

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The 'Definitions and Interpretations' section commencing on page 5 of this Circular applies, *mutatis mutandis*, throughout this Circular including to this cover page.

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

Action required

- If you have disposed of all your Delta EMD Shares, this Circular should be handed to the purchaser of such Delta EMD Shares or to the CSDP, Broker, banker or other agent through whom such disposal was effected.
- Delta EMD Shareholders are referred to the "Action Required by Delta EMD Shareholders" section of this Circular commencing on page 2, which sets out the actions required by them in respect of the matters which are the subject of this Circular.

Delta EMD does not accept any 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 Delta EMD Shares to notify such beneficial owner of the subject matter and required actions set out in this Circular.



DELTA EMD LIMITED

(Incorporated in the Republic of South Africa)
(Registration No.: 1919/006020/06)
Share code: DTA ISIN: ZAE000132817

CIRCULAR TO DELTA EMD SHAREHOLDERS

regarding the:

- **payment of the Special Dividend in the gross amount of R0.75 per share, which Special Dividend will constitute the disposal by Delta EMD of the greater part of its assets;**
- **voluntary winding-up of Delta EMD;**
- **appointment of the liquidator; and**
- **delisting from the JSE of the Delta EMD Shares,**

and incorporating:

- **a Notice of General Meeting; and**
- **a Form of Proxy (*blue*) in respect of the General Meeting for use only by Certificated Shareholders and Own-Name Registration as regards the General Meeting.**

Sponsor

Deloitte.

Transfer Secretaries

Computershare

Corporate Law Advisers

TABACKS

ATTORNEYS AND CORPORATE LAW ADVISORS

Independent Expert

IBDO

Date of issue: **Thursday, 18 April 2019**

*This Circular is only available in English. Copies of this Circular in its printed form may be obtained on Business Days between 09:00 and 16:00 from the date of issue until and including the date of the General Meeting, being **Monday, 10 June 2019** from **Delta EMD's Corporate Office** and from the office of the Sponsor, at the respective addresses set out in the "Corporate Information and Advisors" section of this Circular.*

Copies of the Circular may also be downloaded from the Company's website at <http://www.deltaemd.co.za>

CORPORATE INFORMATION AND ADVISORS

Directors

Executive

TG Atkinson (*Executive Chairman*)

EJ Nel (*Financial Director*)

Non-executive

PJ Baijnath

AC Hicks*

L Matteucci*

BR Wright*

**Independent*

Company Secretary and Registered Office

EJ Nel

15 Heyneke Street

Industrial Site

Nelspruit

Mpumalanga

1200

(PO Box 2197, Nelspruit, 1200)

Sponsor

Deloitte & Touche Sponsor Services (Pty) Limited

(Registration No. 1996/000034/07)

Deloitte Place

Building 8, The Woodlands

20 Woodlands Drive

Woodmead

2196

(Private Bag X6, Gallo Manor, 2052)

Independent Expert

BDO Corporate Finance Proprietary Limited

22 Wellington Road

Parktown

2193

(Private Bag X60500, Houghton, 2041)

Corporate Law Advisors

Taback and Associates Proprietary Limited

(Registration No. 2000/010434/07)

13 Eton Road

Parktown

Johannesburg

2198

(PO Box 3334, Houghton 2041, Johannesburg,)

Transfer Secretaries

Computershare Investor Services Proprietary Limited

(Registration No. 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, Johannesburg

2196

(PO Box 61051, Marshalltown, 2107, South Africa)

Place and Date of Incorporation:

South Africa on 11 July 1919

TABLE OF CONTENTS

The definitions and interpretations in the “Definitions and Interpretations” section commencing on page 5 of this Circular apply, *mutatis mutandis*, to this section.

	<i>Page</i>
Corporate information and advisors	Inside cover
Action required by Delta EMD shareholders	2
Important dates and times	3
Definitions and interpretations	5
Circular to Delta EMD shareholders	8
1. Introduction	8
2. Purpose of this circular	10
3. Special dividend	10
4. Voluntary winding-up of Delta EMD	11
5. Tax implications of the special dividend and the liquidation distribution	11
6. Opinions and recommendation	12
7. Directorate and interests	12
8. Share capital, listing and major shareholders	13
9. Legal matters	14
10. Directors’ responsibility statement	14
11. Independent board’s responsibility statement	14
12. Other general information	14
13. Consents and reports	15
14. Expenses	15
15. General meeting and required action	16
16. Exchange control regulations	16
17. Documents available for inspection	17
Annexure 1 – Independent Expert’s Report	19
Annexure 2 – Financial Information of Delta EMD	23
Annexure 3 – Sections 115 and 164 of the Companies Act	26
Annexure 4 – Price and trading history of Delta EMD Shares on the JSE	32
Notice of general meeting	Attached
Form of proxy (<i>blue</i>) for own-name registration Delta EMD shareholders	Attached

ACTION REQUIRED BY DELTA EMD SHAREHOLDERS

The 'Definitions and Interpretations' section commencing on page 5 of this Circular applies, *mutatis mutandis*, to this section.

IMPORTANT

Delta EMD Shareholders should please take careful note of the following provisions regarding the actions to be taken by them

- If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all of your Delta EMD Shares, please forward this Circular to the purchaser of such Delta EMD Shares or to the Broker, CSDP, banker, attorney, or other agent through whom the disposal was effected.

