 814	Dealership – Isuzu Trucks Isando	9 Brabazon Ave, Croydon, Kempton Park	Gauteng	Portion 7 of Erf 589 Croydon	2009	13 435
Motus Corporation Proprietary Limited	27 626 682	Dealership – Umhlanga Alpine Audi	Meridian Drive, Umhlanga Rocks	KwaZulu-Natal	Portion 18 of Erf 2518 Umhlanga Rocks	2005	3 647
Motus Group Limited	27 330 968	Commercial Dealership & Old House converted to offices – Hino Pomona	61 Maple Street, Pomona	Gauteng	Remaining Extent of Erf 2414 Pomona Ext 89	2009	12 716
Motus Group Limited	27 176 322	Dealership – Nissan Parow	396 Voortrekker Road, Parow East	Western Cape	Erf 7933 Parow	2012	6 025
Motus Corporation Proprietary Limited	26 892 963	Dealership – Airport Park Multifranchise	19 & 21 Dakota Crescent (Cnr Russel & Cachet Streets & Dakota Crescent), Airport Park, Germiston	Gauteng	Erven 139 & 140 Airport Park Ext 4	2007	8 536
Motus Corporation Proprietary Limited	26 549 778	Dealership – Alberton Multifranchise	50 Louis Trichardt Street (Cnr Voortrekker Road), Alberton Central, Alberton	Gauteng	Remaining Extent of Portion 227 of the Farm Elandsfontein No. 108 IR	2010	15 420
Motus Group Limited	26 317 381	Dealership – Nissan & Mitsubishi East Rand Mall	Cnr Rondebult & Ravenswood Roads, Jansen Park, Boksburg	Gauteng	Portion 8 of Erf 241 Jansen Park Ext 12 & Erven 292 – 293 Jansen Park Ext 25	2004	9 217
Direct Shelf 126 Proprietary Limited	26 297 023	Dealership – Hyundai Vereeniging (Existing)	3 Rhodes Avenue (Cnr Rhodes Avenue & Union Street), Vereeniging	Gauteng	Erf 1406 Vereeniging	2008	3 965
Motus Corporation Proprietary Limited	25 690 410	Dealership – Hyundai Bloemfontein	183 Church Street (Cnr Church & Krause Streets), Oranjesig, Bloemfontein	Free State	Erf 13441 Bloemfontein Ext 80	2007	7 713
Reeve Derby Limited	25 369 871	Dealership	Pentagon Vauxhall, Greengate Industrial Estate, Greenside Way, Middleton, M24 1SA	Middleton	Pentagon Vauxhall, Greengate Industrial Estate, Greenside Way, Middleton, M24 1SA	2001	1 818
Motus Group Limited	25 000 000	Dealearship – Mercedes Benz M2 City	4 & 20 Droste Crescent, Droste Park, Johannesburg	Gauteng	Erven 67 & 68 Droste Park Ext 7	1999	15 387
Motus Corporation Proprietary Limited	24 784 439	Mount Edgecombe Bond Store	2 Hillhead Road, Mount Edgecombe	KwaZulu-Natal	Erf 369 Mount Edgecombe	2005	42 336
Motus Corporation Proprietary Limited	23 870 421	Dealership – Hyundai Diep River	118 Main Road, Plumstead	Western Cape	Remaining Extent of Erf 78643 Cape Town	2006	5 302
Motus Group Limited	23 820 416	Workshop – Merkel Motors Tzaneen	8 Meser Street, Arbor Park, Tzaneen	Limpopo	Portion 9 of Erf 2692 Tzaneen Ext 27	2005	1 685

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IH Mobility Holdings UK	23 652 424	Dealership	Park Road, Halesowen, West Midlands. B63 2RL	Halesowen	Park Road, Halesowen, West Midlands. B63 2RL	2006	Not specified
Motus Corporation Proprietary Limited	23 588 573	Offices & Parking – Liquid Capital	140 Boeing Road East, Elma Park, Bedfordview	Gauteng	Erf 259 Elma Park Ext 11; Portions 847 & 1266 of the Farm Elandsfontein No. 90 IR (Erven 2995 & 2996 Bedfordview Ext 572)	2005, 2006 & 2011	24 448
Motus Group Limited	22 769 954	Dealership – Honda East Rand Mall & Auto Pedigree	Jan Smuts Street, Bardene, Boksburg	Gauteng	Erf 552 Bardene Ext 7	2000	12 106
Motus Group Limited	22 699 482	Dealership – Imperial Ford & Mazda Germiston	Dakota Crescent, fronting onto Russel Road, Airport Park, Germiston	Gauteng	Erf 134 Airport Park Ext 4	2007	16 512
Motus Group Limited	22 641 475	Dealership – Audi Fourways	William Nicol Drive (Access from Sunrise Boulevard), Fourways	Gauteng	Erf 1325 Lone Hill Ext 88	2005	4 380
Properties of Imperial Proprietary Limited	22 000 000	Dealership – Isuzu, Opel	71 St Georges Street (Cnr Church Street), Bloemfontein Central	Free State	Remaining Extent of Erf 24953 Bloemfontein	1997	5 551
Motus Group Limited	21 715 535	Dealership – Ford, Mazda, Mitsubishi, Auto Pedigree	37 Transvaal Street, Paarden Eiland	Western Cape	Erf 110219 Cape Town	2005	14 893
Motus Group Limited	21 194 898	Commercial Dealership – Magnis Samrand	61 Sterling Road, Samrand Industrial Park, Midrand	Gauteng	Erf 892 Kosmosdal Ext 12	2005	21 221
IH Mobility Holdings UK	21 190 994	Dealership	Boulevard Ind Estate, Beacon Road, Beeston, Nottingham, NG9 2JR	Nottingham	Boulevard Ind Estate, Beacon Road, Beeston, Nottingham, NG9 2JR	2006	1 485
Motus Group Limited	20 905 700	Dealership – Hyundai Germiston	13 – 15 Dakota Crescent, Airport Park, Germiston	Gauteng	Remaining Extent of Erf 173 Airport Park Ext 4 (Consolidated Erven 135 – 138 Airport Park Ext 4)	2015	9 868
Motus Corporation Proprietary Limited	20 613 568	Dealership – Hyundai Harbour View	6 – 28 Cato Street, Durban	KwaZulu-Natal	Erven 10379 – 10384 Durban & Portion 1 of Erf 10385 Durban	2001	3 693
Reeve Derby Limited	20 496 034	Dealership	Albert Street, Eccles, Manchester, M30 0LN	Manchester	Albert Street, Eccles, Manchester, M30 0LN	2013	2 270
Motus Group Limited	20 475 243	Panel Shop – BMW ARC Bloemfontein	N8 Botshabelo/Bloemfontein Road (Service Road), Estoire AH, Bloemfontein	Free State	Portion 1 of Erf 90 Estoire Settlement Agricultural Holdings	2007	10 103
Motus Group Limited	20 310 251	Offices & PDI Centre – Auto Pedigree Head Office	81 Steel Road, Spartan, Kempton Park	Gauteng	Erf 67 Spartan	2003	8 354
Motus Group Limited	20 213 603	Depot – Europcar Jet Park	Geertsma Road, Jet Park, Boksburg	Gauteng	Erven 21 – 23 & 56 Jet Park	2000	31 239
Motus Corporation Proprietary Limited	19 678 493	Dealership – Vacant (Future Audi)	Cnr William Nicol Drive & Bryanston Drive, Bryanston	Gauteng	Portion 6 of Erf 77 Bryanston	2005	8 358
Motus Corporation Proprietary Limited	19 316 217	Dealership – Umhlanga Multifranchise	1 – 3 Meridian Drive, Umhlanga Rocks	KwaZulu-Natal	Ptn 18 of Erf 2689 Umhlanga Rocks	2001	7 479
Motus Corporation Proprietary Limited	19 197 213	Dealership – Helderberg Multifranchise	Cnr Old Paardevlei Road & Broadway Boulevard, Somerset West	Western Cape	Erf 15852 Somerset West	2005	8 760

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Corporation Proprietary Limited	18 971 449	Dealership – Cresta Hyundai	Cnr Beyers Naude & Herder Drives, Northcliff	Gauteng	Portion 1 of Erf 1471 Northcliff Ext 4	2010	1 983
Motus Group Limited	18 649 073	Panel Shop – Imperial Auto Body Cape Town	Michigan Place, Airport Industria	Western Cape	Erf 159589 Cape Town	1998	11 500
Motus Corporation Proprietary Limited	18 600 181	Dealership – Hyundai Zambezi	Visvanger Road (fronting onto Sefako Makgatho Drive), Montana Park, Pretoria	Gauteng	Portion 4 of Erf 2173 Montana Park	2007	6 600
Motus Corporation Proprietary Limited	18 175 512	Dealership – Tableview Multifranchise	Cnr Koeberg & Blaauwberg Roads, Milnerton	Western Cape	Erf 20876 Milnerton	2007	6 757
Motus Corporation Proprietary Limited	18 090 106	Dealership – Hyundai Bedfordview	25 – 27 A & B Van Buuren Road (Adjacent to the N3 on/ off ramp), Bedfordview	Gauteng	Remaining Extent of Erf 214 Bedfordview Ext 51, Portion 3 of Erf 1 Oriel & Portion 4 of Erf 1 Oriel	2007	7 218
Motus Group Limited	17 745 121	Commercial Dealership – Magnis Zululand	12 Betastraal Street, Alton, Richards Bay	KwaZulu-Natal	Erf 8753 Richards Bay Ext 28	2008	10 200
Motus Group Limited	17 373 658	Dealership – Honda Westside	Cnr Jim Fouche & Hendrik Potgieter Roads, Allens Nek, Roodepoort	Gauteng	Portion 2 of Erf 681 Allens Nek Ext 19	2003	11 002
Motus Corporation Proprietary Limited	16 867 212	Dealership – Renault Bryanston	Cnr Wedge Park Road & William Nicol Drive, Bryanston	Gauteng	Remaining Extent & Portion 2, both of Erf 81 Bryanston	2003	8 716
Pentagon Crysler (Barnsley) Limited	16 735 029	Dealership	Worth Way and Longcroft, Keighley	Keighley	Worth Way and Longcroft, Keighley	2015	1 532
IH Mobility Holdings UK	16 714 182	Dealership	Leek New Road, Cobridge, Stoke On Trent ST6 2DE	Stoke	Leek New Road, Cobridge, Stoke On Trent ST6 2DE	2006	2 763
Motus Corporation Proprietary Limited	16 527 130	Dealership – The Glen Multifranchise	Boundary Road, Oakdene	Gauteng	Portion 1 of Erf 730 Oakdene	2005	4 100
IH Mobility Holdings UK	16 381 550	Dealership	Land at Spinakker Road, Gloucester	Gloucester	Land at Spinakker Road, Gloucester	2017	2 769
Motus Corporation Proprietary Limited	16 261 311	BKB Bond Store	1539 South Coast Road, Durban	KwaZulu-Natal	Portion 2 of Erf 14 Umlaas, Remaining Extent of Portion 3 of Erf 14 Umlaas & Remaining Extent of Erf 45 Umlaas	2005	19 459
Motus Group Limited	16 252 276	Dealership – Honda Northcliff	8 & 10 Monkor Road, Kelland, Northcliff	Gauteng	Erven 57 & 58 Kelland	2004	3 560
Motus Group Limited	16 243 739	Dealership – Lindsay Saker Alberton (VW)	Cnr Leonard Road & Elandsfontein Drive, Alberton	Gauteng	Erven 8 & 11 Newmarket Park	2002	10 545
Motus Corporation Proprietary Limited	16 213 570	Dealership – Auto Pedigree	9 Dakota Crescent, Airport Park, Germiston	Gauteng	Erf 133 Airport Park Ext 4	2012	4 390
Motus Group Limited	16 172 355	Dealership – Lindsay Saker Fourways (VW)	William Nicol Drive (Access from Sunrise Boulevard), Fourways	Gauteng	Portion 2 of Erf 1180 Lone Hill Ext 56	2001	7 633
Motus Corporation Proprietary Limited	16 126 801	Dealership – Hyundai Edenvale (Showroom, Workshop & Offices)	138 Van Riebeeck Avenue (Cnr 10th Street), Edenvale	Gauteng	Erf 616 Edenvale	2005	1 983

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
IH Mobility Holdings UK	15 992 913	Dealership	Imperial Way, Commerce Park, Frome, Somerset. BA11 2FD	Frome	Imperial Way, Commerce Park, Frome, Somerset. BA11 2FD	2008	1 107
Motus Corporation Proprietary Limited	15 870 856	Dealership – Diep River Multifranchise	193 – 195 Main Road, Diep River	Western Cape	Erf 78949 Cape Town	2011	1 953
Motus Group Limited	15 549 300	Panel Shop – Danmar Westrand	1014 Anvil Road/278 Sifon Street, Robertville, Roodepoort	Gauteng	Erf 369 & 370 Robertville Ext 10	2010	8 714
Motus Corporation Proprietary Limited	15 505 472	Dealership – Hyundai Airport (Commercial Vehicles & Workshop)	Cnr Catalina West & Commando Streets, Rhodesfield, Kempton Park	Gauteng	Erf 1044 Rhodesfield	2006	3 435
Motus Corporation Proprietary Limited	15 308 693	Dealership – Durban Multifranchise	Cnr K E Masinga & Florence Nzama Roads, Durban	KwaZulu-Natal	Portion 1 of Erf 11391 Durban	2005	6 024
Motus Corporation Proprietary Limited	15 226 811	Dealership – Renault Northcliff	16/18 Monkor Road, Kelland, Johannesburg	Gauteng	Erven 61 & 62 Kelland	2004	4 690
Motus Corporation Proprietary Limited	15 022 639	Workshop – Helderberg Hyundai	83 Lourens Street (Cnr Industria Street), Strand Halt, Somerset West	Western Cape	Erf 3749 Somerset West	2007	1 183
IH Mobility Holdings UK	14 684 457	Dealership	Fengate, Peterborough PE1 5XG	Peterborough	Fengate, Peterborough PE1 5XG	2006	Not specified
Pentagon Motor Holdings Limited	14 480 928	Dealership	Stores Road, Derby	Derby	Stores Road, Derby	2017	Not specified
Motus Corporation Proprietary Limited	14 471 896	Warehousing & converted dwelling/office – EZ-go & Sonax	147 Newmarket Street, Northriding	Gauteng	Erven 132 – 134 Hoogland Ext 20	2003	21 227
Motus Corporation Proprietary Limited	14 341 947	Pinetown Bond Store	5 – 9 Westgate Place, Mariannhill	KwaZulu-Natal	Portion 1 of Erf 17773 Pinetown	2004	84 134
Motus Corporation Proprietary Limited	14 084 297	Southgate 1 Bond Store	59 Beechgate Crescent, Southgate Industrial Park, Umbogintwini	KwaZulu-Natal	Erf 80 Umbogintwini	2005	19 559
Motus Corporation Proprietary Limited	13 937 170	Showroom – Helderberg Hyundai	Cnr Lourens Street & N2, Strand Halt, Somerset West	Western Cape	Erf 18750 Somerset West	2010	2 998
Motus Group Limited	13 919 417	Dealership – Imperial Ford & Mazda Kroonstad	2 & 4 Brand Street, Kroonstad	Free State	Portion 4 of Erf 5372 and Erf 1096 Kroonstad; Unit 1 – 2 SS Gresar	2005 & 2006	4 236
Motus Group Limited	13 657 053	Dealership – Isuzu & Opel	6, 8 & 12 Grey Ave (Cnr Voortrekker Road)	Gauteng	Erven 129, 130 & 1407 Vereeniging	2016	7 931
Motus Group Limited	13 651 784	Dealership – Lindsay Saker Airport (VW)	Cnr Catalina, Wellington & Sunderland Streets, Rhodesfield, Kempton Park	Gauteng	Erven 67 – 71, 74, 75 & 1032, all of Rhodesfield	1999, 2005, 2006 & 2014	14 646
IH Mobility Holdings UK	13 116 131	Dealership	Wrexham Road, Rhostyllen, Wrexham LL14 4DP	Wrexham	Wrexham Road, Rhostyllen, Wrexham LL14 4DP	2006	Not specified
Motus Group Limited	12 736 691	Showroom & Covered Parking – Imperial Auto Auctions	Herman Road, Meadowdale, Germiston	Gauteng	Remaining Extent of Portion 1 of Erf 198 Meadowdale	2002	6 153

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Motus Corporation Proprietary Limited	12 731 256	Dealership – Brackenfell Hyundai	Cnr Old Paarl & Sending Roads, St Michaels, Brackenfell	Western Cape	Erf 10852 Brackenfell	1996	4 772
Motus Group Limited	12 682 591	Dealership – Imperial Toyota Randburg	59 North Road (Cnr Bram Fischer Drive), Randburg	Gauteng	Erf 37 Kensington B	1995	4 067
Motus Corporation Proprietary Limited	12 442 156	Dealership – Hyundai	Cnr Saffier Crescent & York Street South, Tamsui Industria, George	Western Cape	Erf 20244 George	2013	5 545
Motus Corporation Proprietary Limited	12 394 084	Dealership – Hyundai The Glen	Boundary Road, Oakdene	Gauteng	Portion 2 of Erf 730 Oakdene	2005	4 100
Motus Corporation Proprietary Limited	12 289 748	Dealership – Hyundai	74 Voortrekker Road (Cnr Hof Street), Bellville	Western Cape	Erf 11225 Bellville	2004	7 225
Motus Corporation Proprietary Limited	12 210 500	Warehouse – Hyundai PDC	88 Connaught Road, Beaconvale, Parow	Western Cape	Erf 24706 Parow	2013	4 462
Motus Group Limited	12 123 233	Dealership – Imperial Ford & Mazda Kempton Park	Cnr Catalina & Wellington Streets, Rhodesfield, Kempton Park	Gauteng	Erven 673 & 1043 Rhodesfield	2004 & 2006	7 912
Motus Corporation Proprietary Limited	11 821 987	Dealership – Northcliff Multifranchise	12/14 Monkor Road, Kelland, Johannesburg	Gauteng	Erven 59 & 60 Kelland	2004	3 479
Motus Group Limited	11 665 869	Panel Shop – Danmar Auto Refurbishers	39 Earp Street/61 Ophir-Booysens Road/14 Hillard Street/30 Kimberley-Booysens Road, Johannesburg	Gauteng	Erven 259, 260, 414 & 538 Ophirton	2010	7 747
IH Mobility Holdings UK	11 629 407	Dealership	Barnard Road, Bowthorpe, Norwich NR5 9JB	Norwich	Barnard Road, Bowthorpe, Norwich NR5 9JB	2006	Not specified
Motus Corporation Proprietary Limited	11 619 053	Dealership – Renault Fourways	Cnr Noon and Sunrise Boulevard, Fourways	Gauteng	Portion 1 of Erf 1180 Lonehill Ext 56	2007	2 504
Motus Corporation Proprietary Limited	11 466 965	Dealership – Hyundai Bryanston	2973 William Nicol Drive, Bryanston	Gauteng	Remaining Extent & Portion 3, both of Erf 80 Bryanston	2003	6 197
Motus Group Limited	11 225 721	Commercial Dealership – Imperial Commercials Polokwane	81 19th Street, Industria, Pietersburg	Limpopo	Erf 1486 Pietersburg Ext 3	2000	3 263
Motus Corporation Proprietary Limited	11 063 913	Dealership – Bloemfontein Multifranchise	89 Church Street, Oranjesig, Bloemfontein	Free State	Remaining Extent of Portion 1 & Portion 2, both of Erf 1916 Bloemfontein	2001	7 064
Motus Corporation Proprietary Limited	10 510 146	Dealership – Alberton Multifranchise	5 & 7 Voortrekker Road, New Redruth, Alberton	Gauteng	Erven 692 & 985 New Redruth	2003	5 948
Motus Corporation Proprietary Limited	10 449 500	Dealership – Proposed Hyundai Brakpan	2 Beechwood Drive, Brakpan	Gauteng	Portion 2 of Erf 3111 Dalpark Ext 19	2016	11 787
Motus Group Limited	9 978 269	Commercial Dealership – Imperial Truck Center (Hino)	18 Jan Van Riebeeck Drive (Cnr Epping Avenue), Elsies River Industrial, Goodwood	Western Cape	Erf 33989 Goodwood	2013	9 341

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Group Limited	9 940 478	Dealership – Lindsay Saker East Rand Mall (VW)	Annabella Road (fronting onto Rondebult Road), Bardene, Boksburg	Gauteng	Erf 1259 Bardene Ext 47 (Consolidated Erven 1107 & 1108)	2006	6 436
IH Mobility Holdings UK	9 347 282	Dealership	8 South Wardpark Court, Cumbernauld, Glasgow, G67 3HE	Cumbernauld	8 South Wardpark Court, Cumbernauld, Glasgow, G67 3HE	2006	Not specified
Motus Group Limited	9 303 926	Depot – Europcar Pomona & Auction Nation	Corner Sim & Tulbagh Roads, Pomona	Gauteng	Portion 134 of the Farm Rietfontein No. 32 IR	1996	20 690
Motus Group Limited	9 300 266	Panel Shop – Danmar Benoni	3 Goud Road, Goedeburg Ext 22, Benoni	Gauteng	Erf 262 Goedeburg Ext 22	2011	6 794
Motus Corporation Proprietary Limited	9 149 879	Workshop – Hyundai PDI Centre	Cnr Turf & Main Reef Roads, Anderbolt, Boksburg	Gauteng	Erf 56 Anderbolt Ext 15	2009	9 410
Motus Corporation Proprietary Limited	8 956 648	Dealership – Hyundai Pietermaritzburg	198 Greyling Street/193 Boom Street, Pietermaritzburg	KwaZulu-Natal	Remaining Extent of Erf 2119 Pietermaritzburg; Portions 4 & 5 of Erf 2119 Pietermaritzburg	2004	3 549
Motus Corporation Proprietary Limited	8 918 634	Dealership – Eastgate Kawasaki	15 Spartan Crescent, Eastgate Ext 3, Sandton	Gauteng	Erf 137 Eastgate Ext 3	2004	4 000
IH Mobility Holdings UK	8 447 453	Dealership	Factory Road, Sandycroft, Deeside, Flintshire CH5 2QJ	Chester	Factory Road, Sandycroft, Deeside, Flintshire CH5 2QJ	2006	Not specified
Motus Group Limited	8 426 408	Showroom – Auto Pedigree Parow	4 Fritz Spilhaus Avenue, Parow, Cape Town	Western Cape	Erf 22429 Parow	2014	1 232
Motus Group Limited	8 101 775	Showroom – Auto Pedigree Montana Park	2173 Veda Avenue, Montana Park, Pretoria North	Gauteng	Portion 6 of Erf 2173 Montana Park	2007	3 088
Motus Corporation Proprietary Limited	7 592 767	Dealership – Pinetown Renault	156 Josiah Gumede Road, Pinetown Central, Pinetown	KwaZulu-Natal	Erf 2250 Pinetown	2002	3 656
Motus Group Limited	7 588 505	Dealership – Imperial Ford & Mazda Diep River	64 Main Road, Diep River	Western Cape	Erf 166178 Cape Town	2005	4 691
Motus Group Limited	7 282 187	Showroom – Auto Pedigree Goodwood	Frans Conradie Drive, N1 City, Goodwood, Cape Town	Western Cape	Erf 39227 Goodwood	2005	3 587
Motus Group Limited	7 011 570	Dealership – Lindsay Saker Vereeniging (VW & Audi)	Cnr Johannesburg (R82) & General Smuts Roads, Duncanville, Vereeniging	Gauteng	Remaining Extent of Erf 1060 & Erven 1061 – 1062 Duncanville Ext 4	2014	22 374
Motus Group Limited	6 800 000	Commercial Dealership – Magnis Bloemfontein	109 Fritz Stockenstrom Street (Rear entrance from Harry Watkins Street), Ooseinde	Free State	Erven 19033 & 27943 Bloemfontein	2011	4 309
Motus Corporation Proprietary Limited	6 745 621	Vacant land	Meridian Drive, Umhlanga Rocks	KwaZulu-Natal	Portion 10 of Erf 2527 Umhlanga Rocks	2008	4 224
Motus Group Limited	6 722 091	Dealership – Imperial Toyota Johannesburg	Cnr Kruger & Commissioner Streets, Johannesburg CBD	Gauteng	Erven 835 – 836; 841 – 842 & 1249 City & Suburban	2000 & 2006	2 409
Motus Corporation Proprietary Limited	6 702 942	Dealership – Hyundai Heidelberg	3 Meyer Street (Cnr Meyer & Smit Streets), Heidelberg	Gauteng	Portion 1 of Erf 420 Heidelberg & Erf 6148 Heidelberg	2010 & 2012	2 974
Motus Group Limited	6 471 398	Vacant land	4 Wille Street (off R40), Riverside Park, Nelspruit	Mpumalanga	Remaining Extent of Erf 220 Riverside Park Ext 20	2011	21 138

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Corporation Proprietary Limited	6 242 551	Training Centre – Kia	93/95 8th Avenue, Edenvale	Gauteng	Portions 9 & 11 of Erf 24 Edenvale	2006	1 982
Motus Corporation Proprietary Limited	6 037 501	Dealership – Route 24 Renault	Cnr Herman & Kuschke Roads, Meadowdale, Germiston	Gauteng	Erf 184 Meadowdale Ext 3	2005	4 857
Motus Group Limited	5 606 268	Dealership – Auto Pedigree Bloemfontein – Church Street	86 Church Street, Bloemfontein	Free State	Unit 37 SS Fernette	2008	3 026
Motus Group Limited	5 452 655	Showroom – Auto Pedigree Kempton Park	3 Mars Street, Rhodesfield, Kempton Park	Gauteng	Erf 7 Rhodesfield	2005	1 358
Motus Corporation Proprietary Limited	5 322 075	Dealership – George Multifranchise	Cnr York Street & P.W. Botha Boulevard, Tamsui Industria, George	Western Cape	Erf 14784 George	2001	6 492
Motus Group Limited	5 069 164	Dealership – Isuzu	90 Krogh Street, Makhado	Limpopo	Erf 3304 Louis Trichardt	2000	5 710
Motus Group Limited	5 000 000	Dealership – Imperial Caravans Alberton	4, 8 & 10 Nansen Place/37 Purcell Street/119 & 125 South Rand Service Road, Tulisa Park, Johannesburg	Gauteng	Erven 121 – 124; Portion 1 of Erf 126 & Portion 1 of Erf 127, all of Tulisa Park	2012	6 075
Motus Corporation Proprietary Limited	4 981 071	Offices (Converted House)	22 Boeing Road East, Dunvegan, Edenvale	Gauteng	Erf 403 Dunvegan	1995	1 122
Motus Corporation Proprietary Limited	4 975 680	Showroom – Hyundai Airport	7 & 9 Catalina West Street (Cnr Catalina West & Commando Streets), Rhodesfield, Kempton Park	Gauteng	Erven 8 & 9 Rhodesfield	2005	3 312
Motus Group Limited	4 776 304	Dealership – Lindsay Saker Welkom (VW & Audi)	5 Osprey Road (Cnr Jan Hofmeyr & Arrarat Roads), Welkom	Free State	Erf 6 Welkom	1999	8 208
Motus Group Limited	4 214 978	Dealership – Nissan Kimberley	1 Elliott Street (Cnr Elliott Street, Cecil Sussman Road (N12) & the Barkley West Road (R31))	Northern Cape	Remaining Extent of Erf 7368 Kimberley	2005	6 557
Motus Group Limited	3 250 000	Covered Parking – Auto Pedigree Wholesalers	Anson Street, Rhodesfield, Kempton Park	Gauteng	Erven 30 & 31 Rhodesfield	2012	2 467
Motus Group Limited	3 069 811	Vacant land	Knysna Street, Eden Meander, George	Western Cape	Erf 26137 George	2013	2 556
Motus Group Limited	3 000 000	Dealership – Vacant (Formerly Isuzu & Auto Pedigree)	2 Edison Boulevard (Cnr Jan Van Riebeeck), Vanderbijl Park	Gauteng	Erf 34 Vanderbijl Park Central East No. 6	2005	2 450
Motus Group Limited	2 607 116	Dealership – Vacant (Formerly Cargo Motors – Mercedes Benz)	Cnr Fourth Avenue & Twelfth Street, Springs	Gauteng	Erf 1908 and Remaining Extent of Erf 1239, both of Springs	2003	4 444
Motus Group Limited	1 918 459	Manufacturing plant – Jurgens Ci – Ga- Rankuwa	Main Road, Ga-Rankuwa Industrial	Gauteng	Erven 1 – 3 Ga-Rankuwa Industrial	2015	57 984
Motus Group Limited	1 840 007	Sectional Title Offices – Vacant	Units 9 & 10, 130 Boeing Road East, Bedfordview	Gauteng	Units 9 & 10 SS Scherre Park	2011	387

Owner	NBV (ZAR)	Property Type	Location	Province	Property Description	Date of Purchase	Area (sqm)
Motus Group Limited	1 661 050	Commercial Dealership – Volvo (Lereko)	63 19th Street (Cnr Ninth Avenue)	Limpopo	Erf 6041 Pietersburg Extension 3	1995	6 705
Motus Group Limited	1 506 758	Dealership – Auto Pedigree Bloemfontein – Zastron Street	Zastron Street, Bloemfontein CBD	Free State	Erven 622 & 26460 Bloemfontein	2004 & 2014	2 573
Motus Group Limited	1 437 292	Showroom – Auto Pedigree Pretoria North	470 Rachel De Beer Street (Cnr Danie Theron Road)	Gauteng	Remaining Extent of Erf 950 Pretoria North	1995	1 275
Motus Group Limited	1 435 739	Showroom – Auto Pedigree Krugersdorp	137 Luipaard Street (Cnr Birmingham Street), Krugersdorp	Gauteng	Erven 321 – 323 Luipaardsvlei	2013	991
Motus Group Limited	249 585	Showroom – Auto Pedigree Plumstead	9 Main Road, Plumstead	Western Cape	Erf 91480 Plumstead	2005	1 335
Rob Ferreira Motors Proprietary Limited	50 101	Engen Filling Station & Feast Restaurant – Rob Ferreira Motors	Kaapschehoop Road, Nelspruit	Mpumalanga	Portion 79 (a portion of Portion 47) of the Farm Besters Last No. 311 JT	1988	3 278

Principal immovable property leased by Motus are set out below:

Owner	Property Type	Location		Net/Gross Rental Monthly (Rands)	Unexpired term of lease in Months	Area(m²)
Thomas Family Trust	Dealership	South Africa	Kimberley	200 000	46	4 695
Spearhead Property Holdings Limited	Dealership	South Africa	Cape Town	209 481	17	1 687
Transnet Limited	Stock Yard	South Africa	Cape Town	210 321	12	280
Noor Trust	Dealership	South Africa	Durban	210 876	8	3 205
Acsa Durban	Rental outlet	South Africa	Durban	214 122	9	522
SAT Properties Limited	Dealership	South Africa	Durban	231 260	34	8 250
Growthpoint Management Services Proprietary Limited	Dealership	South Africa	Pretoria	233 232	4	5 583
Micawber 239 Proprietary Limited	Dealership	South Africa	Johannesburg	236 298	12	4 397
Broll Property Group Proprietary Limited	Building	South Africa	Johannesburg	238 403	16	4 351
Arnold Properties	Dealership	South Africa	Cape Town	241 999	15	1 921
Passenger Rail Agency of South Africa (Prasa)	Dealership	South Africa	Cape Town	254 165	27	8 163
Glenfairprop Proprietary Limited	Dealership	South Africa	Cape Town	258 685	48	1 755
JHI Properties Proprietary Limited	Building	South Africa	Boksburg	265 624	22	5 490
Orcinus Properties Proprietary Limited	Dealership	South Africa	Cape Town	266 485	21	1 341
Sunshine Investments Proprietary Limited	Dealership	South Africa	Cape Town	275 000	56	2 257
ACSA Johannesburg	Rental outlet	South Africa	Johannesburg	283 894	9	713
ACSA Cape Town	Rental outlet	South Africa	Cape Town	294 707	9	697
Mille Inv 187 Proprietary Limited	Dealership	South Africa	Wonderboom	294 996	78	3 443
Blend Property 10	Dealership	South Africa	Johannesburg	316 895	52	3 064
Gemgrow Properties	Dealership	South Africa	Pretoria	337 903	51	3 653
Haloworx Inv Proprietary Limited	Dealership	South Africa	Durban	344 011	8	2 489
Paciscor Beleggings	Dealership	South Africa	Cape Town	346 130	41	2 751
M&F Giuricich Developments Proprietary Limited	Dealership	South Africa	Pretoria	402 800	39	5 519
Growtpoint Properties Limited	Dealership	South Africa	Johannesburg	448 965	2	4 944
SA Retail Properties	Dealership	South Africa	Durban	602 000	8	6 186
Silver Leaf Property Fund	Dealership	South Africa	Johannesburg	707 898	22	7 048
Truzen Trust	Warehouse/ offices	South Africa	Durban	890 197	6	14 570
ACSA	Dealership	South Africa	Johannesburg	1 262 628	12	315
TVS Enterprises Proprietary Limited	Dealership	Australia	Traralgon	235 173	109	4 692
Long Reef Group Proprietary Limited	Dealership	Australia	Chullora	250 337	36	1 703
JILS Property Trust	Dealership	Australia	Traralgon	256 817	114	5 500
TVS Enterprises Proprietary Limited	Dealership	Australia	Traralgon	324 852	109	4 200
M & G Hoskins Proprietary Limited	Dealership	Australia	Arncliffe	421 694	32	2 200
Melrose Park Transport Proprietary Limited	Service Centre	Australia	Melrose Park	493 929	102	13 000
Stoneace Proprietary Limited	Parts Warehouse	Australia	Smithfield	540 668	55	20 600
TVS Enterprises Proprietary Limited	Dealership	Australia	Traralgon	561 209	109	20 000
Taleb Property Proprietary Limited	Parts Warehouse	Australia	Arncliffe	738 553	8	6 000
Watts of Lydney	Dealership	United Kingdom	Gloucester	206 878	5	Not specified
Sutton Road Limited	Dealership	United Kingdom	Mansfield	206 878	3	Not specified
H W Coates Limited	Dealership	United Kingdom	Newmarket	237 462	131	Not specified
Charles Warner Properties Limited	Dealership	United Kingdom	Lincoln	257 907	80	Not specified
Arkley Commercial Property Limited	Dealership	United Kingdom	Thurrock	310 316	130	Not specified
Thomas Roberts Estates Limited	Dealership	United Kingdom	Lincoln	355 829	80	Not specified
Clowes Development (UK) Limited	Dealership	United Kingdom	Derby	377 896	67	Not specified
New Crown Sharpes Limited	Dealership	United Kingdom	Nottingham	380 655	35	Not specified
Arkley Commercial Property Limited	Dealership	United Kingdom	Welham Green	563 166	130	Not specified
Sheffield Parkway LLP	Dealership	United Kingdom	Sheffield	648 726	109	Not specified

SUBSIDIARY COMPANIES

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
360 Plus Proprietary Limited	25 October 2011	South Africa	2011/127388/07	2	100%	No	Specialist in the development and administration of automotive service and maintenance plans for the new and used motor industry	1 March 2016
Accordian Investments Proprietary Limited	28 October 2003	South Africa	2003/027086/07	45 000 000	60%	No	Import and distribution of Tata vehicles and parts for South Africa.	1 April 2004
African Car Hire Swaziland Proprietary Limited	6 February 1968	Swaziland	10/1968	4	75%	No	Car rental	6 February 1968
African Car Hire Lesotho Proprietary Limited	18 February 2008	Lesotho	2008/180	1 000	100%	No	Car rental	18 February 2008
Alert Engine Parts (Namibia) Proprietary Limited	10 November 1969	Namibia	69/16988/07	2	100%	No	Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	1 July 2015
Amalgamated Automobile Distributors Proprietary Limited	13 March 1972	South Africa	1972/002784/07	4 006	100%	No	Importer and distributor of motor vehicles and related parts and accessories.	22 February 2017
Amalgamated Automobile Holdings Proprietary Limited	16 January 2012	South Africa	2012/006810/07	100	100%	No	Property rental company and the import and distribution of car care products.	22 February 2017
AMC Tanzania Limited	11 September 2014	Tanzania	111142	10 000	100%	No	Automotive distribution	11 September 2014
AMH Africa Proprietary Limited	27 March 2014	South Africa	2014/063620/07	120	100%	No	Automotive distribution	27 November 2014
AMH Kenya Limited	19 June 2014	Kenya	2014/147924	100	99%	No	Automotive distribution	19 June 2014
Associated Motor Holdings (Namibia) Proprietary Limited	29 March 2000	Namibia	2000/154	401	100%	No	Motor vehicle dealership	12 March 2013
AMH Tanzania Limited	16 June 2014	Tanzania	109070	10 000	99,99%	No	Investment holding company	16 June 2014

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
AMHA Properties Proprietary Limited	20 October 2006	Australia	112 289 534	100	100%	No	Property company	20 October 2006
Anvil Premium Finance Proprietary Limited	28 January 1998	South Africa	1998/001411/07	100	100%	No	Financial services: Factored Commissions	26 June 2007
ARCO Motor Industries Co Limited	30 November 1981	Taiwan	10607115980	6 106 800	60%	No	Motor vehicle parts agent	1 March 2018
Associated Car Supplies Limited	14 May 2014	Zambia	122355	100	99%	No	Automotive distribution	14 May 2014
Associated Motors Holdings Blantyre Limited	30 June 2014	Malawi	13726	50	99%	No	Automotive distribution	30 June 2014
Australian Automotive Group Proprietary Limited	27 July 1999	Australia	088817912	155 870 996	100%	No	Automotive sales and servicing	1 April 2005
Auto Pedigree Proprietary Limited	14 April 1969	South Africa	1969/005581/07	10 100	100%	No	Insurance broker on behalf of various insurance companies	14 April 1969
Automotive Distributors Africa Limited	9 February 2015	UAE	170264	100	100%	No	Import and export conduit	9 February 2015
Automotive Distributors Africa Limited	13 August 2015	South Africa	2015/286662/10	100	100%	No	Import and export conduit	13 August 2015
Banoscene Proprietary Limited	8 September 2015	South Africa	2015/319160/07	1 000	100%	No	Property company	8 September 2015
Beekman Super Canopies Namibia Proprietary Limited	1 September 2012	Namibia	2012/0651	100	100%	No	Manufacture, distribution and retailing of fibreglass canopies and related parts for the light commercial vehicle market.	1 September 2012
Beekman Super Canopies Proprietary Limited	10 May 2005	South Africa	2005/014249/07	20 000	100%	No	Manufacture, distribution and retailing of fibreglass canopies and related parts for the light commercial vehicle market	10 May 2005
Boundless Trade 154 Proprietary Limited	12 October 2000	South Africa	2000/025968/07	200	100%	No	Trading and investment in its widest form including property owning	22 February 2017
Brietta Trading Proprietary Limited	1 November 2007	South Africa	2007/031442/07	100	100%	No	Importer and distributor of motor vehicles and related services	4 March 2011
Crown Motors Group Limited	31 July 2014	Kenya	2014/154157	1 000	100%	No	Automotive distribution	31 July 2014
Direct Shelf 126 Proprietary Limited	22 March 2000	South Africa	2000/005399/07	100	100%	No	Trading and investment as principal in its widest form	2 May 2000