CIRCULAR AND GENERAL MEETING

- This Circular contains information regarding the Special Dividend, the Voluntary Winding-up and the Delisting; and
- The General Meeting will be held at 10 Bompas Road, Dunkeld, Johannesburg on Monday, 10 June 2019 at 09:00, at which the requisite resolutions to approve the Special Dividend, the Voluntary Winding-up, the Delisting and related matters will be considered and, if deemed fit, approved with or without modification.

ATTENDING AND VOTING AT THE GENERAL MEETING

As regards holders of Dematerialised Shares:

- If you have Dematerialised your Delta EMD Shares and have elected Own-Name Registration, you are entitled to attend in person, or be represented by proxy, at the General Meeting.
- If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached Form of Proxy (*blue*). For effective administration, it is requested that the Form of Proxy should be completed and returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) so as to reach them by not later than 09:00 on Thursday, 6 June 2019 failing which, it may be handed to the Chairperson of the General Meeting at any time prior to the commencement of the General Meeting;
- If you have Dematerialised your Delta EMD Shares and have not elected Own-Name Registration, and you wish to attend or to be represented at the General Meeting, you must advise your CSDP or Broker timeously that you wish to attend or to be represented at the General Meeting. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting. If you do not wish to attend or be represented at the General Meeting but nevertheless wish to vote, and your CSDP or Broker has not contacted you, you are advised to initiate contact with your CSDP or Broker in order to provide them timeously with your voting instructions. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your standing mandate furnished to them. **You must not complete the attached Form of Proxy.**

As regards holders of Certificated Shares:

- If you hold your Delta EMD Shares in Certificated form you are entitled to attend in person, or to be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached Form of Proxy (*blue*). For effective administration, it is requested that the Form of Proxy should be completed and returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) so as to reach them by not later than 09:00 on Thursday, 6 June 2019 failing which, it may be handed to the Chairperson of the General Meeting at any time prior to the commencement of the General Meeting.
- If you hold your Delta EMD Shares in certificated form and you wish to Dematerialise your Delta EMD Shares prior to the General Meeting, please contact your Broker as soon as possible.

IMPORTANT DATES AND TIMES

The 'Definitions and Interpretations' section commencing on page 5 of this Circular applies, *mutatis mutandis*, to this section.

2019

Final reviewed results of the Company for the year ended 27 December 2018 published	Friday, 29 March
Record date to determine Delta EMD Shareholders eligible to receive the Circular and Notice of General Meeting ^b	Friday, 12 April
Announcement regarding convening of General Meeting and posting of Circular published through SENS on	Thursday, 18 April
Circular, inclusive of Notice of General Meeting, posted to entitled Shareholders on	Thursday, 18 April
Announcement regarding convening of General Meeting and posting of Circular published in the press on	Tuesday, 23 April
Last day to trade on the JSE in Delta EMD Shares in order to be recorded in Delta EMD's share register and thereby to be entitled to attend, participate in and vote at the General Meeting ^b	Tuesday, 28 May
Record date to be entitled to attend, participate in and vote at the General Meeting, by close of trading on the JSE on ^b	Friday, 31 May
For effective administration, completed Forms of Proxy for General Meeting to be received by Transfer Secretaries ^c by not later than 09:00 on	Thursday, 6 June
Last date and time for Delta EMD Shareholders to give notice to Delta EMD objecting, in terms of section 164(3) of the Companies Act, to the Special Resolution approving the Special Dividend, for purposes of the Appraisal Rights by 09:00 on	Monday, 10 June
General Meeting held at 09:00 on	Monday, 10 June
Results of General Meeting published through SENS on	Monday, 10 June
Results of General Meeting published in press on	Tuesday, 11 June
If the Special Dividend is approved by DELTA EMD Shareholders at the General Meeting with sufficient voting rights such that no Shareholder may require the Company to obtain Court approval for the Special Dividend as contemplated in section 115(3)(a) of the Companies Act:	
Last day for Shareholders who voted against the Special Dividend to require DELTA EMD to seek Court approval for the Special Dividend in terms of section 115(3)(a) of the Companies Act if the Special Dividend is approved by Shareholders at the General Meeting but the Special Resolution was opposed by at least 15% of the voting rights that were exercised on the Special Resolution at the General Meeting (where applicable) (5 business days after General Meeting)	Tuesday, 18 June
Last date on which DELTA EMD Shareholders can make application to the Court in terms of section 115(3)(b) of the Companies Act on (10 business days after General Meeting)	Tuesday, 25 June
Last date for DELTA EMD to give notice of adoption of the Special resolution approving the Special Dividend to DELTA EMD Shareholders objecting to the special resolution on	Tuesday, 25 June
Obtain TRP Compliance certificate	Wednesday, 26 June

Finalisation Date announcement expected to be released on SENS on or about (to be announced by 11:00)	Thursday, 27 June
Finalisation Date announcement expected to be published in the press on or about	Friday, 28 June
Last day to trade to be eligible to receive the Special Dividend	Tuesday, 16 July
Suspension of Delta EMD Shares on JSE at commencement of trade	Wednesday, 17 July
Record Date for Special Dividend	Friday, 19 July
Special Dividend payment date	Monday, 22 July
Delisting of Delta EMD from JSE at commencement of trade	Tuesday, 23 July

Notes:

- (a) All of the above dates and times, which are local South African dates and times, are subject to change. Any changes will be published through SENS and, as appropriate, in the press.
- (b) Pursuant to section 62(3)(a) as read with section 59(1) of the Companies Act, the date determined by the Board to be the record date for purposes of determining Delta EMD Shareholders entitled to receive this Circular and Notice of General Meeting is Friday, 12 April 2019. Furthermore, only Delta EMD Shareholders who are registered in the securities register of the Company on Friday, 31 May 2019, will be entitled to participate in and vote at the General Meeting.
- (c) Delta EMD Shareholders should note that pursuant to the T+3 Strate settlement protocol, the last day to trade in and to acquire Delta EMD Shares in order to be capable of being registered as the holder thereof by the above indicated record date, is Tuesday 28 May 2019.
- (d) Should Forms of Proxy not be returned to the Transfer Secretaries by 09:00 on Thursday, 6 June 2019 they may nevertheless be handed to the Chairperson of the General Meeting at any time before the commencement of the General Meeting.
- (e) Should the General Meeting be adjourned or postponed, Forms of Proxy submitted for the General Meeting will remain valid in respect of any such adjournment or postponement.
- (f) Share certificates may not be Dematerialised or rematerialised after the last day to trade for the payment.
- (g) Payment date for any possible/expected Liquidation Distribution will be announced through SENS and, as appropriate in the press in due course.

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular, unless otherwise stated or the context so requires, the words and expressions in the first column following below have the respective meanings stated opposite them in the second column, words and expressions in the singular include the plural and *vice versa*, words importing natural persons include juristic persons and unincorporated associations of persons and *vice versa* any reference to one gender includes the other gender and cognate expressions shall bear corresponding meanings:

“Board”	the board of Directors, as constituted from time to time;
“Broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	means any day in South Africa other than a Saturday, Sunday or official gazetted public holiday;
“Cash Balance”	the cash remaining after the payment of the Special Dividend as calculated at the Last Practicable Date, being the then sole asset of Delta EMD;
“Certificated Shareholders”	the Delta EMD Shareholders who hold Certificated Shares;
“Certificated Shares”	Delta EMD Shares that have not been Dematerialised, the title to which are evidenced by a certificate or other physical documents of title;
“Circular”	this circular to Delta EMD Shareholders dated Thursday, 18 April 2019 , including the annexures to this Circular, the Notice of General Meeting and the Form of Proxy;
“Companies Act”	the South African Companies Act (Act No. 71 of 2008), as amended, together with the South African Companies Regulations;
“Companies Regulations”	the Companies Regulations, 2011, being the regulations made in accordance with section 223 of the Companies Act;
“Current Retained Cash”	the aggregate sum of R77 667 247 held in cash by Delta EMD on deposit with its bankers as at the Last Practicable Date
“Custody Agreement”	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker regulating their relationship in respect of the Dematerialised Shares held by the CSDP or Broker;
“CSDP”	a Central Securities Depository Participant appointed by a Delta EMD Shareholder for the purpose of and in regard to Dematerialisation in terms of section 1 of the Financial Markets Act, and which operates the custody and settlement procedure for the JSE;
“Delisting”	the delisting of the Delta EMD Shares from the JSE in terms of the Listings Requirements;
“Delta EMD” or “the Company”	Delta EMD Limited (Registration number 1919/006020/06), a public company duly registered and incorporated in accordance with the laws of South Africa, the shares of which are listed on the JSE, having tax number 9375057719;
“Delta EMD Shareholders”	holders of Delta EMD Shares;
“Delta EMD Shares”	ordinary no par value shares in the share capital of Delta EMD;
“Dematerialisation” or “Dematerialise”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in the sub-registers of a company as administered and maintained by the CSDPs and “Dematerialised” shall have a corresponding meaning;

“Dematerialised Shareholders”	Delta EMD Shareholders holding Dematerialised Shares;
“Dematerialised Shares”	Delta EMD Shares which have been Dematerialised in terms of the Companies Act and the Financial Markets Act, ownership of which is recorded by means of electronic record in a sub-register of Delta EMD Shareholders administered by a CSDP, such sub-register forming a constituent part of Delta EMD’s main register of Delta EMD Shareholders;
“Directors”	the directors of Delta EMD from time to time;
“Fair and Reasonable Opinion”	the fair and reasonable opinion expressed by the Independent Expert on whether the Current Retained Cash and payment to Delta EMD Shareholders of the substantial part thereof by way of the proposed Special Dividend is fair and reasonable in the circumstances, as required by and in compliance with the Takeover Regulations;
“Financial Markets Act”	the Financial Markets Act (Act No. 19 of 2012), as amended from time to time;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>blue</i>) for use only by Certificated Shareholders and Own-Name Registration;
“General Meeting”	the general meeting of Delta EMD Shareholders convened to be held at 09:00 on Monday, 10 June 2019 at 10 Bompas Road, Dunkeld, Johannesburg in terms of the Notice of General Meeting, for the purpose of considering and, if deemed fit, passing the resolutions necessary to approve the Special Dividend, the Voluntarily Winding-up and the Delisting;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	the Income Tax Act (Act 58 of 1962) as amended;
“Independent Board”	the independent subcommittee of the Board comprising those Directors whom the Board has indicated are independent Directors, being Directors who have no conflict of interest and are able to make impartial decisions in relation to the Special Dividend, namely BR Wright, AF Hicks and L Matteucci;
“Independent Expert”	BDO Corporate Finance Proprietary Limited, (Registration number 1983/002903/07), a private company incorporated and registered in accordance with the laws of South Africa;
“JSE”	JSE Limited (Registration No. 2005/022939/06), a public company duly registered and incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Friday, 5 April 2019 , being the last practicable date on which information was capable of being included in this Circular prior to its finalisation;
“Liquidation Distribution”	an amount equal to the Cash Balance less the amount for satisfying the outstanding liabilities of Delta EMD and the costs for the Delisting and the Voluntary Winding-up, to be distributed, pursuant to the Voluntary Winding-up, as a liquidation distribution to Delta EMD Shareholders pro rata to their shareholdings;
“Liquidator”	PricewaterhouseCoopers Legal Proprietary Limited, (Registration number 2011/009722/07), a private company incorporated and registered in accordance with the laws of South Africa;
“Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“Notice of General Meeting”	the notice of General Meeting to Shareholders attached to and forming a part of this Circular;