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
Europcar South Africa Proprietary Limited	8 December 2017	South Africa	2017/243996/07	100	100%	No	Car rental	8 December 2017
F & I Management Solutions Proprietary Limited	21 February 2008	South Africa	2008/004511/07	100	100%	No	To provide finance and insurance products to motor dealerships and their customers	12 January 2010
Future Automobile Distributors Proprietary Limited	24 February 2012	South Africa	2012/037781/07	120	100%	No	Importer and distributor of motor vehicles and related parts and accessories.	22 February 2017
Gippsland Motor Group Proprietary Limited	23 February 2006	Australia	118 504 475	2 700 000	75%	No	Motor dealership	1 October 2017
HGK Investments Forty Three Proprietary Limited	16 May 2011	Namibia	2011/0287	100	100%	No	Investment and development in all sectors, including but not limited to the sale of non-insurance related aftermarket products	12 July 2011
Humberside Tail Lifts Limited	7 February 2000	United Kingdom	03920482	100 000	100%	No	Commercial vehicle tail lift aftersales	3 November 2015
Hyundai Automotive (Botswana) Proprietary Limited	26 April 1999	Botswana	99/1458	16 000	100%	No	Network dealer for Hyundai Automotive South Africa.	24 November 2016
Hyundai Automotive South Africa Proprietary Limited	26 July 1999	South Africa	1999/015934/07	1 000	100%	No	Importer and distributor of Hyundai vehicles and parts for Southern Africa	15 February 2000
IH Mobility Holdings (UK) Limited	12 May 2005	United Kingdom	05560602	103	100%	No	Intermediate holding company in the UK, involved in the commercial vehicle market, from light commercial to medium, heavy and extra-heavy commercial vehicles. It sells new and used vehicles and vans as well as related financial services, parts and servicing.	11 April 2006
Imperial Airport Car Rental Namibia Proprietary Limited	30 October 2003	Namibia	2003/636	100	75%	No	Car rental	30 October 2003

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
Imperial Car Imports Proprietary Limited	9 July 1955	South Africa	1955/002111/07	5 000	100%	No	Imperial Car Imports has a 60% interest in Renault SA Proprietary Limited.	15 May 2000
Imperial Car Rental Botswana Proprietary Limited	8 June 1988	Botswana	1988/564	100	99%	No	Car rental	8 June 1988
Imperial Commercials Limited	23 March 1960	United Kingdom	0653665	560 000	100%	No	Commercial vehicles dealership network with franchise agreements with DAF Trucks, MAN, Isuzu Truck (UK), Volkswagen, Ford, Nissan and Fiat.	11 April 2006
Imperial Daihatsu Proprietary Limited	3 October 1968	South Africa	1968/011636/07	1 000 000	100%	No	Importers of motor vehicles, motor vehicle parts and accessories	30 May 2000
Imperial Dealership Finance Products And Services Proprietary Limited	10 December 2004	South Africa	2004/035245/07	100	100%	No	Financial intermediary that acts on behalf of various insurance companies.	10 December 2004
Imperial Green Mobility Proprietary Limited	15 July 2004	South Africa	2004/019749/07	900	100%	No	Golf cart distribution	1 February 2016
Imperial Motors Limited	19 February 1953	Malawi	310	5 000	51%	No	Auctioneers, valuators, commissioning agents, brokers, assessors of insurance claims, arbitrators, wholesale and retail general merchants, exporters, importers and manufacturers' and wholesalers' representatives	1 February 2016
Imperial Motors Zambia Limited	3 July 2014	Zambia	123935	10 000	90%	No	Automotive distribution	3 July 2014
Bumpa Auto Proprietary Limited (K2017393047)	06 September 2017	South Africa	2017/393047/07	100	100%	No	Digital commerce platform	6 September 2017
Kaalfontein Yard Proprietary Limited	1 August 2006	South Africa	2006/023937/07	1 000	100%	No	Warehouse property	1 July 2017
Kia Motors South Africa Proprietary Limited	26 March 1968	South Africa	1968/003273/07	25 000	100%	No	Importer and distributor of Kia vehicles and parts for South Africa.	21 January 2000
Konvoi Proprietary Limited	18 May 2017	South Africa	2017/217199/07	1 000	100%	No	Empowerment holding company	18 May 2017
Liquid Capital Proprietary Limited	12 June 2001	South Africa	2001/012511/07	600	100%	No	Financial and associated services	30 January 2002

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
Midas Limited	1 March 1968	South Africa	1968/002260/06	29 734 056	100%	No	Automotive aftermarkets parts wholesaler and retailer	10 December 2008
Motor Compliance Solutions Proprietary Limited	17 January 2001	South Africa	2001/000890/07	100	100%	No	Compliance solutions for motor dealers (Insurance broking services)	22 June 2017
Motor Happy Proprietary Limited	30 January 2014	South Africa	2014/020352/07	1 000	100%	No	Financial and associated services	2 September 2014
Motus Australia Proprietary Limited	29 March 2005	Australia	113 527 263	95 222 222	100%	No	Holding company for the retail operations for Ford, Mitsubishi and Renault, through six dealerships in the Sydney area.	29 March 2005
Motus Capital Proprietary Limited	13 April 2017	South Africa	2017/164032/07	300	100%	No	Domestic treasury management company and holding company of foreign subsidiaries	13 April 2017
Motus Corporation Proprietary Limited	17 February 1969	South Africa	1969/002321/07	500 000	100%	No	Holding company of South African subsidiaries and operations	23 June 2000
Motus Group Limited	25 August 1983	South Africa	1983/009088/06	165	100%	No	Holding company of Retail and Rental and Aftermarket Parts divisions	31 May 2018
Motus Wholesale Proprietary Limited	21 April 2011	Australia	150 568 157	12	100%	No	Online wholesaling business	21 April 2011
MSure Proprietary Limited	17 September 2002	South Africa	2002/022941/07	1 010 000	100%	No	Primarily engaged in the business of selling and administering warranties, extend warranties and service and maintenance plans	26 June 2017
National Automobile Parts Association Limited	6 December 1971	South Africa	1971/013578/07	1 912 500	100%	No	Co-operative buying and marketing organisation for independent parts and accessory outlets in Southern Africa	10 December 2008
Orwell Trucks Limited	19 April 1991	United Kingdom	02603387	86 796	100%	No	Mercedes-Benz commercial vehicle dealerships	12 February 2013
Paint Tech Maintenance Proprietary Limited	25 February 2010	South Africa	2010/003758/07	100	100%	No	Administration of Maintenance Contracts	23 June 2017
Pakenham Mega Motors Proprietary Limited	12 January 2015	Australia	603 644 999	10	75%	No	Motor dealership	1 October 2017

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
Pearl Automotive Proprietary Limited	28 July 2000	South Africa	2000/017238/07	100	100%	No	Importation, sales and service of MG Rover motor vehicles for South Africa	1 September 2001
Pentagon (Huddersfield) Limited	10 January 2011	United Kingdom	7486004	350 000	100%	No	Motor dealership	1 September 2017
Pentagon (Nottingham) Limited	11 March 2011	United Kingdom	7561309	150 000	100%	No	Motor dealership	1 September 2017
Pentagon (Burton On Trent) Limited	27 January 2005	United Kingdom	5344870	500 000	100%	No	Motor dealership	1 September 2017
Pentagon (Mazda) Limited	17 June 2015	United Kingdom	9643758	75 000	100%	No	Motor dealership	1 September 2017
Pentagon (Mitsubishi) Limited	17 June 2015	United Kingdom	9643736	75 000	100%	No	Motor dealership	1 September 2017
Pentagon (Oldham) Limited	5 October 2010	United Kingdom	7116762	250 000	100%	No	Motor dealership	1 September 2017
Pentagon Chrysler (Barnsley) Limited	5 October 2010	United Kingdom	7116764	75 000	100%	No	Motor dealership	1 September 2017
Pentagon Chrysler (Manchester) Limited	26 October 2009	United Kingdom	07057305	75 000	100%	No	Motor dealership	1 September 2017
Pentagon Motor Holdings Limited	13 April 2006	United Kingdom	5780177	10 578 452	100%	No	Motor dealership	1 September 2017
Reeve Derby Limited	6 December 2000	United Kingdom	4120259	2 201 731	100%	No	Motor dealership	1 September 2017
Reeve (Lincoln) Limited	13 January 2015	United Kingdom	05582303	1 000 000	100%	No	Motor dealership	1 September 2017
Renault South Africa Proprietary Limited	27 March 2001	South Africa	2001/006874/07	1 480	60%	No	Through distribution agreements with Renault SAS France, imports and distributes Renault motor vehicles and parts in South Africa.	3 December 2013
S&B Commercials Plc	12 May 1982	United Kingdom	01635078	50 000	100%	No	Mercedes-Benz Commercial Vehicle dealerships located in North London, Hertfordshire and Essex.	5 September 2014

Name	Date of incorporation	Place incorporated	Registration number	Issued/ stated share capital	Securities held directly or indirectly by Motus	Listed	Main business	Date on which company became subsidiary
SA Vehicle Maintenance Proprietary Limited	23 May 2000	South Africa	2000/009578/07	100	100%	No	Financial Services, Insurance and Vehicle Warranties and Maintenance	26 June 2017
SWT Group Proprietary Limited	12 October 2004	Australia	111 336 531	7 420 691	75%	No	Holding company for the operation of 16 vehicle dealerships in Australia.	1 October 2017
Taylormade Truck Bodies Proprietary Limited	30 January 2014	South Africa	2014/020351/07	100 000	100%	No	Manufacture of trucks	13 March 2014
Tempest South Africa Proprietary Limited	8 December 2017	South Africa	2017/232547/07	100	100%	No	Car rental	8 December 2017
Trarlagon Motor Group Proprietary Limited	12 September 2013	Australia	165 775 977	100	75%	No	Motor dealership	1 October 2017
Twin Dragons Proprietary Limited	24 October 2000	South Africa	2000/027015/07	100	100%	No	Importers and distributors of motor vehicles, motor vehicle parts and	26 June 2004
Virtual Sales Proprietary Limited	5 December 2012	South Africa	2012/216905/07	100	100%	No	Online sales	5 December 2012
Vivien Investments One Hundred And Forty Eight Proprietary Limited	20 July 2015	Namibia	2015/0713	100	100%	No	Property investment company	20 July 2015
VSL Holdings Proprietary Limited	26 October 2015	Australia	608 947 913	1 000	75%	No	Holding company	1 October 2017
VSL Motors Proprietary Limited	26 October 2015	Australia	608 951 551	100	75%	No	Motor dealership	1 October 2017

DIRECTORSHIPS OF MOTUS DIRECTORS

The companies and partnerships of which the Directors of the Company have been directors or partners at any time during the previous five years preceding the Last Practicable Date are set out below:

Osman Suluman Arbee

Current	Designation
Imperial Holdings	Director
Kia Motors South Africa	Director
Imperial Daihatsu	Director
Motus Corporation	Director
Amalgamated Automobile Distributors	Director
Motus Group	Director
Hyundai Automotive South Africa	Director
Twin Dragons Automotive	Director
Renault South Africa	Director
Accordian Investments	Director
Lereko Mobility	Director
C2 Computer Investments	Director
Kaalfontein Yard	Director
Brietta Trading	Director
Amalgamated Automobile Holdings	Director
Future Automobile Distributors	Director
Automotive Distributors Africa Limited (Incorporated In Jebel Ali Free Zone, UAE)	Director
Motus Capital	Director
AA and Zayzay Properties	Director
Motus Financial Services	Director
Motus Holdings	Director
Mbuhle Property CC	Member
Previous	
Durand And Bowden	Director
Auto Pedigree	Director
Springbok Atlas	Director
Distribution and Warehousing Network	Director
Jurgens CI	Director
Goscor Cleaning Equipment	Director
Silverton Travel	Director
Life Green Group	Director
Ibl Asset Finance And Services	Director
Tourism Investment Corporation	Director
Tourism Holdings Rental S A	Director
Ukhamba Holdings	Director
Executive Carport	Director
Car Hire Brokers	Director
Royal Administrators	Director
Amasondo Fleet Services	Director
Fuelogic	Director
Giuricich Bros Construction	Director
Lereko Motors	Director

Africa Automotive Aftermarket Solutions	Director
UGS Investment Holdings	Director
Ukhamba Green Services	Director
Pandae Storage Systems (SA)	Director
Evergreen Turf	Director
Imperial Capital	Director
Elbow And Essiena	Director
S A Instant Lawn	Director
Gage Car Rental	Director
Pandae Green Solutions	Director
LGG Investment Holdings	Director

Ockert Jacobus Janse Van Rensburg

Current	**Designation**
Kia Motors South Africa	Director
Imperial Daihatsu	Director
Motus Corporation	Director
Amalgamated Automobile Distributors	Director
Motus Group	Director
LOR Technologies	Director
Hyundai Automotive South Africa	Director
Carfind	Director
Twin Dragons Automotive	Director
Renault South Africa	Director
C2 Computer Investments	Director
Brietta Trading	Director
Amalgamated Automobile Holdings	Director
Future Automobile Distributors	Director
AMH Africa	Director
Automotive Distributors Africa Limited (Incorporated In Jebel Ali Free Zone, UAE)	Director
Motus Capital	Director
Motus Financial Services	Director
Motus Holdings	Director

Previous	
C2 Computer Investments	Company Secretary
Nib 5 Share Block	Director
Nib 6 Share Block	Director
Chesterfield Place Home Owners Association	Director
Foodcorp	Director
Foodcorp Consumer Brands	Director
New Foodcorp Holdings	Director
Sales Pal	Director

Graham Wayne Dempster

Current	Designation
AECI	Director
Imperial Holdings	Director
Genbel Securities	Director
Sun International	Non-Executive Director
Telkom SA	Non-Executive Director
Long4Life	Non-Executive Director
Motus Holdings	Non-Executive Director
Sanlam Investment Holdings	Non-Executive Director

Previous	
Nedbank	Director
Nedbank Group	Director
Sanlam Credit Conduit	Director

Ashley (Oshy) Tugendaft

Current	Designation
Imperial Holdings	Director
Evergrowth Investments	Director
Brinda Investments	Director
Zonke-Unicode	Director
Weba Investments	Executor
Sandton Nominees	Director
Alcari 595	Member
Alviva Holdings	Non-Executive Director
Motus Holdings	Non-Executive Director

Previous	
African Phoenix Investments	Director
Residual Debt Services	Director

Phumzile Langeni

Current	Designation
Imperial Holdings	Non-Executive Director
The Ridge School	Director
King Civil Engineering Contractors	Director
SA Taxi Finance Holdings	Director
Born Free Investments 55	Director
Summer Sun Trading 105	Director
Two Ships Trading 191	Director
Lloyd Vincent Investment Holdings	Director
Afropulse Group	Director
Primedia	Non-Executive Director
Classic Number Trading 186	Director
Transaction Capital	Non-Executive Director
Primedia Holdings	Non-Executive Director
Libstar Holdings	Director
Onicaphase	Director
Mestotex	Director
Cornwall Crescent	Director
Tone Site Trading	Director

Wise Whale Trading	Director
Kumkani Africa	Director
Massmart Holdings	Non-Executive Director
Motus Corporation	Non-Executive Director
Metrofile Holdings	Non-Executive Director
Mineworkers Investment Company (RF)	Non-Executive Director
Redefine Properties	Non-Executive Director
Motus Holdings	Non-Executive Director

Previous

S F F Association	Director
SEF	Director
Rencap Securities	Director
RPC Astrapak	Director
Transaction Capital Risk Services	Director
Penquin Airtime	Director
Ga-Phasha Platinum Mine	Director
Lesego Platinum Mining	Director
Gwen To Oxford 2	Director
St Mary's School Waverley Foundation	Director
Luxehold	Director
Transaction Capital Risk Services Holdings	Director
Kwazulu Natal Property Development Holdings	Non-Executive Director
Peermont Global Holdings I	Non-Executive Director
Peermont Global	Non-Executive Director
Peermont Global Holdings II	Non-Executive Director
Master Plastics	Non-Executive Director

Thembisa Skweyiya

Current	**Designation**
Rothschilds South Africa Proprietary Limited	Non-Executive Director
Famous Brands Limited	Non-Executive Director
Skweyiya Investment Holdings	Non-Executive Director
Sumitomo Rubber South Africa	Non-Executive Director
Imperial Holdings Limited	Non-Executive Director

Previous

None

Roddy Sparks

Current	**Designation**
Phembani Group	Non-Executive Director
Truworths International	Non-Executive Director
Imperial Holdings Limited	Non-Executive Director
Trencor	Non-Executive Director
FirstRand Investment Management Holdings	Non-Executive Director

Previous

Old Mutual Life Assurance Company (South Africa) Limited	Non-Executive Director
Old Mutual Asset Managers (South Africa) Limited	Non-Executive Director
Old Mutual Unit Trust Limited	Non-Executive Director
Old Mutual Life Assurance Company (Zimbabwe) Limited	Non-Executive Director

Mfundiso Johnson Ntabankulu Njeke

Current	Designation
MMI Group	Director
Sasol	Director
Corpclo 1934	Director
Dlondlobala Capital	Director
4 Africa Exchange	Director
Magola Properties	Director
Old Acres Property Group	Director
Ladomode	Director
Abilia Trading 152	Director
Bethesda Fountain of Healing Association (NPC)	Director
Hiroples	Director
KSJ Global Properties	Director
Nonkwali Investments	Director
Mthakatye Property Investments	Director
Bonds4Jobs (NPC)	Director
Datatec	Director
MMI Holdings	Director
Moody's Investor Service South Africa	Director
Nkunzi Investment Holdings	Director
Evening Star Trading 481	Director
Serengethi Properties	Director
Inkaba Coal	Director
Sameh Properties	Director
Centuria 376	Director
NewShelf 1039	Director
E-Sync	Director
Buena Vista Trading 194	Director
NewShelf 1089	Director
Cheetamark	Director
Silver Unicorn Coal and Minerals	Director
Previous	
Barloworld	Director
Metropolitan Life	Director
Credit Guarantee Insurance Corporation of Africa	Director
Master Currency	Director
APM Terminals is Cape Town	Director
Adcorp Holdings	Director
Hanopoint	Director
Arcelormittal South Africa	Director
Compass Group Southern Africa	Director
Firhold	Director
AMEC Foster Wheeler South Africa	Director
Mobile Telephone Network Holdings	Director
Sandvik Mining RSA	Director
Makhugiso Investments	Director
MTN Group	Director
Vunani Private Clients Stockbroking	Director
IBL Asset Finance and Services	Director
Business Against Crime South Africa	Director
Equites Investments 1	Director
Kagiso Property Holdings	Director
Thuthuka Education Upliftment Fund	Director
Resilient Reit	Director
Kagiso Enterprises Rural Private Equity Fund	Director
Kadd Capital	Director

Kagiso Strategic Investments	Director
IPT Holdings	Director
Equites Investments 1	Director
Kagiso Sizanani Capital (RF)	Director
Brolink	Director
Off the Shelf Investments 109	Director
Off the Shelf Investments 127	Director
Off the Shelf Investments 168	Director
Main Street 336	Director
Kagiso Infrastructure Investments	Director
Kagiso Strategic Investments III	Director
Infrastructure Empowerment Fund Managers	Director

Saleh Mayet

Current	**Designation**
Anglo American South Africa Investments	Director
South Africa Coal Operations	Director
Anglo American South Africa	Director
Anglo Operations	Director
Longboat	Director
Vergelegen Wines	Director
Longmeadow Home Farm	Director
Resident Nominees	Director
Anseld Holdings	Director
Main Place Holdings	Director
Fermain Nominees	Director
Dido Nominees	Director
Anglo American Zimele	Director
Anglo American Group Employee Shareholder Nominees	Director
Chamfron (Incorporated in the British Virgin Island)	Director
High Ground Investments	Director
Anglo South Africa	Director
Balgo Nominees	Director
Anglo American EMEA Shared Services	Director
Newshelf 480	Director
Anglo South Africa Capital	Director
Anglo Corporate Enterprises	Director
Exxaro Resources	Director
Anglo American Corporation of South Africa	Director
Tenon Investment Holdings	Director
Ambase Investment Africa (Zambia)	Director
Anglo American SA Finance	Director
Epoch Investment Holdings (RF)	Director
Ambase Investment Africa (DRC)	Director
Anglo Coal Investment Africa (Botswana)	Director
Ambase Investment Africa (Tanzania)	Director
Ambase Investment Africa (Botswana)	Director
Ambase Investment Africa (Namibia)	Director
Tarl Investment Holdings (RF)	Director
Epoch Two Investment Holdings (RF)	Director
Previous	
Mbulwa Estate	Director
Distribution and Warehousing Network	Director
Anglo American Inyosi Coal	Director
Scaw South Africa	Director

RELEVANT PROVISIONS FROM THE MEMORANDUM OF INCORPORATION OF MOTUS

The salient features of the Company's MOI are set out below. Please note that the salient features do not constitute an exhaustive summary of the provisions of the MOI but highlight certain key aspects only. Accordingly, the MOI should be read in its entirety for a full appreciation of its contents.