“Own-Name Registration” or “Own-Name”	Dematerialised Shareholders who have instructed their CSDP to register and to record their Delta EMD Shares in their own name on the sub-registers of Delta EMD;
“Register”	the securities register of Delta EMD Shareholders maintained by Delta EMD in terms of the Companies Act, including the register of Certificated Shareholders and the sub-registers of Dematerialised Shares maintained by the relevant CSDPs in accordance with the Companies Act;
“SENS”	the Stock Exchange News Service of the JSE;
“Solvency and Liquidity Test”	the solvency and liquidity test referred to in Section 4 of the Companies Act;
“South Africa”	the Republic of South Africa;
“Special Dividend”	the special dividend referred to in paragraph 3.3 to be paid to Delta EMD Shareholders (which special dividend will constitute the disposal by the Company of the greater part of its assets), subject to the requisite Delta EMD Shareholder and Regulatory approvals being obtained;
“Strate”	Strate Proprietary Limited (Registration No. 1998/022242/07), a private company duly registered and incorporated in accordance with the laws of South Africa, being a licensed central securities depository in terms of Section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“Takeover Regulation Panel”	the Takeover Regulation Panel established in terms of Section 196 of the Companies Act;
“Takeover Regulations”	the regulations set out in Chapter 5 (Fundamental Transactions and Takeover Regulations) of the Companies Regulations, as applicable;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration No. 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of South Africa, the transfer secretaries to the Company;
“Voluntary Winding-up”	the proposed voluntary winding-up of Delta EMD to be considered by Delta EMD Shareholders at the General Meeting, as further described in paragraph 4 of this Circular; and
“ZAR” or “Rand”	South African Rand, the official currency of South Africa.



DELTA EMD LIMITED

(Incorporated in the Republic of South Africa)

(Registration No.: 1919/006020/06)

Share code: DTA ISIN: ZAE000132817

Directors

Executive

TG Atkinson (*Executive Chairman*)

EJ Nel (*Financial Director*)

Non-executive

PJ Baijnath

AC Hicks*

L Matteucci*

BR Wright*

**Independent*

CIRCULAR TO DELTA EMD SHAREHOLDERS

1. INTRODUCTION

- 1.1 Following the approval granted to the Board by Delta EMD Shareholders on 9 May 2014 to cease and discontinue the business of Delta EMD and its subsidiaries ("Group") in a phased and orderly manner, Delta EMD embarked on a sale process to dispose of all the Group's assets for the best market value with a view to subsequently wind-up or deregister Delta EMD, the only company that remains in the Group, after all the cash in Delta EMD (less the amount required to settle all the liabilities and the costs of winding-up or deregistration) had been distributed to the Delta EMD Shareholders. The memorandum setting out details for the proposed winding-up of Delta EMD, dated 4 April 2014 can be found on the Company's website at www.deltaemd.co.za.
- 1.2 In the last quarter of 2018, Delta EMD sold its remaining investments in subsidiary companies, pursuant to a transaction which was approved by Delta EMD Shareholders at a general meeting held on 12 December 2018.
- 1.3 On 29 March 2019, the interim special dividend of **R0.70** was announced by the Board, payable in April 2019.
- 1.4 The only asset of Delta EMD remaining after the payment of the interim dividend is the Current Retained Cash.
- 1.5 Delta EMD does not meet all of the listing criteria as set out in the Listings Requirements, since it has no operating assets or operating businesses, as required in terms of Section 4.28 (d) of the Listings Requirements. Delta EMD is therefore a cash shell and would be delisted in terms of Section 3.26 of the Listings Requirements unless it acquires viable assets within a period of 9 months.
- 1.6 The Independent Board has resolved to recommend to Delta EMD Shareholders that the Special Dividend be declared and paid to Delta EMD Shareholders and that Delta EMD be thereafter voluntarily wound-up, whereupon all the cash in the Company (less the amount for satisfying the outstanding liabilities and the costs of the Delisting and the Voluntary Winding-up) will be distributed to Delta EMD Shareholders as the Liquidation Distribution.
- 1.7 As the proposed Special Dividend would constitute a disposal of the major portion of Delta EMD's assets, the provisions of Section 112 read with Section 115 would be applicable to such Special Dividend.