Definitions

Act means the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time, including all Schedules to such Act and the Regulations;

Director means a member of the Board, as contemplated in section 66, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;

Republic means the Republic of South Africa;

Securities means any Shares, debentures or other instruments, irrespective of their form of title, issued or authorised to be issued by the Company;

Share means one of the units into which the proprietary interest in the Company is divided;

1. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

1.1 Number of Directors

1.1.1 Unless the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint any Committee which it is obliged to appoint in terms of the Act or this Memorandum of Incorporation is greater than 4 (four), the number of Directors shall, unless otherwise determined by a unanimous resolution of all the Shareholders, be not less than 4 (four).

1.1.2 No person shall be appointed or elected as a Director if such person is in terms of the Act or in terms of this Memorandum of Incorporation ineligible to serve or is disqualified from serving as a Director.

1.1.3 The Directors shall be elected in terms of section 68(1) by the persons entitled to exercise voting rights in such an election, being the Shareholders of the Company and the holders of any other Securities of the Company to the extent that the terms on which such Securities were issued confer such rights. No appointment of a Director shall be valid if passed by resolutions in accordance with section 60.

1.2 Appointment and nomination of Directors

1.2.1 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with Article 23.1.3 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Board or invalidate anything done by the Board while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

1.2.2 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in Article 23.2.1 their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

1.2.3 Any shareholder of the Company or Director in office has a right to nominate one or more Directors in accordance with this Memorandum of Incorporation.

1.2.4 In any election of Directors –

1.2.4.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

1.2.4.2 in each vote to fill a vacancy –

1.2.4.2.1 each vote entitled to be exercised may be exercised once; and

1.2.4.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

1.2.5 The Company shall only have elected Directors and there shall be no appointed or ex officio Directors as contemplated in section 66(4).

1.3 Eligibility, resignation and retirement of Directors

1.3.1 Other than satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any further eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.

1.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this Article 23.3.2 –

1.3.2.1 at each annual general meeting referred to in Article 18.4, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office;

1.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

1.3.2.3 a retiring Director shall be eligible for re-election;

1.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with section 60;

1.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including Articles 18.2 to 18.6 (inclusive) will apply mutatis mutandis to such adjournment.

1.3.3 The Board shall, through its Nomination Committee (if such Nomination Committee has been constituted in terms of Article 30), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

1.3.4 A vacancy in the number of Directors shall only arise in the event of –

1.3.4.1 any elected Director ceasing to hold office or becoming disqualified from holding office as such for any reason; and/or

1.3.4.2 the Shareholders resolving to increase the number of elected Directors; and/or

1.3.4.3 any of the other circumstances contemplated in section 70(1) arising.

1.4 Powers of the Board

1.4.1 The Board has the power to –

1.4.1.1 appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as an additional Director provided that such appointment must be confirmed by the Shareholders, in accordance with Article 23.1.3, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

1.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are not limited or restricted by this Memorandum of Incorporation.

1.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the members, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

1.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

1.4.4 All acts performed by the Directors or by a Committee of Directors or by any person acting as a Director or a member of a Committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such Committee.

2. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

2.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

2.2 Any Director who –

2.2.1 serves on any executive or other Committee; or

2.2.2 devotes special attention to the business of the Company; or

2.2.3 goes or resides outside the Republic for the purpose of the Company; or

2.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

2.3 he Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –

2.3.1 the business of the Company; and

2.3.2 attending meetings of the Directors or of Committees of the Directors of the Company.

2.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

3. BORROWING POWERS

3.1 Subject to the provisions of Article 28.2 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time –

3.4.1 borrow for the purposes of the Company such sums as they think fit; and

3.4.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

3.1 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

3.1.1 the Company; and

3.1.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed, to the extent applicable, the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

4. DISTRIBUTIONS

4.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

4.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

4.1.2 is authorised by resolution of the Board in compliance with the JSE Listings Requirements.

4.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

4.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

4.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

4.5 All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 (three) years from the date on which they were declared, in terms of the laws of prescription, may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies, other than distributions, that are due to any Shareholder/s shall be held by the Company in trust for an indefinite period subject, however, to the laws of prescription until lawfully claimed by such Shareholder/s.

4.6 32.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to –

4.6.1 the holder at his registered address; or

4.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

4.6.3 such person and at such address as the holder or joint holders may in writing direct.

4.7 Every such cheque or warrant shall –

4.7.1 be made payable to the order of the person to whom it is addressed; and

4.7.2 be sent at the risk of the holder or joint holders.

4.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

4.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

4.10 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

4.11 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

4.12 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –

4.12.1 by the distribution of specific assets; or

4.12.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

4.12.3 in cash; or

4.12.4 in any other way which the Directors may at the time of declaring the distribution determine.

4.13 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

4.14 The Directors may –

4.14.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

4.14.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

4.15 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

4.16 Without limiting the provisions of Article 32.1.2 above, all payments made to holders of Securities listed on the JSE ("**Listed Securities**") must be in accordance with the JSE Listings Requirements and capital payments to holders of Listed Securities may not be made on the basis that it can be called up again.

Motus Group Limited

"*The salient features of the memorandum of incorporation ("MOI") of Motus Group Limited, a major subsidiary of the Company, are set out below. Please note that the salient features do not constitute an exhaustive summary of the provisions of the MOI but highlight certain key aspects only. Accordingly, the MOI should be read in its entirety for a full appreciation of its contents.*

Definitions

"**Act"** means the Companies Act, No 71 of 2008, as amended, consolidated or re-enacted from time to time, including all Schedules to such Act and the Regulations;

"**Director**" means a member of the Board as contemplated in section 66, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;

"**Republic**" means the Republic of South Africa;

"**Securities**" means any Shares, debentures or other instruments, irrespective of their form of title, issued or authorised to be issued by the Company;

"**Share**" means one of the units into which the proprietary interest in the Company is divided;

5. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

5.1 Number of Directors

5.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint any Committee which it is obliged to appoint in terms of the Act or this Memorandum of Incorporation, the number of Directors shall, unless otherwise determined by a unanimous resolution of all the Shareholders, be not less than 4 (four).

5.1.2 No person shall be appointed or elected as a Director if such person is in terms of the Act or in terms of this Memorandum of Incorporation ineligible to serve or is disqualified from serving as a Director.

5.1.3 The Directors shall be elected in terms of section 68(1) by the persons entitled to exercise voting rights in such an election, being the Shareholders of the Company and the holders of any other Securities of the Company to the extent that the terms on which such Securities were issued confer such rights. No appointment of a Director shall be valid if passed by resolutions in accordance with section 60.

5.1.4 Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

5.2 Appointment and nomination of Directors

If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with Article 23.1.3 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Board or invalidate anything done by the Board while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

5.2.1 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in Article 23.2.1 their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

5.2.2 Any shareholder of the Company or Director in office has a right to nominate one or more Directors in accordance with this Memorandum of Incorporation.

5.2.3 In any election of Directors –

5.2.3.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

5.2.3.2 in each vote to fill a vacancy –

5.2.3.2.1 each vote entitled to be exercised may be exercised once; and

5.2.3.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

5.2.3.2.3 The Company shall only have elected Directors and there shall be no appointed or ex officio Directors as contemplated in section 66(4).

5.3 Eligibility, resignation and retirement of Directors

5.3.1 In addition to satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any further eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.

5.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this Article 23.3.2 –

5.3.2.1 at each annual general meeting referred to in Article 19.4, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

5.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

5.3.2.3 a retiring Director shall be eligible for re-election;

5.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto;

5.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including Articles 19.2 to 19.6 (inclusive) will apply mutatis mutandis to such adjournment.

5.3.3 The Board shall, through its Nomination Committee (if such Nomination Committee has been constituted in terms of Article 31), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

5.3.4 A vacancy in the number of Directors shall only arise in the event of –

5.3.4.1 any elected Director ceasing to hold office or becoming disqualified from holding office as such for any reason; and/or

5.3.4.2 the Shareholders resolving to increase the number of elected Directors; and/or

5.3.4.3 any of the other circumstances contemplated in section 70(1) arising.

5.4 Powers of the Board

5.4.1 The Board has the power to –

5.4.1.1 appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as an additional Director provided that such appointment must be confirmed by the Shareholders, in accordance with Article 23.1.3, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

5.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1), and the powers of the Board in this regard are not limited or restricted by this Memorandum of Incorporation.

5.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the members, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

5.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

5.4.4 All acts performed by the Directors or by a Committee of Directors or by any person acting as a Director or a member of a Committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such Committee.

6. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

6.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

6.2 Any Director who –

6.2.1 serves on any executive or other Committee; or

6.2.2 devotes special attention to the business of the Company; or

6.2.3 goes or resides outside the Republic for the purpose of the Company; or

6.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

6.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –

6.3.1 the business of the Company; and

6.3.2 attending meetings of the Directors or of Committees of the Directors of the Company.

6.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

7. BORROWING POWERS

7.1 Subject to the provisions of Article 28.2 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time –

7.1.1 borrow for the purposes of the Company such sums as they think fit; and

7.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

7.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

7.2.1 the Company; and

7.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed, to the extent applicable, the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

8. DISTRIBUTIONS

8.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

8.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

8.1.2 is authorised by resolution of the Board.

8.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

8.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

8.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

8.5 All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 (three) years from the date on which they were declared, in terms of the laws of prescription, may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies, other than distributions, that are due to any Shareholder/s shall be held by the Company in trust for an indefinite period subject, however, to the laws of prescription until lawfully claimed by such Shareholder/s.

8.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to –

8.6.1 the holder at his registered address; or

8.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

8.6.3 such person and at such address as the holder or joint holders may in writing direct.

8.7 Every such cheque or warrant shall –

8.7.1 be made payable to the order of the person to whom it is addressed; and

8.7.2 be sent at the risk of the holder or joint holders.

8.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

8.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

8.10 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

8.11 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

8.12 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –

8.12.1 by the distribution of specific assets; or

8.12.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

8.12.3 in cash; or

8.12.4 in any other way which the Directors may at the time of declaring the distribution determine.

8.13 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

8.14 The Directors may –

8.14.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

8.14.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

8.15 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

"*The salient features of the memorandum of incorporation ("MOI") of Motus Corporation Proprietary Limited, a major subsidiary of the Company, are set out below. Please note that the salient features do not constitute an exhaustive summary of the provisions of the MOI but highlight certain key aspects only. Accordingly, the MOI should be read in its entirety for a full appreciation of its contents*.

Definitions

Act means the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time, including all Schedules to such Act and the Regulations;

Director means a member of the Board, as contemplated in section 66, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;

RSA means the Republic of South Africa;

Securities means any Shares, debentures or other instruments, irrespective of their form of title, issued or authorised to be issued by the Company;

Share means one of the units into which the proprietary interest in the Company is divided and "**Shares**" means, as the context requires, more than one such unit or all of them;

9. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

9.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint any Committee which it is obliged to appoint in terms of the Act or this Memorandum of Incorporation, is greater than 2 (two) the number of Directors shall, unless otherwise determined by a special resolution of all the Shareholders, be not less than 2 (two) and no person shall be appointed or elected as a Director if such person is in terms of the Act or in terms of this Memorandum of Incorporation ineligible to serve or is disqualified from serving as a Director.

9.2 The Directors shall be elected in terms of section 68(1) by the persons entitled to exercise voting rights in such an election, being the Shareholders of the Company and the holders of any other Securities of the Company to the extent that the terms on which such Securities were issued confer such rights.

9.3 Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold office.

9.4 Subject to the provisions of clause 23.1.2, in any election of Directors –

9.4.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

9.4.2 in each vote to fill a vacancy –

9.4.2.1 each vote entitled to be exercised may be exercised once in respect of each candidate;

9.4.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate; and

9.4.2.3 to the extent that there are more candidates who achieve a majority vote than there are vacancies, then the vacancies shall be filled by those candidates with the highest majorities,

provided only that, in the event that the Company only has 1 (one) Shareholder, the above provisions of this clause 23.4 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.

9.5 The Company shall only have elected Directors and there shall be no appointed or ex officio Directors as contemplated in section 66(4).

9.6 In addition to satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any further eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company and specifically need not be a Shareholder.

9.7 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this Article –

9.7.1 at each annual general meeting referred to in Article 17.4, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, while he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors. The board of directors, through any nomination Committee, shall recommend eligibility of any proposed director, taking into account past performance and contributions made;

9.7.2 the Directors to retire in every year shall be those that have passed the age of 70 and those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

9.7.3 a retiring Director shall be eligible for re-election;

9.7.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with section 60;

9.7.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including Articles 17.4 to 17.6 (inclusive) will apply mutatis mutandis to such adjournment.

9.8 Should the number of Directors fall below the minimum provided for in clause 23.1, the remaining Directors shall, as soon as possible, and in any event, no later than 3 (three) months from the date that the number of the Directors falls below such minimum, fill the vacancies or call a general meeting for purposes of filling the vacancies, provided that a failure by the Company to have the minimum number of Directors during the 3 (three) month period referred to herein, shall not limit of negate the authority of the Board or invalidate anything done by the Board or the Company. After the expiry of the 3 (three) month period referred to herein, the remaining Directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of Shareholders, in terms of clause 23.9.

9.9 The Board has the power, subject to clause 23.16, to –

9.9.5.1 appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3), or as an additional Director provided that such appointment must be confirmed by the Shareholders, in accordance with clause 23.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

9.9.5.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1), and the powers of the Board in this regard are not limited or restricted by this Memorandum of Incorporation.

9.10 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the members, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain

such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

9.11 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

9.12 All acts performed by the Directors or by a Committee of Directors or by any person acting as a Director or a member of a Committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such Committee.

9.13 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration, appointment (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

9.14 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and (except insofar as otherwise decided by the Directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.

9.15 Each Director and each alternate Director, prescribed officer and member of any Committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualification contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.

9.16 All Directors shall be elected by an ordinary resolution of the Shareholders, in accordance with the clause 23.2, at a general or annual general meeting of the company. In addition, notwithstanding any provision to the contrary in this Memorandum of Incorporation, the appointment of a director to fill a casual vacancy or as an addition to the Board shall be confirmed by the Shareholders at the next annual general meeting.

10. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

10.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Company's Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation, it being specifically recorded that remuneration of Directors for services as employed executives shall not require special resolution approved by the Company's Shareholders.

10.2 The Directors may also be paid all their travelling and other expenses necessarily incurred by them from anywhere outside of the province in which the meeting takes place in connection with –

10.2.1 the business of the Company; and

10.2.2 attending meetings of the Directors or of Committees of the Directors of the Company.

10.3 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

11. DISTRIBUTIONS

11.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

11.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

11.1.2 is authorised by resolution of the Board.

11.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

11.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

11.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

11.5 Dividends shall be declared by the Company in accordance with the Act.

11.6 All unclaimed Dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that unclaimed Dividends for a period of 3 (three) years from the date on which they were declared, in terms of the laws of prescription, may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies (excluding Dividends) that are due to any Shareholder/s shall be held by the Company in trust for an indefinite period subject, however, to the laws of prescription, until lawfully claimed by such Shareholder/s.

11.7 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to –

11.7.1 the holder at his registered address; or

11.7.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

11.7.3 such person and at such address as the holder or joint holders may in writing direct.

11.8 Every such cheque or warrant shall –

11.8.1 be made payable to the order of the person to whom it is addressed; and

11.8.2 be sent at the risk of the holder or joint holders.

11.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

11.10 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

11.11 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

11.12 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

11.13 Without detracting from the ability of the Company to issue capitalisation Shares, but subject to the provisions of this Memorandum of Incorporation any distribution may be paid wholly or in part –

11.13.1 by the distribution of specific assets; or

11.13.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

11.13.3 in cash; or

11.13.4 in any other way which the Directors may at the time of declaring the distribution determine.

11.14 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

11.15 The Directors may –

11.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

11.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

11.16 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

1. SPECIAL RIGHTS AND CONDITIONS ATTACHED TO THE DEFERRED ORDINARY NO PAR VALUE SHARES

1.3 Interpretation

For the purposes of this Annexure A, the following terms shall have the meanings assigned to them hereunder:

1.3.1 "the auditors" means the auditors for the time being of the Company;

1.3.2 "the Board" means the Board of directors of the Company;

1.3.3 "the Company" or "Motus" means Motus Holdings Limited, registration number 2017/451730/06;

1.3.4 "the conversion" means the conversion of deferred ordinary shares into ordinary shares during the conversion period;

1.3.5 "conversion date" means 30 June of each year during the conversion period;

1.3.6 "conversion period" means the seven year period commencing on 1 July 2018**;**

1.3.7 "the converted shares" means, at any time, the cumulative total number of deferred ordinary shares that have been converted into ordinary shares;

1.3.8 "CSDP" means a Central Securities Depository Participant, accepted as a participant in terms of section 31 of the Financial Markets Act, 2012 (Act 19 of 2012), as amended;

1.3.9 "the deferred ordinary shares" means 10 000 000 deferred ordinary no par value shares in the stated capital of the Company with the rights and restrictions as set out in this Article 1;

1.3.10 "the Group" means, collectively, the Company, its subsidiaries and associates;

1.3.11 "the Listings Requirements" means the Listings Requirements of the JSE;

1.3.12 "MOI" means the Memorandum of Incorporation of the Company;

1.3.13 "ordinary shares" means ordinary no par value shares in the stated capital of the Company;

1.3.14 "the specified deferred ordinary shares" means 5 820 283 deferred ordinary shares, provided that any additional deferred ordinary shares acquired by the holders of the deferred ordinary shares in terms of 1.5.3 and/or 1.5.4, shall be deemed to constitute part of the specified deferred ordinary shares;

1.3.15 "treasury shares" means any ordinary shares which are owned by any subsidiary of the Company.