- 1.8 In terms of Section 115 of the Companies Act:
- 1.8.1 the Special Dividend must be approved by Delta EMD Shareholders by way of a special resolution passed at a meeting of Delta EMD Shareholders in accordance with the provisions of Section 115; provided that, despite the resolution having been adopted the resolution may not be implemented without the approval of the Court if (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within 5 business days after the vote, any person who voted against the resolution requires the Company to seek Court approval, or (b) the Court, on application within 10 Business Days after the vote by any person who voted against the resolution, grants that person leave to apply to a Court for a review of the decision to approve the Special Dividend;
 - 1.8.2 if the resolution approving the Special Dividend requires approval by a Court, Delta EMD must either (a) within 10 Business Days after the vote, apply to the Court for approval and bear the costs of that application, or (b) treat the resolution as a nullity. The Court may set aside the resolution only if the resolution is manifestly unfair to any class of holders of Delta EMD's securities or the vote was materially tainted by a conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the memorandum of incorporation of Delta EMD or any applicable rules of Delta EMD or other significant or material procedural irregularity;
 - 1.8.3 the declaration and payment of the Special Dividend, being an "affected transaction" to which the Takeover Regulations apply, is regulated by the Takeover Regulation Panel, and will be subject to the Takeover Regulation Panel issuing a compliance certificate as contemplated in Section 119(4)(b) of the Companies Act. It is important to note that the Takeover Regulation Panel does not consider commercial advantages or disadvantages of affected transactions when it regulates and approves such transactions; and
 - 1.8.4 a holder of any voting rights in Delta EMD is entitled to seek relief in terms of Section 164 of the Companies Act ("**Dissenting Shareholder's Appraisal Rights**").
- 1.9 In terms of Section 164 of the Companies Act, at any time before special resolution number 1 as set out in the Notice of General Meeting is voted on, a dissenting shareholder may give the Company a written notice objecting to the special resolution. Within 10 (ten) Business Days after the Company has adopted special resolution number 1, the Company must send a notice that the special resolution has been adopted to each Delta EMD Shareholder who:
- 1.9.1 gave the Company a written notice of objection as contemplated above;
 - 1.9.2 has not withdrawn the notice; and
 - 1.9.3 has voted against special resolution number 1.
- 1.10 A dissenting shareholder may, within 20 (twenty) Business Days after receiving the Company's aforementioned notice confirming the adoption of the special resolution number 1, demand that the Company pay the dissenting shareholder the fair value for all the Delta EMD Shares held by that dissenting shareholder, if:
- 1.10.1 the dissenting shareholder has sent the Company a notice of objection;
 - 1.10.2 the Company has adopted the special resolution; and
 - 1.10.3 the dissenting shareholder voted against the special resolution and has complied with all the procedural requirements of Section 164 of the Companies Act.
- 1.11 A copy of the provisions of Sections 115 and 164 of the Companies Act is annexed to this Circular as Annexure 3.
- 1.12 Subject to approval of relevant resolutions at the General Meeting, the JSE has approved the delisting of all the issued shares of the Delta EMD. Delta EMD shares will be suspended with effect from Wednesday, 17 July 2019 and delisted with effect from Tuesday, 23 July 2019.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is:

- 2.1 to provide Shareholders with the relevant information relating to the proposed Special Dividend, the Voluntary Winding-up and the Delisting; and
- 2.2 to convene a General Meeting to consider and, if deem fit, to approve (with or without modification) the resolutions to be proposed thereat.

3. SPECIAL DIVIDEND

- 3.1 The Independent Board has resolved, having regard to the Fair and Reasonable Opinion, the costs relating to this Circular, the Liquidator's reasonable estimate of the costs of the Voluntary Winding-up Delta EMD (inclusive of a prudent provision for potential contingent or unforeseen liabilities) and all other relevant information available to it, to recommend to Delta EMD Shareholders that the distribution as a Special Dividend of the substantial majority of the Current Retained Cash (which Special Dividend will constitute the disposal by the Company of the greater part of its assets) be approved by them in terms of Section 112, read with Section 115, of the Companies Act.
- 3.2 The Board has, by resolution:
 - 3.2.1 authorised the payment of the Special Dividend based on the recommendation of the Independent Board; and
 - 3.2.2 acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that Delta EMD will satisfy the Solvency and Liquidity Test immediately after completing the payment of the Special Dividend.
- 3.3 The final amount of the Special Dividend, as recommended by the Independent Board, will be announced on SENS but as at the Last Practicable Date is:
 - 3.3.1 provisionally estimated to be a gross amount of approximately R0.75 per Delta EMD Share, being the sum of R36,874,164.75, payable out of retained earnings, which will constitute the disposal by the Company of the greater part of its assets; or
 - 3.3.2 an amount which is less than R0.75 per share (as may be determined by the Board to take into account unforeseen and/or contingent liabilities that may not have been provided for) but will nevertheless still constitute the disposal by the Company of the greater part of its assets.
- 3.4 The Independent Board has taken all reasonable steps to ensure that, as at the Last Practicable Date, adequate provision has been made for potential contingent or unforeseen claims in calculating the Special Dividend in the sum of approximately R0.75 per Delta EMD Share. The risk of unknown and unforeseen claims being submitted pursuant to the Voluntary Winding-up cannot however be wholly precluded. The Independent Board is of the view that it is unlikely that any claims in excess of the current contingency provision will arise. Nevertheless the Board, with the approval of the Independent Board, has elected as a precaution to solicit, as far as practicably possible, advance notification from potential Delta EMD creditors of such claims, prior to the declaration and payment of the Special Dividend, by publishing a notice to creditors to that effect. To the extent that any such creditor claims in excess of the aggregate contingency provision do arise, this will result in an appropriate adjustment in the amount of R0.75 per Delta EMD Share of the Special Dividend insofar as may be necessary to settle such claims.
- 3.5 The Special Dividend is a dividend as defined in the Income Tax Act and as such will be subject to dividend withholding tax at a rate of 20%, save for where Delta EMD Shareholders are exempt from the payment of dividend withholding tax. The payment of dividend withholding tax will result in a net dividend amount of R0.60 per share (there being 49 165 553 Delta EMD Shares in issue and assuming that a Special Dividend in the amount of R0.75 per Delta EMD Share is declared and paid by the Board).

- 3.6 Set out below is a breakdown of the changes to Delta EMD's cash and cash equivalents balance indicating how the Special Dividend has been calculated:

Indication of Current Retained Cash available for distribution;

Balance of cash as at 27 December 2018	R77 997 892
Outstanding liabilities at 27 December 2018	(R1 797 731)
Operating expenses Quarter 1 2019	(R2 099 129)
Interim dividend paid	(R34 415 887)
Cost of the circular	(R1 063 282)
Liquidator's fee	(R46 000)
Other cost related to Liquidation	(R120 840)
Contingencies	(R2 428 199)
Interest earned on Current Retained Cash	R847 340
Cash available for distribution before providing for Voluntary Winding-up and Delisting costs	R36 874 165

4. VOLUNTARY WINDING-UP OF DELTA EMD

- 4.1 Subsequent to the declaration and payment of the Special Dividend by the Board, or the declaration and payment by the Board of any other dividend, other than the Special Dividend, the Board proposes that Delta EMD be wound-up by way of a shareholders' voluntary winding-up in terms of Section 80 of the Companies Act
- 4.2 In terms of Section 80 of the Companies Act:
- 4.2.1 a solvent company may be wound-up voluntarily if the company has adopted a special resolution to do so;
- 4.2.2 a company being voluntarily wound-up must (a) arrange for security to the satisfaction of the Master of the High Court of South Africa ("Master") for the payment of the company's debts within no more than 12 months after the start of the winding-up of the company or (b) obtain the consent of the Master to dispense with security, which the Master may do only if the company has submitted to the Master:
- 4.2.2.1 a sworn statement by a director authorised by the board of the company stating that the company has no debt; and
- 4.2.2.2 a certificate by the company's auditor stating that to the best of the auditor's knowledge and belief and according to the financial records of the company, the company appears to have no debts;
- 4.2.3 any costs incurred in the furnishing of the security referred to in paragraph 4.2.2 above must be paid by the company.
- 4.3 The Board has agreed with the Liquidator that it will, subject to the requisite approval of Delta EMD Shareholders, be agreeable to be appointed as Liquidator of Delta EMD in its Voluntary Winding-up.
- 4.4 Accordingly, a special resolution is contained in the Notice of General Meeting which provides for the voluntary winding-up of Delta EMD and the appointment of the Liquidator subject to the approval of the Master.

5. TAX IMPLICATIONS OF THE SPECIAL DIVIDEND AND THE LIQUIDATION DISTRIBUTION

- 5.1 The Special Dividend or any other dividend declared and paid by the Board, will be made from aggregated retained earnings and will be subject to dividend tax in terms of the Income Tax Act.
- 5.2 The Liquidation Distribution will be made out of retained earnings and capital and, to the extent made out of retained earnings, will be subject to dividend tax and, to the extent made out of capital, will be subject to capital gains tax in terms of the Income Tax Act, details of which will be contained in the distribution announcement to be made by the Company. The Liquidation Distribution will be paid based on the liquidation and distribution account approved by the Master and will consist of the nominal amount of cash left in Delta EMD. There will only be one liquidation distribution which will be paid after the Delisting.

6. OPINIONS AND RECOMMENDATION

6.1 Opinion of Independent Expert

Regulation 90(1)(a) of the Companies Regulations requires that a fair and reasonable opinion be provided to Delta EMD Shareholders for consideration regarding the Special Dividend.

In this regard, the Fair and Reasonable Opinion, is contained in Annexure 1 of this Circular and is available for inspection in the manner set out in paragraph 17. The substance of the Fair and Reasonable Opinion is that having considered the proposed Special Dividend, the Independent Expert is of the opinion that it is fair and reasonable for Delta EMD Shareholders to support the resolutions to be proposed at the General Meeting.

6.2 Independent Board Opinion and Recommendation in respect of the Special Dividend

The Independent Board, after due consideration of the proposed Special Dividend and the Fair and Reasonable Opinion:

6.2.1 has determined that it will place reliance on the Fair and Reasonable Opinion for purposes of reaching its own opinion regarding the proposed Special Dividend; and

6.2.2 is of the opinion that the Special Dividend is in the best interest of Delta EMD Shareholders and, accordingly, recommends that Delta EMD Shareholders vote in favour of the resolutions to be proposed at the General Meeting to approve and implement the Special Dividend, or any amount less than the Special Dividend as determined by the Board in order to take into account unforeseen and/or contingent liabilities that may have not been provided for.

6.3 Board Opinion and Recommendation in respect of the Voluntary Winding-up of Delta EMD

The Directors are of the opinion that the Voluntary Winding-up is in the best interests of Delta EMD and the Delta EMD Shareholders. Accordingly, the Directors recommend that Delta EMD Shareholders vote in favour of the resolutions, to be proposed at the General Meeting to approve and implement the Voluntary Winding-up and the Delisting.

7. DIRECTORATE AND INTERESTS

7.1 Directors

The Company's Directors as at the Last Practicable Date are listed on page 7 of this Circular.

7.2 Director Shareholdings

The Directors beneficial direct and indirect interests in Delta EMD Shares as at the Last Practicable Date are as follows:

Director	Direct beneficial Shares	Indirect beneficial Shares	Total Shares	Percentage of issued Shares
BR Wright	6 823	2 002	8 825	0.02%
Total				

There have been no changes in respect of the Directors' shareholdings in Delta EMD between the financial period 27 December 2018 (the last financial reporting period) and the Last Practicable Date.