1.4 **Rights, privileges and conditions**

The rights, privileges and conditions which attach to the deferred ordinary shares are set out in 1.5 to 1.19 hereof.

1.5 **Issue price**

Each deferred ordinary share was issued on the basis that:

1.5.1 if the issued ordinary shares in the capital of the Company are consolidated or subdivided, the same shall apply, *mutatis mutandis*, to the deferred ordinary shares;

1.5.2 if any rights issue is implemented by the Company in respect of the ordinary shares, the holders of the deferred ordinary shares shall not be entitled to participate in the rights issue;

1.5.3 if the Board so determines, and subject to the approval of the holders of the ordinary shares in general meeting and of the JSE, if required, the holders of the deferred ordinary shares may be given the right in respect of any rights issue as contemplated in 1.5.2, to subscribe free of any consideration for that number of additional deferred ordinary shares, which together with the specified deferred ordinary shares and the ordinary shares held by that holder of deferred ordinary shares, will constitute 10.1% of the total issued stated capital of the Company after the rights issue (excluding any treasury shares but including the deferred ordinary shares);

1.5.4 if any capitalisation or bonus issue is implemented by the Company, the holders of the deferred ordinary shares shall be entitled and confined to a distribution from the Company of so many additional deferred ordinary, which together with the specified deferred ordinary shares and the ordinary shares held by that holder of deferred ordinary shares, will constitute 10.1% of the total issued stated capital of the Company after the capitalisation or bonus issue (excluding any treasury shares but including the additional deferred ordinary shares).

1.6 **No participation in dividends or other distributions**

Save as provided in 1.5.4 and 1.7, the deferred ordinary shares shall not participate in, or receive any dividends or capital distributions distributed by the Company and/or any other payments made by the Company in terms of Section 46 of the Act.

1.7 **Rights on winding-up**

The deferred ordinary shares shall confer on the holders thereof the right, in a winding-up, to repayment of the par value thereof, *pari passu* with the holders of the ordinary shares, but no further right to participate in the profits or assets of the Company.

1.8 **Voting rights**

1.8.1 The deferred ordinary shares shall rank *pari passu* in all respects with the ordinary shares with respect to voting rights.

1.8.2 In accordance with 1.8.1, notwithstanding anything to the contrary which may be contained in the MOI, the holders of the deferred ordinary shares shall not be entitled to veto any resolution that would otherwise have been capable of being passed by the required majority of votes, collectively, of the holders of the ordinary shares and the deferred ordinary shares.

1.9 **Separate class**

The deferred ordinary shares shall constitute a separate class of shares.

1.10 **Variation of rights**

All or any of the rights attaching to the deferred ordinary shares may only be modified, altered, varied, added to or abrogated, with the prior written consent of the holders of at least 75% of the issued deferred ordinary shares or the sanction of a resolution of the holders of the issued deferred ordinary shares passed at a separate general meeting of such holders and at which members holding in the aggregate not less than 75% of the total votes of all the holders of the deferred ordinary shares entitled to vote at that meeting are present in person or by proxy and the resolution has been passed by not less than 75% of the total votes to which the holders of the deferred ordinary shares present in person or by proxy are entitled.

1.11 **Meetings and quorum**

Subject to 1.10, at every separate meeting of the holders of the deferred ordinary shares the provisions of the MOI relating to general meetings of ordinary members shall apply *mutatis mutandis*, except that a quorum at any such general meeting of the holders of the deferred ordinary shares shall be a person or persons holding or representing by proxy at least 75% of the issued deferred ordinary shares, provided that if at any adjournment of such meeting a quorum is not present, then the provisions of the MOI relating to adjourned meetings shall, *mutatis mutandis*, apply.

1.12 **Restriction on transfer**

The holders of the deferred ordinary shares shall not, whether directly or indirectly, be entitled to sell, alienate, or in any other manner dispose of, transfer, relinquish any rights to, beneficial or otherwise, pledge, or in any other manner encumber, any of the deferred ordinary shares save to, or in favour of the Company. In the event of the holder of any deferred ordinary shares breaching the provisions hereof, then without prejudice to any other rights which the Company may have, the deferred ordinary shares which are the subject matter of the breach shall no longer be eligible for conversion in terms of 1.13 and the provisions of 1.15.3.1 to 1.15.3.3 shall be deemed to apply, *mutatis mutandis*, in respect of the said deferred ordinary shares.

1.13 **Conversion**

On each conversion date, the specified deferred ordinary shares to which the conversion applies, as provided in 1.15, shall automatically be converted into ordinary shares, on a one-for-one basis, and the appropriate amendment shall be made to the custody agreement entered into between each holder of the deferred ordinary shares and its CSDP or broker.

1.14 **Ranking on conversion**

Any ordinary shares so converted from deferred ordinary shares in terms of 1.13 shall rank from the conversion date, *pari passu* in all respects with the other ordinary shares, and shall accordingly qualify for any dividends or capital distributions declared by the Company after the conversion date.

1.15 **Method of conversion**

1.15.1 Subject to 1.15.2 and 1.15.3, on each conversion date 831,469 specified deferred ordinary shares shall convert into ordinary shares.

1.15.2 In the event that the number of the specified deferred ordinary shares is increased consequent upon the provisions of 1.5.3 and/or 1.5.4, then the number of specified deferred ordinary shares for conversion in terms of 1.15.1 during the remainder of the conversion period shall be proportionately increased to achieve the conversion of the remaining specified deferred ordinary shares in equal tranches, as near as arithmetically possible, over that period.

1.15.3 At the end of the conversion period, the remaining deferred ordinary shares:

1.15.3.1 shall not be capable of conversion;

1.15.3.2 shall confer on each holder of the deferred ordinary shares, one vote for every deferred ordinary share held up to 100 and thereafter, one vote for every ten thousand deferred ordinary shares held;

1.15.3.3 shall automatically be converted into an equal number of redeemable, non-participating no par value preference shares having the preferences, rights, limitations and other terms set out in 1.15.4.

1.15.4. Every redeemable preference share referred to in 1.15.3.3 shall:

1.15.4.1 confer on the holder thereof the right, in a winding-up, to repayment of the par value thereof (if any), pari passu with the holders of the ordinary shares, but no further right to participate in the profits or assets of the Company;

1.15.4.2 not confer on the holder the right to vote at meetings of the Company except:

1.15.4.2.1 during any period determined as provided in 1.15.5, during which any winding-up dividend or any part of any such dividend on such share or any redemption payment thereon remains in arrear and unpaid; or

1.15.4.2.2 in regard to any resolution proposed to amend the preferences, rights, limitations and other terms associated with such preference share;

1.15.4.3 subject to section 46 of the Act, be redeemable free of any consideration at the option of the Company at any time, on the following terms and conditions:

1.15.4.3.1 notice of the exercise of such option shall be given by the Company to the holder of the preference share in writing, whereupon such preference share shall be regarded as redeemed and cancelled; and

1.15.4.3.2 upon receipt of such notice, the holder shall deliver the certificate of such preference share to the Company at its registered office;

1.15.5 the period referred to in 1.15.4.2.1, if applicable at all, shall commence 6 months after the end of the financial year of the Company in respect of which such dividend accrued or such redemption payment became due.

1.16 **Absence of limitations or restrictions**

Nothing in this Annexure A, or arising out of the issue of the deferred ordinary shares, shall, or be construed to prevent or preclude the Group, subject to any normal shareholder approvals which may at any time be required (but without derogating from 1.8), from being able to carry on and conduct its business as it deems fit, or restrict or limit the conduct of its business in any manner whatsoever, nor to restrict or limit the Group, *inter alia*, in respect of any sales or other disposals of any assets, material or otherwise, mergers, takeovers and acquisitions.

1.17 **Arbitration**

Save as expressly otherwise provided in this Annexure A, any dispute between any of the holders of the deferred ordinary shares and the Company shall be finally resolved in accordance with the Rules ("the Rules") of The Arbitration Foundation of South Africa ("AFSA") and in accordance with the following:

1.17.1 there shall be one arbitrator who shall be a judge, former judge or retired judge of the High Court or the Supreme Court of Appeal of the High Court of the Republic of South Africa or a senior counsel of at least ten years' standing as such at the Johannesburg Bar;

1.17.2 the appointment of the arbitrator shall be agreed upon between the parties, but failing agreement between them within a period of 14 days after the arbitration has been demanded, either of the parties shall be entitled to request the chairman at the relevant time of AFSA (or if AFSA shall not be in existence at the time, by the Chairman of the Johannesburg Bar Council) or his representative to make the appointment and, in making his appointment, to have regard to the nature of the dispute;

1.17.3 the arbitration shall be held at a venue agreed upon in writing by the parties or, failing such agreement, at a venue in Sandton;

1.17.4 the decision of the arbitrator shall be subject to a right of appeal by either party in terms of Article 22 of the Rules to an Arbitration Tribunal consisting of 3 arbitrators who shall:

1.17.4.1 be persons who hold the same qualifications and who have the same status as the persons referred to in 1.17.1; and

1.17.4.2 be appointed in the manner referred to in 1.17.1 and 1.17.2;

1.17.5 the decision of the arbitrator or the Arbitration Tribunal, as the case may be, shall be final and binding on the parties in the absence of a manifest error in calculation and shall be carried into effect and may be made an order of competent jurisdiction. For this purpose, each of the parties shall be deemed to have submitted itself to the jurisdiction of the South Gauteng High Court and all appeal courts therefrom should either party wish to make the arbitrator's decision an order of that court;

1.17.6 the provisions of this Article 1.17:

1.17.6.1 constitute an irrevocable consent by the parties to the procedure envisaged in this Article 1.17 and neither party shall be entitled to withdraw therefrom or claim at any stage of the proceedings that it is not bound by such proceedings;

1.17.6.2 are severable from the rest of the MOI and shall remain in effect despite the termination of or invalidity or alleged invalidity for any reason of any part of this MOI; and

1.17.6.3 shall not preclude any party from instituting any injunctive proceedings in any appropriate court of competent jurisdiction.

1.18 **JSE Listings Requirements**

The deferred ordinary shares are entirely subject to the provisions of the JSE Listings Requirements.

1.19 **Restriction on issue of deferred ordinary shares**

Subject to 1.5.3 and 1.5.4, the Company shall not allot and issue any further deferred ordinary shares, except with the approval of shareholders in general meeting and the JSE.

KING IV AND CORPORATE GOVERNANCE

I. INTRODUCTION

Motus is committed to high standards of corporate governance. The foundations for these standards were instilled in Motus as a subsidiary of Imperial prior to the Unbundling.

As a wholly-owned subsidiary of Imperial, Motus did not directly apply the principles in King IV but indirectly complied with the principles set out in the King IV as a subsidiary of Imperial. In this regard, the Imperial Board of directors adopted the recommendations on good corporate governance contained in King IV and implemented the King IV principles and recommendations across Imperial (including in relation to Motus).

As indicated below, the Board has been reconstituted to be compliant with the principles set out in King IV and, once unbundled, Motus will comply directly with the principles set out in King IV in the manner set out in the remainder of this **Annexure 9**, including as set out in detail with reference to each of the principles set out in King IV in the table inserted at the end of this **Annexure 9**.

The Company will apply high standards of accountability, transparency and integrity in the running of the business and reporting to shareholders and other stakeholders. All policies and procedures will be reviewed by the Board after the Unbundling.

Certain key features of Motus' approach to corporate governance, which is guided by the overarching principles of fairness, accountability, responsibility and transparency, are set out below. In addition, special attention will be given to:

- providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Company's operations and results;
- reporting to Shareholders on an integrated basis on Motus' financial and sustainability performance;
- ensuring appropriate business and financial risk management;
- ensuring that no director, management official or other employee of Motus may deal, directly or indirectly, in Motus Shares on the basis of unpublished price-sensitive information regarding Motus, or otherwise during any prohibited period; and
- recognition of the company's social responsibility and providing assistance and development support to the communities in which it operates, and to deserving institutions at large.

Motus will be directed by the principles incorporated in King IV in the running of its business and reporting to shareholders and other stakeholders.

Motus will comply with Paragraph 3.84 of the JSE's Listings Requirements upon the commencement of Listing on the JSE.

II. COMPOSITION OF BOARD AND PROCEDURES RELATING TO NOMINATIONS OF DIRECTORS

Directors are appointed based on their skills, experience and expected level of contribution to, and impact on, the activities of the group. The Board decides on the appointment of directors based on recommendations from the Nomination Committee. The Board adopted a formal Board Diversity Policy (promoting both gender and race diversity), which recognises Motus' obligation to be relevant in society and embraces the benefits of having a diverse Board with differences in skills, regional and industry experience, background, race and gender of Board Members.

In order to ensure a board with sufficient non-executive directors is in place at Listing, T Skweyiya and RJA Sparks were appointed to the Board until new Directors, Messrs S Mayet and JJ Njeke, join on 2 January 2019.

Name	Position [3.84b]
GW Dempster	Chairman*
A Tugendhaft	Deputy Chairman
P Langeni	Non-executive Director*
T Skweyiya	Non-executive Director*+
RJA Sparks	Non-executive Director*+
S Mayet#	Non-executive Director*
JJ Njeke#	Non-executive Director*
OS Arbee	CEO
OJ Janse van Rensburg	CFO

* Independent

\# Appointed with effective date of 2 January 2019

\+ Will resign on 2 January 2018

The responsibilities of the Board are clearly defined in a written charter. The Board charter outlines a clear balance of power and authority within the Board so as to ensure that no single Director has unfettered powers of decision-making. The Board has also adopted a written policy governing the authority delegated to group management and matters reserved for decision by the Board.

The responsibilities of the Board include issues of strategic direction, business plans and annual budgets, major acquisitions and disposals, changes to the Board and other matters that have a material effect on the group or required by legislation.

III. SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

Name	Position
JJ Njeke	Chairman
P Langeni	Member
S Mayet	Member
Invitees:	
OS Arbee	CEO
OJ Janse van Rensburg	CFO
B Moroole	Head: Internal Audit, Risk & Sustainability

The role of the Social, Ethics and Sustainability Committee encompasses all aspects of sustainability. The Committee performs statutory duties, as set out in the Act, for the group and on behalf of subsidiary companies. In addition to its statutory duties, it assists the group in discharging its social, ethics and sustainability responsibilities and implementing practices consistent with good corporate citizenship, with particular focus on the following:

- King IV.
- Motus' sustainability commitments.
- Broad-based black economic empowerment (BBBEE) requirements, as described in the Department of Trade and Industry's Combined Generic Scorecard (excluding ownership targets) and associated Codes of Good Practice.
- Imperial's transformation commitments, as described in the group's transformation strategy and division-specific BBBEE plans.
- Environmental commitments, as described in Imperial's environmental policy framework.
- Socio-economic development (SED) commitments, as described in Imperial's SED policy.
- Motus' code of ethics and corporate values.

Transformation remains a key focus area and the Committee will continue to guide Imperial in its goal of increasingly reflecting the diversity of South Africa.

The Committee will comprise three non-executive Directors with executive Directors and other members of the management of the company being invitees. It will be chaired by a non-executive Director. The Social, Ethics and Sustainability Committee will not conduct any activities until it is fully constituted on 2 January 2019, the effective date of the appointment of JJ Njeke and S Mayet.

IV. AUDIT AND RISK COMMITTEE

Name	Position
RJA Sparks	Chairman+
S Mayet	Chairman*
P Langeni	Member
MJN Njeke	Member
T Skweyiya	Member+
Invitees:	
OS Arbee	CEO
OJ Janse van Rensburg	CFO
GW Dempster	Independent non-executive Director

+Up to 2 January 2019

** From 2 January 2019*

The group Audit and Risk Committee will comprise three independent non-executive Directors, one of whom is appointed as chairman. The membership of the Committee will be tabled at the next AGM for approval by shareholders.

Following its listing on the JSE and in terms of the Listings Requirements of the JSE, the audit Committee of Motus will, in addition to its duties pursuant to Section 94 of the Companies Act:

ii. consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the CFO;

ii. ensure that Motus has established appropriate financial reporting procedures and that those procedures are operating ; and

ii. request from the audit firm (and if necessary consult with the audit firm on) the information detailed in paragraph 22.15(h) of the Listings Requirements of the JSE in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every re-appointment as well as for an applicant issuer prior to listing.

Motus will confirm, by reporting to Shareholders in its annual report, that the Audit and Risk Committee has executed the responsibilities as set out above.

V. NOMINATION COMMITTEE

Name	**Position**
GW Dempster	Chairman
A Tugendhaft	Member
P Langeni	Member
Invitees:	
OS Arbee	CEO
OJ Janse van Rensburg	CFO

The Committee provides the Board with advice and guidance regarding:

- the development and implementation of formal succession plans for the Board, CEO and senior management
- the establishment of formal processes and policies for the appointment of Directors, the identification of suitable members for the Board and gender diversity of the Board
- induction and ongoing training and development of Directors.

The group chairman chairs the Committee.

VI. REMUNERATION COMMITTEE

Name	Position
A Tugendhaft	Chairman
GW Dempster	Member
P Langeni	Member
Invitees:	
OS Arbee	CEO
OJ Janse van Rensburg	CFO

The Committee advises and guides the Board on:

- Accurate and transparent disclosure of Directors' remuneration.
- The establishment and implementation of remuneration policies for non-executive Directors, executive Directors and other executives, to ensure that the company remunerates Directors and executives fairly and responsibly.
- Approval of the general composition of remuneration packages and the criteria for executive bonus and incentive awards.
- Increases to non-executive Directors' fees.
- Material changes to the group pension and provident funds and medical aid schemes when appropriate.
- The administration of share-based incentive schemes.

The group chief executive officer (CEO) and chief financial officer (CFO) attend Committee meetings by invitation and assist the Committee in its deliberations, except when issues relating to their own remuneration and performance are discussed. No Director is able to decide his or her own remuneration.

VII. ASSET AND LIABILITIES COMMITTEE

Name	Position
GW Dempster	Chairman
S Mayet	Member
JJ Njeke	Member
Invitees:	
OS Arbee	CEO
OJ Janse van Rensburg	CFO
WF Reitsma	Head of Treasury

The Assets and Liabilities Committee (ALCO) is responsible for implementing best practice asset and liability risk management policies. Its primary objective is to manage the liquidity, debt levels, interest rate and exchange rate risk of the group within an acceptable risk profile.

The Assets and Liabilities Committee will not conduct any activities until it is fully constituted on 2 January 2019, the effective date of the appointment of JJ Njeke and S Mayet.

VIII. COMPANY SECRETARY

RA Venter – BComm, LLM, Admitted Attorney

Directors have unlimited access to the services of the company secretary, who is responsible to the Board for ensuring that proper corporate governance principles are adhered to.

In terms of JSE Listings Requirements, the Board of Directors must consider the competence, qualifications and experience of the company secretary annually. King IV also recommends that the company secretary should maintain an arm's-length relationship with the Board and that he should ideally not be a Director. After conducting a formal review that formed part of the annual Board evaluation process, the Board concluded that there were no direct or indirect relationships between the company secretary and any of the Board members which could compromise an arm's-length relationship with the Board of Directors. The company secretary is not a Director of the company.

The competence and performance of the company secretary was reviewed based on interviews with all Board members, which formed part of the Board review, the results of which is considered by the Board as a whole.