7.3 **Directors' Interest in the Special Dividend**

Save for Mr BR Wright, who is a 0.02% Delta EMD Shareholder, none of the current Directors nor any former Directors who have resigned as Directors during the past 18 months has any interest in the proposed Special Dividend as contemplated in this Circular or in any other transaction undertaken by Delta EMD during the current or immediately preceding financial year, which remains in any respect outstanding or pending.

7.4 **Directors Remuneration and Benefits and other Technical and Service Fees**

No additional remuneration, fees earned, or any other benefits receivable by:

7.4.1 Directors, whether as executives or non-executives; or

7.4.2 management or any other agencies or entities which provide secretarial and/or other technical services to Delta EMD,

will be payable, accrue or be varied as a direct consequence of the Special Dividend.

7.5 **Directors' Service Contracts**

The service contracts in place between Delta EMD and its executive Directors contain terms and conditions that are usual for contracts of this nature.

8. **SHARE CAPITAL, LISTING AND MAJOR SHAREHOLDERS**

8.1 **Share Capital**

8.1.1 The Special Dividend will not have any effect on the authorised or issued share capital of Delta EMD.

8.1.2 As at the Last Practicable Date, Delta EMD's authorised and issued share capital is as follows:

Authorised share capital

75 000 000 no par value shares	R75 000 000
--------------------------------	-------------

Issued share capital

49 165 553 no par value shares	R49 165 553
--------------------------------	-------------

8.1.3 The authorised but unissued shares in the share capital of Delta EMD are under the control of the Directors.

8.2 **Alterations of Share Capital**

There have been no share repurchases, consolidations, or subdivisions of share capital by Delta EMD and/or its subsidiaries during the three years prior to the Last Practicable Date.

8.3 **Listings of Delta EMD's Shares**

Delta EMD does not have any securities listed on any stock exchanges other than the JSE.

8.4 **Controlling Shareholder and Trading Objectives**

No Delta EMD Shareholder presently holds more than 50.0% of the Delta EMD Shares. In the past five years, there has been no change either in the controlling shareholder or in the trading objectives of Delta EMD and/or the Group.

8.5 **Major Shareholders**

As at the Last Practicable Date and based on the most recent month-end information available to the Directors, the following Delta EMD Shareholders hold, either directly or indirectly, beneficial interests in 5% or more of Delta EMD's issued share capital.

Name of Shareholder	Holding of Shares	% of issued Shares
Valmont EMD Holdings Limited	24 154 059	49.13%
Mr J Biccard	2 754 498	5.60%
TOTAL		54.73%

9. LEGAL MATTERS

The Directors are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, as listed on page 7 of this Circular:

- 10.1 have considered all statements of fact and opinion contained in this Circular;
- 10.2 collectively and individually, accept full responsibility for the accuracy of all information included in this Circular for the purposes of providing appropriate information as regards the proposed Special Dividend and the Voluntary Winding-up;
- 10.3 certify that, to the best of their knowledge and belief, there are no facts, the omission of which would make any statements as contained in this Circular false or misleading;
- 10.4 have made all reasonable enquiries to ascertain such statements; and
- 10.5 certify to the best of their knowledge and belief, that the Circular contains all information required by law and the Listings Requirements.

11. INDEPENDENT BOARD'S RESPONSIBILITY STATEMENT

The Independent Board:

- 11.1 has considered all statements of fact and opinion in respect of the Special Dividend contained in this Circular;
- 11.2 collectively and individually, accepts full responsibility for the accuracy of all information included in this Circular for the purposes of providing appropriate information as regards the proposed Special Dividend;
- 11.3 certifies that, to the best of their knowledge and belief, there are no facts, the omission of which would make any statements as contained in this Circular false or misleading;
- 11.4 has made all reasonable enquiries to ascertain such statements; and
- 11.5 certifies to the best of their knowledge and belief, that the Circular contains all information required by law and the Listings Requirements.

12. OTHER GENERAL INFORMATION

12.1 Material Changes

There has been no material change in the financial or trading position of the Company that has occurred since the publication of Delta EMD's reviewed annual results for the financial year ended, as published on Thursday, 28 March 2019.

12.2 Material Loans and Borrowings

The Company does not have any material loans and/or borrowings.

12.3 Material Acquisition and Disposals

The only material disposal by the Group during the three years preceding the Last Practicable Date:

- was on 12 December 2018 when Delta EMD announced on SENS the conditions precedent to the disposal of 2 129 101 ordinary par value shares of R1 each in EMD Investments Proprietary Limited (constituting the entire issued share capital of EMD Investments Proprietary Limited) to Viridi Developments Proprietary Limited, for the aggregate sum of R12.5 million, had been fulfilled and the proceeds were received by Delta EMD.

12.4 Material Contracts and Royalties

There have been no payments made to promoters within the past three years prior to the issue of this Circular and there are no promoters' interests in Delta EMD Shares.

12.5 Special arrangements, undertakings or agreements

There are no arrangements, undertakings or agreements between Delta EMD and any shareholders in relation to the Special Dividend and the Voluntary Winding-up.

13. CONSENTS AND REPORTS

Each of Deloitte & Touche Sponsor Services Proprietary Limited, Taback & Associates Proprietary Limited, Computershare Investor Services Proprietary Limited and BDO Corporate Finance Proprietary Limited, have consented in writing to act in their respective capacities stated and to their names being included, in this Circular and have not withdrawn such consent prior to the issue of this Circular.