The Board confirmed that the company secretary is adequately qualified and experienced.

IX. **RISK MANAGEMENT**

Refer to the Risk section of this Pre-Listing Statement in Section 7.

X. **CORPORATE CITIZENSHIP**

The increased scrutiny that comes with direct accountability to equity and debt capital markets, will require Motus to establish its credibility as a separately listed company, based on reliable disclosure and guidance on strategic and financial performance and, ultimately, delivering on it.

Relationships with key stakeholders such as shareholders and the investment community, debt providers and ratings agencies, government and social partners will need to be deepened in some cases and separately established in others; towards a credible reputation for strong and independent governance and effective control processes, strategic clarity and delivery from leadership, and a reputation for ethical corporate citizenship, with all its many facets.

As per King IV, Motus' leadership will need to demonstrate integrated thinking, through defensible decisions that harmonise the legitimate interests of stakeholders and align to the six capitals model for sustainable value creation, while deepening the company's reputation as an ethical and responsible corporate citizen that responds adequately to the risks and opportunities in the "triple context" (social, economic and environmental).

XI. DETAILED NARRATIVE STATEMENT ON THE PROPOSED APPLICATION OF THE PRINCIPLES SET OUT IN KING IV

The Board believes that Motus will comply with the principles of King IV, for the reasons set out in the following table (as supplemented by the information provided above):

Principle	Application/Explanation
Governance outcome: Ethical culture	
1) ***1.1 Ethical leadership*** The governing body should lead ethically and effectively.	The Board of Directors ("Board") is the Governing Body ("GB") and committed to the good corporate governance principles as set forth in King IV. The Board subscribes to those generally accepted norms of conduct that find application in society as a whole. Motus has a written Code of Ethics and Code of Conduct for the Group applies to all Directors.
2) ***1.2 Organisation values, ethics and culture*** The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Motus has a written Code of Ethics and Code of Conduct for the Group and is a values-based organisation. The Code of Ethics and Code of Conduct guide the interaction between employees, clients, stakeholders, suppliers and the communities within which it operates. The Group's management is responsible for the implementation of the Code of Ethics and Code of Conduct and report any material breaches to the Social, Ethics and Sustainability Committee (SESC). The content of and principles embodied in the Code of Ethics and Code of Conduct are also integrated in employee training.
3) ***1.3 Responsible corporate citizenship*** The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board oversees the governance and activities relating to demonstrating that the Group is a good corporate citizen, including compliance with the Constitution, laws, standards and own policies and procedures, as well as consistency with the Group's purpose, strategy, and Code of Conduct and Ethics. The SESC approves the strategy and monitors the implementation of the Group's commitment to being a good corporate citizen. The strategy and plan include the Group's impact on the environment and its ongoing corporate social investment. When engaging with stakeholders and various communities Motus is committed to improving the material well-being of societies in which it operates. Careful consideration is given to the utilisation of energy, water and other environmental resources to ensure an effective contribution to sustain the environment for the future.

Principle	Application/Explanation
Governance outcome: Performance and value creation	
4) ***2.1 Strategy, implementation and performance*** The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Group has a clearly defined strategy with identified risks and opportunities. The Board reviews the strategy in conjunction with management. • The Board has delegated to management the detailed formulation and implementation of the strategy. • The Board approves key performance measures and targets for management. • The Board oversees the implementation of the strategy and plans by management. • Management is responsible for the execution of strategy within the limits prescribed by the Board in terms of written limits of authority. • The Audit and Risk Committee is tasked with the governance of risks and mitigating controls in terms of a written terms of reference.
5) ***2.2 Reports and disclosure*** The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.	The Board is assisted by the Audit and Risk Committee to review the integrity of the Annual Integrated Report ("IR"). The IR will include all relevant information to enable stakeholders to make an informed assessment of Motus' performance in the short, medium and long-term.
Governance outcome: Adequate and effective control – governing structures and delegation	
6) ***3.1 Role of the governing body*** The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	The Board serves as the focal point and custodian of corporate governance in the organisation. The Board has adopted a Board Charter that governs its role, responsibilities and accountability relating to corporate governance. The Board is supported by various Board Committees which have delegated responsibility to assist it to fulfil certain specific functions. The Board Committees report to the Board at every Board meeting.
7) ***3.2 Composition of the governing body*** The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	**Composition of the governing body** The Board is satisfied that its composition is appropriate taking into account the size of the Group, requirements of knowledge, skills, experience, independence, Committees, quorum requirements and regulatory requirements. The CEO and CFO are members of the Board. The Board has set diversity targets. A majority of Board members are independent non-executive Directors. A Nomination Committee, chaired by the Board chair has been established with a formal charter, tasked with recommending candidates to fill vacancies to the Board.

Principle	Application/Explanation
	The Board charter includes a formal and transparent process for the nomination, election and appointment of Directors to the Board. Declarations of interests are tabled at every Board and Committee meeting. The Chair of the Board: • Is an independent non-executive Director. • Is not a member of the Audit and Risk Committee. • Is a member of but not the Chair of the Remuneration Committee.
8) ***3.3 Committees of the governing body*** The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	The composition of the Board and its Committees are in line with King IV. There is a clear balance of power to ensure that no individual has undue decision-making powers. Each Committee has a formal charter, approved by the Board, detailing its duties and responsibilities. Each Committee has a minimum of three members and sufficient capability and capacity to function effectively. Any member of the Board is entitled to attend any Committee meeting as an observer, and may allow management to attend by standing or ad hoc invitation.
9) ***3.4 Performance evaluations*** The governing body should ensure that the evaluation of its own performance and that of its Committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	The Board will conduct a facilitated evaluation of the Board, the Chairman, Board Committees and individual Directors at least every two years. The Chairman, assisted by the Company Secretary, will conduct the evaluation process in the intervening years. The company secretary performance will also be evaluated.
10) ***3.5 Delegation to management*** The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	The Board ensures that key functions are managed by competent and appropriately qualified individuals and are adequately resourced. The Board has approved and implemented a Delegation of Authority matrix, which details the powers and matters reserved for the Board and those delegated to management. The Board has appointed a CEO, who is responsible for implementing strategy.

Principle	Application/Explanation
Governance outcome: Adequate and effective control – governance functional areas	
11) ***4.1 Risk and opportunity governance*** The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The Board, with the assistance of management and the Audit and Risk Committee, recognises the key role of appropriate group wide risk management in the strategy, performance and sustainability of the Group. The functions of Audit and Risk have been combined into a single Committee, ensuring that there is coordination in respect of the evaluation and reporting of risks. The implementation of processes to ensure that the risks to the sustainability of the business are identified and managed within acceptable parameters is delegated to management. Management continuously identify, assess, mitigate and manage risks within the existing operating environment. Mitigating controls are in place to address identified risks, which are monitored on a continuous basis.
12) ***4.2 Technology and information governance*** The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board, together with management and the Audit and Risk Committee, oversees the governance of IT. Technology and information have been identified as being of key importance in relation to the achievement of the Group's strategy.
13) ***4.3 Compliance governance*** The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.	The Board, with the assistance of management and the Audit and Risk Committee, ensures that the Group complies with applicable laws and regulations as well as adopted non-binding rules, codes and standards. The Group has identified the laws, codes and standards that impact its operations. The Board has delegated the responsibility for implementing compliance to management.
14) ***4.4 Remuneration governance*** The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in short, medium and long term.	The Board is assisted by the Remuneration Committee in the governance of all remuneration matters. This Committee ensures the Group's remuneration policy is aligned with its strategy and the interests of stakeholders. The Committee also reviews and approves remuneration of executive Directors and senior management.
15) ***4.5 Assurance*** The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Audit and Risk Committee oversees and manages the group's combined assurance approach. The Board, assisted by the Audit and Risk Committee, ensures that there is internal or external assurance of: • the internal control environment; • integrity of information for management decision making; and • external reporting.

Principle	Application/Explanation
Governance outcome: Trust, good reputation and legitimacy	
16) ***5.1 Stakeholders*** In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Key stakeholders are identified by management and the Board. Management pursue appropriate stakeholder relationships with material stakeholders with a view to balance their legitimate and reasonable needs, interests and expectations and those of the Group. The Board encourages proactive engagement with shareholders.
17) ***5.2 Responsibility of shareholders*** The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	N/A – only applicable institutional investment companies

SHAREHOLDER RESOLUTIONS

Below is an extract from resolutions of the shareholder of Motus, passed between 12 October 2017 and the Last Practicable Date:

RESOLVED:

Ordinary Resolutions

- Authorising the issue of ordinary shares to Imperial in exchanges for assets
- Authorising the issue of Deferred Ordinary shares to Ukhamba Holdings
- Deloitte & Touche be appointed as auditors of the Company and Mr JM Bierman as designated partner until the date of the next annual general meeting
- Election of Ms T Skweyiya to the Board
- Election of Mr RJA Sparks to the Board
- Election of Mr S Mayet to the Board
- Election of Mr JJ Njeke to the Board
- Establishment of Audit and Risk Committee
- Appointment of Mr RA Venter as the company secretary
- Confirmation of the Company's remuneration policy
- Approval of the Deferred Bonus Plan
- Approval of the Share Appreciation Right Scheme
- Approval of the Conditional Share Plan

Special Resolutions

- Increase of the Authorised Stated Capital
- Creation of new classes of shares
- Adoption of a new MOI and converting the company from a private company to a public company
- Authorisation of the adoption of a new MOI approved by the JSE
- Approving Non-Executive Directors' fees payable for the periods July 2018 to June 2019 and July 2019 to the next annual general meeting
- General authority to repurchase Company securities
- Authority to issue ordinary shares
- Authority to issue shares for cash
- Authority to provide financial assistance in terms of section 44 of the Companies Act
- Authority to provide financial assistance in terms of section 45 of the Companies Act

REGULATORY ENVIRONMENT

xii. **SARS**

a **Certain South African tax considerations**

The discussion in this section sets out the material South African tax consequences of the purchase, ownership and disposition of Motus' shares under current South African law. Changes in the law may change the tax treatment of Motus' shares, possibly on a retroactive basis.

The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Motus' ordinary shares and does not cover tax consequences that depend upon particular tax circumstances. In particular, the following summary addresses tax consequences for holders of ordinary shares who are not residents of, or who do not have a permanent establishment in, South Africa and who hold ordinary shares as capital assets (that is, for investment purposes). Motus recommends that the owner consult its tax advisor about the consequences of holding Motus' ordinary shares, as applicable, in its particular situation.

b **Withholding tax on Dividends**

Under South African law, all Dividends declared by South African resident companies to non-resident shareholders are subject to a 20% withholding tax. Generally, under the terms of the income tax treaty entered into between South Africa and the United States (the "treaty"), the withholding tax is limited to 5% of the gross amount of the Dividends if the beneficial owner of the shares is a company holding directly at least 10% of the voting stock of the company paying the Dividends and to 15% of the gross amount of the Dividends in all other cases.

No other tax is payable in South Africa by shareholders on Dividends paid to non-resident shareholders.

c **Income tax and capital gains tax**

Non-resident holders of ordinary shares should generally not be subject to income or capital gains tax in South Africa, with respect to the disposal of those ordinary shares, unless the non-resident carried on business through a permanent establishment in South Africa, and the profits are realised in the ordinary course of that business.

d **Securities transfer tax ("STT")**

No securities transfer tax, or STT, is payable in South Africa with respect to the issue of a security.

STT is charged at a rate of 0.25% on the 'taxable amount' of the 'transfer' of every security issued by a company incorporated in South Africa, or a company incorporated outside South Africa but listed on an exchange in South Africa, subject to certain exemptions.

The word 'transfer' is broadly defined and includes the transfer, sale, assignment or cession or disposal in any other manner of a security which results in a change in beneficial ownership. The cancellation or redemption of a security is also regarded as a transfer unless the company is being liquidated. However, the transfer of a security that does not result in a change in beneficial ownership is not regarded as a 'transfer' for STT purposes.

STT is levied on the 'taxable amount' of a security. The taxable amount of a listed security is the greater of the consideration for the security declared by the transferee or the closing price of that security as traded on the stock exchange concerned. In the case of a transfer of a listed security, either the member or the participant holding the security in custody, or where the listed security is not held in custody, the company that issued the listed security, is liable for the tax. The tax must be paid by the last day of the month following the transfer. The person concerned may recover the STT from the person to whom the security is transferred.

xiii. SARB

South African law provides for Exchange Control Regulations which, among other things, restrict the outward flow of capital from the CMA. The Exchange Control Regulations, which are administered by the Financial Surveillance Department of the SARB, are applied throughout South Africa and regulate international transactions involving South African residents, including South African companies. The South African government has committed itself to gradually relaxing exchange controls and various relaxations have occurred in recent years.

SARB approval is required for Motus and its subsidiaries to receive and/or repay loans to non-residents of the CMA. The loan will usually be approved where the interest rate in respect of third party foreign denominated loans does not exceed the base lending rate plus 3% or; in the case of shareholders loans, the base lending rate as determined by commercial banks in the country of denomination. The interest rate in respect of Rand denominated loans may not exceed the base rate (i.e. prime rate plus 5% on third party loans, or the base rate in the case of shareholders loans).

Motus and its subsidiaries will require SARB approval in order to provide guarantees for the obligations of any of Motus' subsidiaries with regard to funds obtained from non-residents of the CMA. Absent SARB approval, income earned in South Africa by Motus cannot be used to repay or service foreign debts.

Transfers of funds from South Africa for the purchase of shares in offshore entities or for the creation or expansion of business ventures offshore require exchange control approval. However, if the investment is a new outward foreign direct investment where the total cost does not exceed R1 billion per company per calendar year, the investment application may, without specific SARB approval, be processed by an Authorised Dealer, subject to all existing criteria and reporting obligations.

A listing by a South African company on any stock exchange other than the JSE for the purpose of raising capital needs permission from the SARB. Any such listing which would result in a South African company being redomiciled also needs approval from the Minister of Finance.

Motus must obtain approval from the SARB regarding any capital raising involving a currency other than the Rand. In connection with its approval, it is possible that the SARB may impose conditions on Motus' use of the proceeds of any such capital raising, such as limits on Motus' ability to retain the proceeds of the capital raising outside South Africa or requirements that Motus seeks further SARB approval prior to applying any such funds to a specific use.

xiv. JSE LIMITED

The JSE was formed in 1887. The JSE provides facilities for the buying and selling of a wide range of securities, including equity and corporate debt securities and warrants in respect of securities, as well as Kruger Rands.

The JSE is a self-regulating organisation operating under the ultimate supervision of the Ministry of Finance, through the Financial Services Board and its representative, the Registrar of Stock Exchanges. Following the introduction of the Stock Exchanges Control Amendment Act, 54 of 1995, or the Stock Exchange Act, which provides the statutory framework for the deregulation of the JSE, the JSE's rules were amended with effect from 8 November 1995. These amendments removed the restrictions on corporate membership and allowed stockbrokers to form limited liability corporate entities. Members were, for the first time, also required to keep client funds in trust accounts separate from members' own funds. Further rules to complete the deregulation of the JSE, as envisaged by the Stock Exchange Act, were promulgated during 1996 to permit members of the JSE to trade either as agents or as principals in any transaction in equities and to allow members to negotiate freely the brokerage commissions payable on agency transactions in equities. With effect from 1996, screen trading commenced on the JSE. The Financial Markets Act, 19 of 2012, consolidates and amends the laws relating to the regulation and control of exchanges and securities trading, the regulation and control of central securities depositories and the custody and administration of securities and the prohibition of insider trading.

South Africa was included in the Morgan Stanley Capital International Emerging Markets Free Index and the International Finance Corporation Investable Index in March and April 1995, respectively. South Africa has a significant representation in these emerging market indices.

The JSE has established a project named Share Transactions Totally Electronic, or Strate, which has involved the dematerialisation of share certificates in a central securities depository and the introduction of contractual, rolling, electronic settlement in order to increase the speed, certainty and efficiency

of settlement and to fall into line with international practice. Investors are given the choice of either holding their securities in Dematerialised form in the central securities depositary or retaining their share certificates. Shareholders who elect to retain their share certificates are not able to trade their shares on the JSE, although they may trade their shares off-market. Settlement of Dematerialised Shares traded electronically on the JSE is made three days after each trade (T+3).

xv. COMPANIES ACT AND BUSINESS RESCUE PROCEEDINGS

Motus is subject to the applicable provisions of the Companies Act, which came into force on 1 May 2011. The Companies Act modernises and makes for a more flexible company law regime in South Africa, though in doing so, it has created various areas of uncertainty. Other than with respect to the transitional arrangements as provided for in schedule 5 (which provides, *inter alia*, for the continued application of chapter 14 of the previous Companies Act, 1973 which regulates winding-up and liquidation of companies), the Companies Act replaces the previous Companies Act 1973 in its entirety. The South African common law relating to companies has nevertheless, to a large extent been preserved and has, to some extent, been codified in the new Companies Act.

In terms of the Companies Act, subject to certain provisions set out in the transitional arrangements, every pre-existing company that was, immediately before 1 May 2011, incorporated or registered in terms of the Old Companies Act continues to exist as a company as if it had been incorporated and registered in terms of the Companies Act, with the same name and registration number previously assigned to it.

The Companies Act extends shareholders' rights against companies, Directors, prescribed officers and Committee members will now face more extensive and stricter grounds for personal liability for their actions in the company than they did under the Old Companies Act. The Companies Act introduces class action suits against companies, Directors and company officers by persons whose rights are affected by the company. Companies will thus face a greater risk of litigation and the costs thereof.

As a company listed on the JSE, Motus will be required to comply with the Listing Requirements, including certain requirements relating to corporate governance. In this regard, Motus will be required to disclose to its shareholders the extent of its compliance with the prevailing King IV Code of Corporate Governance for South Africa and shall be obligated to disclose any instance of non-compliance with that code.

TAX CONSIDERATIONS

South African Taxation

For South African tax purposes and in the context of Imperial and Motus, an Unbundling transaction is defined as a transaction in terms of which all of the equity shares of Motus, which is a resident, that are held by Imperial, which is a resident, are distributed by Imperial to any shareholder of Imperial in accordance with the effective interest of that shareholder in the shares of Imperial. In the current instance the Unbundling is to be effected in the ratio of 1 Motus Share for every 1 Imperial share held at the close of business on the Record Date, subject to the rounding convention applied by the JSE.

The Unbundling complies with the requirements of section 46 of the Income Tax Act. In view of the fact that the shares in Motus will be listed on the JSE prior to the Unbundling, the requirement is that the unbundled shares in Motus must constitute more than 25% of the equity shares in Motus in the case where no other shareholder holds an equal or greater amount of equity shares in the unbundled company. Otherwise the minimum threshold is 35%. Given the fact that the Motus Shares to be distributed by Imperial to the Imperial Ordinary Shareholders will constitute the entire issued shares in the share capital of Motus, the relevant requirements of the Unbundling provisions will thus be met.

Pursuant to the Unbundling provisions contained in section 46 of the Income Tax Act:

- the distribution by Imperial of the Motus Shares must be disregarded for Dividends tax purposes;
- the distribution of the Motus Shares will be disregarded by Imperial for purposes of determining its taxable income or assessed loss;
- the contributed tax capital ("CTC") of Imperial (effectively its share capital) will be deemed to be an amount which bears to the CTC of Imperial immediately before the Unbundling the same ratio as the aggregate market value, immediately after the Unbundling, of the Imperial Ordinary Shares bears to the aggregate market value of the Imperial Ordinary Shares immediately before the distribution of the Motus Shares; and
- the CTC of Motus is equal to an amount which bears to the CTC of Imperial immediately before the Unbundling the same ratio as the aggregate market value of the Motus Shares before the Unbundling bears to the aggregate market value of the Imperial Ordinary Shares immediately before the Unbundling.

From an Imperial Ordinary Shareholder perspective, the following South African tax considerations apply:

- Imperial Ordinary Shareholders must allocate a portion of the existing expenditure and market value attributable to the equity shares held in Imperial to the Motus Shares. Effectively, the new base cost or tax value for the Motus Shares is determined in accordance with the ratio that the market value of the Motus Shares, as at the end of the day after the Unbundling bears to the sum of the market value, as at the end of that day, of the Imperial as well as the Motus Shares;
- the Motus Shares are deemed to have been acquired on the same date that the Imperial Ordinary Shareholders acquired the Imperial Ordinary Shares;
- the Motus Shares must be deemed to have been acquired either as trading stock, if the Imperial Ordinary Shares were held as trading stock or as capital assets, if the Imperial Ordinary Shares were held as capital assets; and
- any expenditure now allocated to the Motus Shares for tax purposes must be deemed to have been incurred on the date on which the expenditure was incurred in respect of the Imperial Ordinary Shares.

No STT is payable on the transfer of the Motus Shares by Imperial to its shareholders in terms of the Unbundling.

Imperial has not attempted to qualify the Unbundling as a tax free transaction to shareholders in terms of the rule of any jurisdiction other than South Africa. Accordingly, the Unbundling of the Motus Shares may constitute a taxable transaction in any such jurisdiction. Non-resident shareholders are advised to consult their professional advisors as regards the tax treatment of the Unbundling in light of the tax laws in their respective jurisdictions and double taxation agreements concluded between South Africa and their countries of tax residence.

Both Imperial and Motus will remain resident companies for South African tax purposes.

US Federal Income Taxation

The following discussion is a summary of certain US federal income tax considerations under present law of the ownership and disposition of ordinary shares, in each case, by a US Holder (as defined below). This summary deals only with US Holders (as defined below) that use the US dollar as their functional currency and that will hold their ordinary shares as capital assets. This summary does not address tax considerations applicable to investors subject to special rules, such as persons that will own immediately after the Unbundling 10 per cent. or more by vote or value of the Company's equity interests, certain financial institutions, dealers or traders, insurance companies, tax exempt entities, persons holding their ordinary shares as part of a hedge, straddle, conversion, constructive sale or other integrated transaction. It also does not address US state and local tax considerations.

As used here, "US Holder" means a beneficial owner of ordinary shares that is, for US federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation or entity treated as such created or organised under the laws of the United States, any State thereof, or the District of Columbia, (iii) a trust subject to the control of a US person and the primary supervision of a US court or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The tax consequences to a partner in a partnership (or other entity treated as a partnership for US federal income tax purposes) acquiring, holding or disposing of ordinary shares generally will depend on the status of the partner and the activities of the partnership. Partnerships holding ordinary shares should consult their own tax advisers about the US federal income tax consequences to their partners of acquiring, owning and disposing of ordinary shares.

This summary assumes, except where noted otherwise, that the Company is not a passive foreign investment company (a "PFIC") for US federal income tax purposes, which the Company believes to be the case for its taxable year ended 30 June 2018, and believes will be the case for its current taxable year, as well as for the foreseeable future. The Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for US Holders.

Each US Holder should read the disclosure regarding South African taxation and consider its possible entitlement to the benefits of the income tax treaty between the United States and South Africa (the "Treaty").

PFIC Considerations

The Company believes that will not be considered a PFIC in its current taxable year, and based on its anticipated assets, income and activities, it does not believe it is likely to become a PFIC. If the Company were a PFIC in any year during which a US Holder owns ordinary shares, the US Holder would be subject in that and subsequent years to additional taxes on any excess distributions exceeding 125% of the average amount received during the three preceding taxable years (or, if shorter, the US Holder's holding period) and on any gain from the disposition of the ordinary shares (regardless of whether the Company continued to be a PFIC). Dividends on the ordinary shares also would not be eligible for the preferential tax rate applicable to qualified dividend income. US Holders should consult their tax advisors about Motus' PFIC classification and any US tax consequences relevant to them if Motus were to be considered a PFIC.

Dividends

Distributions with respect to the ordinary shares, including taxes withheld therefrom, if any, generally will be included in a US Holder's gross income as foreign source ordinary dividend income when received. Any dividends will not be eligible for the dividends received deduction generally allowed to US corporations. Subject to certain generally applicable limitations, dividends paid by the Company will be eligible for the preferential tax rate applicable to "qualified dividend income" received by certain non-corporate US Holders if the Company qualifies for benefits under the Treaty, which Imperial expects to be the case. If any withholding were required on distributions payable by the Company, US Holders should be able to claim a foreign tax credit in respect of any such withholding subject to generally applicable limitations. Dividends received will generally be included in net investment income for purposes of the Medicare tax applicable to certain non-corporate US Holders.

Dividends paid in any currency other than US dollars will be includable in income in the US dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the US Holder, regardless of whether the currency is converted into US dollars at that time. A US Holder will have a basis in the currency received equal to the US dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend

is includable in the income of the US Holder to the date such payment is converted into US dollars (or the US Holder otherwise disposes of the currency) will be exchange gain or loss and will be treated as US source ordinary income or loss for foreign tax credit limitation purposes. If dividends received in a currency other than US dollars are converted into US dollars on the day the dividends are received, the US Holder generally will not be required to recognise the foreign currency gain or loss in respect of the dividend income.

Dispositions

A US Holder generally will recognise capital gain or loss on the sale or other disposition of ordinary shares in an amount equal to the difference between the US Holder's adjusted tax basis in the ordinary shares and the US dollar value of the amount realised from the disposition. The gain or loss will be long-term capital gain or loss if the holder has held the ordinary shares for more than one year. Deductions for capital losses are subject to significant limitations. Gains will be included in net investment income for purposes of the Medicare tax on net investment income generally applicable to certain non-corporate US holders.

A US Holder that receives a currency other than US dollars on the disposition of ordinary shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale (or, in the case of cash basis and electing accrual basis US Holders, the settlement date). An accrual basis US Holder that does not elect to determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss equal to the difference between the US dollar value of the amount received based on the spot exchange rates in effect on the date of sale or other disposition and the settlement date. A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency received on the settlement date. Any gain or loss on a subsequent disposition or conversion of the currency will be US source ordinary income or loss.

Reporting and Backup Withholding

Payments of dividends and other proceeds with respect to the ordinary shares may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or otherwise establish a basis for exemption. A US Holder can claim a credit against its US federal income tax liability for amounts withheld under the backup withholding rules, and can claim a refund of amounts in excess of its tax liability by timely providing the appropriate information to the IRS.

Certain US Holders are required to furnish to the IRS information with respect to investments in the ordinary shares not held through an account with a financial institution. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in the ordinary shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE ORDINARY SHARES IN THE INVESTOR'S OWN CIRCUMSTANCES.

DETAILS OF INTER-COMPANY LOANS AS AT THE LAST PRACTICABLE DATE:

Lending Entity	Borrowing Entity	Loan amount (ZAR)	Currency of loan	Loan (Source Currency)	Details of loan	Secured/ Unsecured	Details of terms and conditions of repayment or renewal	Interest rate	Details of any security provided	Details of any conversion or redemption rights	Details of repayments within the next 12 months
360 Proprietary Limited	Motus Corporation Proprietary Limited	96 021 010	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	9.35%	None	None	Internally generated cash flow
Amalgamated Automobile Distributors Proprietary Limited	Motus Corporation Proprietary Limited	54 881 659	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	0.00%	None	None	Internally generated cash flow
Imperial Car Imports Proprietary Limited	Renault South Africa Proprietary Limited	416 268 405	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	10.50%	None	None	Internally generated cash flow
Motus Capital Proprietary Limited	IH Mobility Holdings (UK) Limited	506 832 480	GBP	GBP	Replacement of loans in relation to S&B Commercials Holdings Limited	Unsecured	60 days' notice	3.15%	None	None	Interest only
Motus Capital Proprietary Limited	IH Mobility Holdings (UK) Limited	199 112 760	GBP	GBP	Replacement of external funding in Pentagon Motor Holdings Limited	Unsecured	60 days' notice	3.13%	None	None	Interest only
Motus Capital Proprietary Limited	IH Mobility Holdings (UK) Limited	72 404 640	GBP	GBP	Trading loan	Unsecured	60 days' notice	2.37%	None	None	Interest only
Motus Capital Proprietary Limited	IH Mobility Holdings (UK) Limited	63 354 060	GBP	GBP	Trading loan	Unsecured	60 days' notice	2.50%	None	None	Interest only
Motus Corporation Proprietary Limited	Accordian Proprietary Limited	182 978 778	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	0.00%	None	None	Internally generated cash flow
Motus Corporation Proprietary Limited	Associated Motor Holdings (Namibia) Proprietary Limited	79 687 306	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	0.00%	None	None	Internally generated cash flow

Lending Entity	Borrowing Entity	Loan amount (ZAR)	Currency of loan	Loan (Source Currency)	Details of loan	Secured/ Unsecured	Details of terms and conditions of repayment or renewal	Interest rate	Details of any security provided	Details of any conversion or redemption rights	Details of repayments within the next 12 months
Motus Corporation Proprietary Limited	Brietta Trading Proprietary Limited	160 780 000	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	0.00%	None	None	Internally generated cash flow
Motus Corporation Proprietary Limited	Hyundai Automotive South Africa Proprietary Limited	266 143 621	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	10.00%	None	None	Internally generated cash flow
Motus Corporation Proprietary Limited	Imperial Car Imports Proprietary Limited	392 841 128	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	0.00%	None	None	Internally generated cash flow
Motus Corporation Proprietary Limited	Kia Motors South Africa Proprietary Limited	105 278 922	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	10.00%	None	None	Internally generated cash flow
Motus Corporation Proprietary Limited	Pearl Automotive Proprietary Limited	102 508 020	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	9.35%	None	None	Internally generated cash flow
Motus Group Limited	Imperial Airport Car Rental Namibia Proprietary Limited	94 648 917	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	9.35%	None	None	Internally generated cash flow
MSure Proprietary Limited	Motus Corporation Proprietary Limited	144 925 504	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	9.35%	None	None	Internally generated cash flow
Pearl Automotive Proprietary Limited	Motus Corporation Proprietary Limited	168 690 077	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	5.00%	None	None	Internally generated cash flow
Pearl Automotive Proprietary Limited	Motus Corporation Proprietary Limited	58 697 910	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	5.00%	None	None	Internally generated cash flow
SA Vehicle Maintenance Proprietary Limited	Motus Corporation Proprietary Limited	56 576 733	ZAR	ZAR	Trading loan	Unsecured	Repayable on demand	9.35%	None	None	Internally generated cash flow

THE SALIENT FEATURES OF THE NEW SHARE INCENTIVE SCHEMES

Introduction

In line with global best practice and emerging South African practice, the Company has adopted three share incentive plans, namely a Share Appreciation Right Scheme, a Conditional Share Plan and a Deferred Bonus Plan.

The Share Appreciation Right Scheme, Conditional Share Plan and Deferred Bonus Plan includes participation by executive Directors and selected employees of Motus.

Purpose

The purpose of the share incentive plans is to recognise contributions made by selected Employees and to provide for an incentive for their continuing relationship with Motus, by providing them with the opportunity of receiving Shares in the Company, thereby providing Participants with an incentive to advance Motus' interests and to ensure that Motus attracts and retains the core competencies required for formulating and implementing Motus' business strategies going forward.

As the primary intent of the share incentive plans is to purchase Shares in the market to settle the benefits, the share incentive plans will not be as dilutive as conventional share option schemes. The Employer Companies may, on instruction of the Directors and as a fall-back provision only, pay any Participant under the Share Appreciation Right Schemes or Conditional Share Plan an equivalent amount in cash in lieu of any Shares. The Deferred Bonus Plan will always be settled in Shares.

The share incentive plans also support the principle of alignment of management and shareholder interests with Performance Conditions governing the vesting of instruments.

Glossary of terms

"Allocated"	for purposes of setting the scheme limits, one Share allocated per any one Share Appreciation Right, Conditional Award or Matching Award granted, and "Allocate" or "Allocating" shall have the corresponding meaning as the context indicates;
"Annual Bonus"	the annual bonus earned in any 1 (one) year in terms of the Company's short term incentive scheme;
"Associates"	any company, corporation or other similar entity in which the Company owns, directly or indirectly, ordinary shares or securities of that company, corporation or entity, and that company, corporation or entity is considered to be an associate in terms of IFRS (being the International Financial Reporting Standards issued by the International Accounting Standards Board from time to time);
"Board"	the Board of directors for the time being of the Company, or any Committee thereof (including the RemCom) to or upon whom the powers of the Board in respect of the SAR, CSPA and/or DBP are delegated or are conferred upon in terms of the Company's memorandum of incorporation;
"Bonus Shares"	a number of Shares acquired by a Participant with a portion of the after-tax component of the Participant's Annual Bonus in terms of the DBP;
"Business Day"	any day on which the JSE is open for the transaction of business;
"Company"	Motus Holdings Limited (Registration number 2017/451730/06);
"CSP"	the Motus Holdings Limited Conditional Share Plan;
"Committed Shares"	the number of Shares committed by a Participant as approved by the Board from time to time;
"Conditional Award"	Conditional award of a Share granted to a Participant in terms of the CSP;
"Date of Grant"	the date with effect from which the Board resolves to grant a Share Appreciation Right or Conditional Award to an Employee as is specified in the Letter of Grant;
"Date of Offer"	the date with effect from which the Board resolves to grant a Matching Award to an Employee as specified in the Offer, irrespective of the date on which the Offer is actually accepted;
"DBP"	the Motus Holdings Limited Deferred Bonus Plan;
"DBP Period"	the period starting on the Date of Offer and ending on the Vesting Date as specified in the Offer;

"Employee"	a person eligible for participation in the SAR, CSP or the DBP, namely any senior employee with significant managerial or other responsibility, including any director holding salaried employment or office (as the case may be), of any Employer Company in the Group but excluding any director serving on the RemCom and excluding any non-executive director;
"Employer Company"	a company in the Group which employs an Employee;
"Escrow Agent"	the person or entity appointed by the Board from time to time to hold Bonus Shares and Committed Shares in escrow on behalf of Participants;
"Exercise Date"	the date on which a Share Appreciation Right is exercised by a Participant;
"Exercise Price"	the Market Value of a Share on the Business Day immediately preceding the Exercise Date;
"Grant" or "Granted"	the grant to an Employee of a Share Appreciation Right or Conditional Award in terms of the SAR or CSP;
"Grant Price"	the Market Value of the Share on the Business Day immediately preceding the Date of Grant of the Share Appreciation Right;
"Group"	the Company and its direct and indirect Subsidiaries and Associates from time to time;
"Independent Advisor"	an advisor, other than the auditors of the Company, chosen from the ranks of reputable auditing firms;
"JSE"	means the Johannesburg Stock Exchange Limited, a public company incorporated in accordance with the laws of the Republic of South Africa under registration number 2005/022939/06, which is licensed as an exchange in terms of the Financial Markets Act 19 of 2012;
"Letter of Grant"	a document delivered to an Employee which specifies the Performance Conditions to which a Share Appreciation Right or CSP is subject;
"Market Value"	in relation to a Share on any particular day, the volume weighted average price of a Share as on that day and the preceding Business Day as quoted on the JSE;
"Matching Award"	an award of Matching Shares made to a Participant under the DBP, which award is conditional;
"Matching Shares"	shares forming the subject matter of a Matching Award, being equal in value to the Market Value (or number) of the Bonus Shares held on the Vesting Date;
"Offer"	a document prepared by the Board inviting an Employee to participate in the DBP which details the name of the Participant, the number of Bonus Shares and Matching Shares relating to each Bonus Share, the DBP Period and any applicable conditions pertaining thereto;
"Participant"	an Employee to whom a Grant/Offer has been made and who has accepted such Grant/Offer and includes the executor of his deceased estate, where applicable;
"Performance Condition"	the condition specified in the Letter of Grant, to which a Share Appreciation Right is subject, which Performance Conditions are determined by the Board;
"Performance Period"	the period in respect of which Performance Conditions are to be satisfied as specified in the Letter of Grant;
"RemCom"	the Remuneration Committee of the Board;
"SAR Period"	the period from the Date of Grant to 00:00 on the day stated in the Letter of Grant as being the date on which the Share Appreciation Right will lapse;
"SAR"	the Motus Holdings Limited Share Appreciation Right Scheme;
"Settlement"	delivery of the required number of Shares to which a Participant is entitled pursuant to the exercise of a Share Appreciation Right or the vesting of a Conditional Award or Matching Award;
"Settlement Date"	the date on which Settlement shall occur;
"Share Appreciation Right"	a conditional right to receive Shares in terms of the SAR to the value of the difference between the Exercise Price and the Grant Price of that number of Share Appreciation Rights Granted based on the Market Value of the Shares as at the date of the Notice of Exercise;
"Shares"	ordinary shares with a par value of four cents each (or as adjusted) in the capital of the Company;
"Subsidiaries"	means a subsidiary company, as defined in section 3 of the Companies Act, 71 of 2008;
"Vesting Date"	the date on which a Share Appreciation Right becomes exercisable on fulfilment of the Performance Conditions or the date on which a Participant becomes entitled to a Share under the CSP or a Matching Share in terms of the DBP as set out in the Offer, and "Vest" and "Vested" shall be construed accordingly.

Salient features of the SAR, CSP and DBP

The SAR

Employees will receive annual Grants of Share Appreciation Rights, which are conditional rights to receive Shares equal to the value of the difference between the Exercise Price and the Grant Price. Vesting of the Share Appreciation Rights is subject to Performance Conditions. The duration and specific nature of the Performance Conditions and Performance Period will be stated in the Letter of Grant sent to the Participant and will be determined by the Board on an annual basis in respect of each new Grant of Share Appreciation Rights.

The intended Performance Conditions for the SAR are the measurement of the Company's Return on Invested Capital (ROIC) and the growth in Headline Earnings Per Share (HEPS). The targets and measuring terms of these conditions will be detailed in the Letter of Grant. After Vesting, the Share Appreciation Rights will become exercisable. Upon exercise by a Participant, the relevant Employer Company will settle the value of the difference between the Exercise Price and the Grant Price by delivering Shares, or alternatively, as a fall back provision only, by settling the value in cash. Share Appreciation Rights not exercised within the SAR Period will lapse.

The CSP

Employees will receive grants of Conditional Awards in exceptional cases. Vesting of the Conditional Awards will be subject to fulfilment of performance conditions. The performance measurement and targets will be determined by the RemCom on issue and specified in the Letter of Grant. It is intended that the performance conditions will be linked to specific projects or long term strategic goals and performance. If the Performance Conditions are satisfied, the Conditional Awards will Vest. If the Performance Conditions are not met, the Participant will be informed of the reasons for non-fulfilment, and the Conditional Awards will lapse.

The DBP

Employees will be permitted to use a portion of the after-tax component of their Annual Bonus to acquire Bonus Shares. A Matching Award of Shares will be made to the Participant after a set vesting period on the condition that the Participant remains in the employ of an Employer Company and retains the Bonus Shares over the DBP Period. The Bonus Shares and the Committed Shares shall be held for the benefit of the Participant by the Escrow Agent for the duration of the DBP Period. The Participant remains the owner of the Bonus Shares for the duration of the DBP Period and will enjoy all shareholder rights in respect of the Bonus Shares. A portion or all of the Bonus Shares can be withdrawn from escrow at any stage before the expiry of the DBP Period, but the Matching Award is forfeited to the extent of the Bonus Shares withdrawn from escrow during the DBP Period.

Costs

All costs and expenses relating to the SAR, CSP, and DBP, including the costs of the appointed Administrator(s) (the **Costs**) will be borne by the Group prior to the Vesting Date. Thereafter, the Costs will be borne by and for the account of the relevant Participant, and may be set-off and/or against any proceeds due to the Participant as at the time of any awards being settled. The Costs however do not include any taxes payable, for which the Participant remains liable for at all times.

Eligibility

Executive Directors and Employees of the Group are eligible to participate in the SAR, the CSP and DBP. The Employer Companies will periodically recommend to the Board which Employees it intends to incentivise by the making of Offers and/or Grants whereupon the Board shall make an Offer or Grant to the Employee concerned in respect of either the SAR, the CSP or the DBP.

Performance Conditions

The Vesting of Share Appreciation Rights and Conditional Awards will be subject to the achievement of specified Performance Conditions. The Performance Conditions will be stated in a Letter of Grant.

The DBP is not subject to any Performance Conditions, but is subject to time- and employment-based vesting conditions.

Limits

Overall Company limit

The aggregate number of Shares which may be Allocated under the SAR, DBP and any existing share schemes operated by the Company shall not exceed 5% (five percent) of the number of issued ordinary

shares at any one time, which currently equates to 10 098 573 (ten million and ninety-eight thousand, five hundred and seventy three) shares.

The limit referred to shall exclude the following:

- Shares purchased in the market in Settlement of the SAR, CSP, DBP and any other managerial share schemes operated by the Company; and
- Shares Allocated under the SAR, CSP and the DBP and any other managerial share schemes operated by the Company which are not subsequently Settled to a Participant as a result of the forfeiture thereof.

The aggregate overall Share limit does however include the actual number of new Shares issued by the Company in Settlement of the SAR, the CSP, the DBP and any other managerial share schemes operated by the Company.

Individual limit

The maximum number of Shares allocated in respect of all unvested Share Appreciation Rights Granted in terms of the SAR, Conditional Awards granted in terms of the CSP, and Matching Awards granted in terms of the DBP shall not exceed the limit determined from time to time by the Board, which number of Shares shall not exceed) 0,5% (zero point five percent) of the issued ordinary share capital of the Company at any one time.

Forfeiture of Grants and Matching Awards

The RemCom may exercise its discretion to determine that a Grant or Matching Award (as the case may be) is subject to reduction or forfeiture (in whole or in part), effective the date of the determination of the reduction or forfeiture, if:

i. there is reasonable evidence of misbehaviour or material error by the Participant; or

ii. the financial performance of the Group, the Company, the Employer Company or the relevant business unit for any Financial Year in respect of which a Grant is based have subsequently appeared to be materially inaccurate; or

iii. the Group, the Company, the Employer Company or the relevant business unit suffers a material downturn in its financial performance, for which the Participant can be seen to have some liability; or

iv. the Group, the Company, the Employer Company or the relevant business unit suffers a material failure of risk management, for which the Participant can be seen to have some liability, or in any other circumstances if the Remuneration Committee determines that it is reasonable to subject the Grants of one or more Participants to reduction or forfeiture.

The Remuneration Committee may postpone the Vesting Date in respect of any Participant if, at the Vesting Date, there is an ongoing investigation, pending disciplinary or poor performance procedures, or other procedure being carried on (or contemplated to be instituted) to determine whether the forfeiture provisions apply in respect of a Participant, or the Remuneration Committee decides that further investigation is warranted. In such event, the Vesting Date shall be deemed to be the date upon which the investigation or procedure has been completed and the Remuneration Committee has determined that Participant's SARs shall not be forfeited.

Cessation of employment and death

Resignation or dismissal

If a Participant's employment with an Employer Company terminates by reason of his resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by him or otherwise or where he resigns to avoid dismissal on grounds of misconduct, poor performance, or proven dishonest or fraudulent conduct) before the Vesting Date, all unexercised (vested and unvested) Share Appreciation Rights, Conditional Awards and all conditional Matching Awards shall lapse on such cessation.

Retirement

If a Participant retires while any portion of that Participant's Share Appreciation Rights remain unexercised, or Matching Award or Conditional Award remains unvested, the Participant shall be entitled to the same rights and be subject to the same conditions under the SAR CSP, or the DBP as if he had continued to be an Employee.

Retrenchment, death, ill health, disability or other reasons for cessation of employment

If a Participant ceases to be an Employee of an Employer Company after the Vesting Date by reason of retrenchment, death, ill health, disability or other reasons for cessation of employment other than resignation or dismissal or retirement, any Vested but unexercised Share Appreciation Rights may be exercised within 6 (six) months (or an extended period of up to 12 (twelve) months in the case of death) of the date of cessation of employment, failing which the Share Appreciation Rights will lapse.

If a Participant ceases to be an Employee of an Employer Company prior to the Vesting Date by reason of one of the scenarios listed above, a pro-rata portion of the unvested Share Appreciation Rights shall vest and be exercised within 6 (six) months (or such extended period as the Board regard as appropriate) of the date of cessation of employment or the date of death. The pro-rata portion of the Share Appreciation Rights that Vest will reflect the number of months served since the Date of Grant and the extent to which the Performance Conditions have been satisfied.

If a Participant ceases to be an Employee of an Employer Company prior to the Vesting Date by reason of one of the scenarios listed above, a pro-rata portion of the unvested Conditional Awards shall vest on the date of cessation of employment or the date of death. The pro-rata portion of the Conditional Award that Vests will reflect the number of months served since the Date of Grant and the extent to which, in the opinion of the Board, the Performance Conditions have been satisfied. Should the Participant cease to be an Employee of an Employer Company, but on the same date is employed by another Employer Company, the Participant will not be treated as ceasing to be an Employee as contemplated herein.

If a Participant ceases to be an Employee of an Employer Company prior to the Vesting Date by reason of one of the scenarios listed above, a pro-rata portion of the unvested Matching Awards shall Vest on the date of cessation of employment or death. The pro-rata portion of the Matching Awards that Vest will reflect the number of months served since the Date of Offer and will be based on the number of Bonus Shares and the Committed Shares held at the time of cessation of employment.

The balance of the unvested Share Appreciation Rights not permitted to be exercised, the unvested Matching Awards, and the unvested Conditional Awards, will lapse.

Change of control and delisting

In the event that a change of control of the Company occurs before the Vesting Date, the Board may by written notice to the Participant deem a pro-rata portion of the unvested Share Appreciation Rights, Conditional Awards and/or Matching Awards to vest on the date of the occurrence of the change of control and permit the exercise or vesting of such pro-rata portion within a time period to be determined by the Board.

The pro-rata portion of the Share Appreciation Rights, Conditional Awards and Matching Awards that vest will reflect the number of months served since the Date of Grant or the Date of Offer to the date of the change of control and the extent to which the Performance Conditions (where relevant) have, in the opinion of the Board, been met or in the case of Matching Awards, the number of Bonus Shares and Committed Shares held at the time of the change of control or delisting.

The portion of the Share Appreciation Rights, Conditional Awards and Matching Awards that do not vest early will, if the Shares continue to be listed, continue to be subject to the terms of the Letter of Grant or Offer relating thereto unless, the Board, in their absolute discretion, determines that the terms of the Letter of Grant or Offer relating thereto are no longer appropriate, in which case the Board shall make such adjustment to the number of Share Appreciation Rights, Conditional Awards and Matching Awards or take such other action as may be required to place the Participants in no worse position than they were prior to the occurrence of the change of control. If the Shares cease to be listed following such a change in control, the application of the rules and procedures governing the "Variation in share capital" shall apply.

In the event of an Employer Company (other than the Company), ceasing to be a member (or in the case of Conditional Awards only, a subsidiary) of the Group, the Board may take such action as they consider appropriate to protect the interests of Participants, including converting Share Appreciation Rights, Conditional Awards and/or Matching Awards into Grants in respect of shares in one or more other companies, reviewing the time that has lapsed since the Date of Grant or Date of Offer and calculating the number of Shares to vest in each Participant accordingly, provided that the Participants are no worse off.

Variation in share capital

In the event of a rights issue, capitalisation issue, capital distribution, reduction or other variation of share capital of the Company, subdivision of Shares, consolidation of Shares, the Shares ceasing being listed on the JSE, the Company being put into liquidation for the purpose of reorganisation or any other event affecting the share capital of the Company, Participants shall continue to participate in the SAR, the CSP and/or DBP, however the Board may, where the Company's value has been materially affected thereby, make such adjustment to the number of Share Appreciation Rights, Conditional Awards, and Matching Awards or take such other action as may be required, to place Participants in no worse position than they were prior to the occurrence of the relevant event.

The Board shall notify the Participants of any adjustments which are made under this paragraph. Where necessary, in respect of any such adjustments, the Independent Advisor, acting as experts and not as arbitrators and whose decision shall be final and binding on all persons affected thereby, shall confirm to the Board in writing that these are calculated on a non-prejudicial basis.

If the Company is placed into liquidation otherwise than for the purposes of reorganisation, the SAR, the CSP and DBP shall *ipso facto* lapse as from the date of liquidation and any Share Appreciation Rights, Conditional Awards or Matching Awards which have not yet vested shall *ipso facto* lapse from the date of liquidation. For the purposes hereof "date of liquidation" shall mean the date upon which any application (whether provisional or final) for the liquidation of the Company is granted by the relevant court, or in the case of the CSP and Conditional awards, is lodged at the relevant court.

Amendments to the SAR and DBP

Amendments to the provisions of the SAR, the CSP and DBP relating to:

- eligibility to participate in the SAR, the CSP or DBP;
- the basis for determining Grants, the Grant Price or Exercise Price;
- the basis upon which Matching Awards are made;
- the basis for determining the Market Value and any amount payable by a Participant (where applicable);
- the adjustment of Grants and price, and Offers and price, in the event of a variation of capital of the Company, as well as voting, Dividend, transfer and other rights, including those arising on liquidation of the Company, attaching to Shares;
- the treatment of Share Appreciation Rights, Conditional Awards, and/or Matching Awards in the event of a change in control;
- the limitations on benefits or maximum entitlements;
- the number of Shares which may be utilised for the SAR and CSP;
- the procedure to be adopted in respect of the vesting and exercise of Share Appreciation Rights, Conditional Awards, and/or Matching Awards in the event of termination of employment and/or Retirement;

are subject to approval by ordinary resolution of 75% (seventy five percent) of the shareholders of the Company in general meeting, and by the JSE to the extent (if any) required in terms of the Listings Requirements, and/or compliance with any applicable statute, regulation, rules or Listings Requirements from time to time. Any further minor amendments to the rules of the SAR, the CSP and DBP may be effected by the Board.

INFORMATION ON UKHAMBA

Glossary of terms

Terms defined in the Pre-Listing Statement to which this annexure is attached shall apply herein and bear their same meaning. Terms used herein that are not defined in the Pre-Listing Statement are defined below.

"A" shareholders	the holders of the "A" shares;
"A" shares	19 929 012 ordinary no par value shares in the capital of Ukhamba, the terms and conditions of which are governed by Schedule 1 to the Ukhamba MOI;
"B" shares	17 602 084 ordinary no par value shares in the capital of Ukhamba, the terms and conditions of which are governed by Schedule 2 to the Ukhamba MOI;
beneficiaries	beneficiaries of the Ukhamba Trust;
"C" shares	1 000 ordinary no par value shares in the capital of Ukhamba, the terms and conditions of which are governed by Schedule 3 to the Ukhamba MOI;
"D" shares	19 929 012 ordinary no par value shares in the capital of Ukhamba, which will be created in Ukhamba, upon the approval of the scheme, the terms and conditions of which will be governed by Schedule 4 to the Ukhamba MOI;
"E" shares	17 602 084 ordinary no par value shares in the capital of Ukhamba, which will be created in Ukhamba, the terms and conditions of which will be governed by Schedule 5 to the Ukhamba MOI;
Imperial Deferred Shares	deferred ordinary shares in Imperial of a par value of 4 cents each held by Ukhamba, which convert to Imperial shares in annual tranches over a period which will end on 30 June 2025;
IUC Trust	the Imperial and Ukhamba Community Development Trust (trust registration number IT3821/04);
scheme	the scheme of arrangement proposed by the Board of directors of Ukhamba between Ukhamba and the "A" shareholders, in terms of section 114(1)(b) of the Companies Act, which, if approved and implemented, will result in the division of the "A" shares into two separate classes of shares, comprising the "A" shares and the "D" shares, consequent upon which the "A" shareholders will be allotted and issued on a one-for-one basis, the "D" shares;
trading platform	the platform for the trade of "A" shares and "D" shares on the counter trading page of Equity Express Securities Exchange Proprietary Limited, a private company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act with registration number 2015/197820/07;
Ukhamba MOI	the memorandum of incorporation of Ukhamba as it will be amended pursuant to the approval of the scheme; and
Ukhamba Trust	the Ukhamba Trust (trust registration number IT11896/98).

Background to Ukhamba

Ukhamba, is an investment holding company, formed by Imperial in 1998 as a venture between Imperial and the Ukhamba Trust.

Imperial provided seed capital of R15 000 000.00 for the creation of Ukhamba which has enabled Ukhamba since its establishment, to generate solid profits from its various businesses and investments.

From its inception, the shareholding of Ukhamba was held as follows:

- the Ukhamba Trust: 47.1%;
- Imperial: 46.9%; and
- the IUC Trust: 6%.

In 2004, in terms of a B-BBEE initiative, Imperial introduced Ukhamba as a B-BBEE shareholder to acquire a

direct shareholding interest in Imperial. In order to facilitate that acquisition, Imperial created a separate class of shares, namely, the Imperial Deferred Shares, representing 10.1% of the total shareholding of Imperial. 22 755 389 Imperial Deferred Shares were allotted and issued to Ukhamba at par. Imperial funded the purchase of the Imperial Deferred Shares by Ukhamba.

The issue of the Imperial Deferred Shares to Ukhamba ensured that Imperial became a B-BBEE company with 10.1% of its equity owned by B-BBEE participants and was the culmination of a long-term strategy by Imperial to effect true B-BBEE, by economically empowering its many thousands of Black employees through their participation in the Ukhamba Trust, to acquire an indirect shareholding in Imperial for free. In this regard, the Ukhamba Trust gave some 15 575 black historically disadvantaged people who were employees of Imperial an opportunity, for a consideration totally funded by after-tax bonuses awarded to them by Imperial for that purpose, to acquire units in Ukhamba Trust, which in turn represented a shareholding in Ukhamba, and through it, *inter alia*, an indirect shareholding in Imperial.

Conversion, however, of the Imperial Deferred Shares into Imperial Ordinary Shares was to take place by means of a lengthy annual conversion formula - potentially 29 years for conversion of all the Imperial Deferred Shares into Imperial Ordinary Shares. Due to the uncertain pace and quantum of conversion of the Imperial Deferred Shares, the beneficiaries indicated to Ukhamba and to Imperial, a desire for liquidity in order to realise value for the units that they held in the Ukhamba Trust.

Accordingly, in order to expedite the conversion profile of all the Imperial Deferred Shares into Imperial Ordinary Shares in the interests of the beneficiaries, Imperial in 2013 approached the Imperial Shareholders, who agreed to an automatic conversion of the remaining Imperial Deferred Shares in 12 equal tranches of 831 469 shares each year commencing 30 June 2014 and ending 30 June 2025.

2013 restructure

At the same time, Ukhamba's shareholding was restructured, which coincided with the establishment of the trading platform, to comprise the following shares with the following rights:

the "A" shares, which are held by the "A" shareholders, representing a 53.1% interest in the underlying Imperial Deferred Shares and Imperial Ordinary Shares held by Ukhamba, which are tradable on the trading platform;

the "B" shares, which are held by Imperial, representing its 46.9% interest in the underlying Imperial Deferred Shares and Imperial Ordinary Shares held by Ukhamba, and which are not tradable on the trading platform; and

the "C" shares, which are be held by the Ukhamba Trust (47.1%), Imperial (46.9%) and the IUC Trust (6%), representing their respective interests in Ukhamba's minor investments.

Through the establishment of the trading platform, beneficiaries were given the opportunity to earn a return on their units, notionally, to all intents and purposes, as if they held the "A" shares *pro rata*. Those beneficiaries who retain their units will receive a distribution of Imperial Ordinary Shares *in specie* on expiry of the final tranche of Imperial Deferred Shares converting into Imperial Ordinary Shares.

Impact of the Unbundling on Ukhamba

It is the intention to ensure that Ukhamba and its shareholders, and so too, Imperial and its shareholders, are not disadvantaged in any way as a result of the Unbundling and accordingly to place Ukhamba in the same economic position as it was prior thereto and to ensure that Motus becomes a B-BBEE company with 10.1% of its equity owned by B-BBEE participants, emulating the same status in that respect as Imperial. In order to achieve this, the Imperial B-BBEE structure will be replicated in Motus, in terms of which Ukhamba will, in terms of the Unbundling, receive the same number of Motus shares as the number of Imperial Ordinary Shares currently held by it. In addition, Ukhamba will subscribe for, and be allotted and issued by Motus, the Motus Deferred Shares, equating to the same number of Imperial Deferred Shares currently held by it. Ukhamba's financial position will accordingly remain unchanged, in that, its present holding of Imperial Ordinary Shares and Imperial Deferred Shares will now be represented by the combined holding of Imperial Ordinary Shares, Imperial Deferred Shares, Motus shares and Motus Deferred Dhares. The Unbundling will, therefore, have no financial impact on Ukhamba. At the same time, Motus will, in this way, become a B-BBEE company with 10.1% of its equity owned by B-BBEE participants and it will subscribe for and be issued by Ukhamba with the "E" shares, which will represent 46.9% interest in the underlying Motus Shares and Motus Deferred Shares held by Ukhamba, and which are not tradable on the trading platform.

In addition, to ensure that Ukhamba shareholders are placed in the same economic position as they were prior to Unbundling, it is necessary to divide the "A" shares into two separate classes of shares, comprising "A" shares and "D" shares. The "A" shares will continue to be representative of 53.1% of the underlying shareholding of Ukhamba in the Imperial Ordinary Shares and the Imperial Deferred Shares. The "D" shares will be representative of 53.1% of the underlying shareholding of Ukhamba in the Motus Shares and the Motus Deferred Shares.

Scheme of arrangement

The division of the "A" shares into two separate classes of shares, constitutes a scheme between Ukhamba and the "A" shareholders in terms of section 114(1)(b) of the Companies Act, which, if approved and implemented, will result in the division of the "A" shares into two separate classes of shares, comprising the "A" shares and the "D" shares, consequent upon which the "A" shareholders will be allotted and issued the "D" shares on a one for one basis. As a result, "A" shareholders will be able to trade their "A" shares and "D" shares on the trading platform, as separate instruments.

Approval of the scheme for the aforesaid division of the "A" shares and consequent amendments to the Ukhamba MOI will be sought at a general meeting of "A" shareholders and a combined general meeting of all shareholders of Ukhamba, which is anticipated to take place on 9 October 2018.

B-BBEE credentials

As the Imperial B-BBEE structure will be replicated in Motus upon Unbundling, from the outset Motus will have approximately 10.1% Black equity ownership and will comply with relevant B-BBEE legislation which verification it anticipates obtaining from an independent assessment by a recognised B-BBEE rating agency.

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REF. JOB016637