14. EXPENSES

- 14.1 The estimated costs of concluding and implementing this circular relating to the proposed Special Dividend and Voluntary Winding-up and delisting payable by Delta EMD are approximately R1 063 282 (including VAT) and include the following:

Nature of fee and payable to	Amount R
Deloitte & Touche Sponsor Services (Pty) Ltd	172 500
Independent Expert	149 500
INCE (Pty) Ltd – estimated printing and publishing	151 867
Corporate Law Advisers: Taback & Associates (Pty) Limited	250 000
Transfer Secretaries: Computershare Investor Services Proprietary Limited	15 500
JSE documentation inspection fees	23 915
Contingencies	300 000
Total	1 063 282

- 14.2 Save for the below, there have not been any preliminary expenses incurred by the Company in the three years immediately preceding the Last Practicable Date.

- 14.3 The costs of implementing the transaction relating to the sale by the Company of 2 129 101 ordinary par value shares of R1 each in EMD Investments Proprietary Limited (constituting the entire issued share capital of EMD Investments Proprietary Limited) to Viridi Developments Proprietary Limited, as set out in the circular dated 13 November 2018, were as follows:

Nature of fee and payable to	Amount R
Deloitte & Touche Registered Auditor	200 000
Deloitte & Touche Sponsor Services (Pty) Ltd	250 000
INCE (Pty) Ltd – estimated printing and publishing	88 296
Corporate Law Advisers: Taback & Associates (Pty) Limited	250 000
Transfer Secretaries: Computershare Investor Services Proprietary Limited	14 008
JSE documentation inspection fees	53 678
Contingencies	300 000
Total (excluding VAT)	1 155 982

15. GENERAL MEETING AND REQUIRED ACTION

- 15.1 The General Meeting will be held at 10 Bompas Road, Dunkeld, Johannesburg on Monday, 10 June 2019 at 09:00 at which the requisite resolutions to approve the Special Dividend, the Voluntary Winding-up and related matters will be considered and, if deemed fit, approved with or without modification.
- 15.2 The Notice of General Meeting is attached to and forms an integral part of this Circular. A Form of Proxy is also attached to this Circular for the use by those Certificated Shareholders and Own-Name Registration, who while being unable to attend the General Meeting may nevertheless wish to be represented thereat. Such persons are requested to complete and to return the aforesaid Form of Proxy in accordance with its instructions.
- 15.3 As regards the General Meeting and all matters associated therewith, for the avoidance of doubt, Delta EMD Shareholders are advised to carefully read both the “*Action Required by Shareholders*” section commencing on page 2 of this Circular as well as the Notice of General Meeting.

16. EXCHANGE CONTROL REGULATIONS

- 16.1 The following is a summary of the Exchange Control Regulations as they apply to Delta EMD Shareholders entitled to receive the Special Dividend.
- 16.2 Delta EMD Shareholders who are not registered in or who have a registered address outside South Africa must satisfy themselves to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Special Dividend, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such territory. If in doubt, Delta EMD Shareholders should consult their professional advisors without delay.

16.3 Residents of the common monetary area

In the case of:

- Certificated Shareholders whose registered address in the Register are within the common monetary area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the Special Dividend will be posted to such Delta EMD Shareholders, or in accordance with instructions given to the Transfer Secretaries; or
- Dematerialised Shareholders whose registered address in the Register are within the common monetary area and have not been restrictively designated in terms of the Exchange Control Regulations, the Special Dividend will be credited directly to the accounts nominated for the relevant Delta EMD Shareholders by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

16.4 Emigrants from the common monetary area

In the case of Delta EMD Shareholders who are emigrants from the common monetary area and whose Shares form part of their blocked assets, the Special Dividend will:

- in the case of Certificated Shareholders whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Delta EMD Shareholders' blocked assets in terms of the Exchange Control Regulations; or
- in the case of Dematerialised Shareholders whose registered address in the Register are within the common monetary area and have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSD or broker, which shall arrange for same to be credited directly to the blocked Rand bank account of the Delta EMD Shareholder concerned with their authorised dealer in foreign exchange in South Africa.

16.5 All other non-residents of the common monetary area

The Special Dividend accruing to non-resident Delta EMD Shareholders whose registered address are outside the common monetary area and who are not emigrants from the common monetary area will:

- in the case of Certificated Shareholders, whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be posted to their registered address, unless written instructions to the contrary are received and an address provided; or
- in the case of Dematerialised Delta EMD Shareholders, be paid to their duly appointed CSDP or broker and credited to such Delta EMD Shareholders in terms of the provisions of the custody agreement with their CSDP or broker.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The documents listed below, or copies thereof, will be available for inspection during normal business hours on Business Days from Thursday, 18 April 2019, being the issue date of this Circular, up to and including Monday, 10 June 2019, at the Company's registered office and at the offices of Deloitte & Touche Sponsor Services Proprietary Limited, the Company's JSE Sponsor, at the respective addresses indicated in the "Corporate Information and Advisers" section of this Circular:

- the memorandum of incorporation of Delta EMD;
- the published final results of Delta EMD for the financial years ended 27 December 2016, 27 December 2017 and 27 December 2018;
- the signed Fair and Reasonable Opinion;
- the audited Annual Financial Statements of Delta EMD for the financial years ended **2016 to 2018**;
- the TRP approval letter;
- the written consent letters referred to in paragraph 13 above; and
- a signed copy of this Circular.

By order of the Board



*EJ Nel
Financial Director

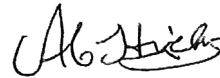
(Being duly authorised hereto to sign this Circular for and on behalf of each and every director of the Company in accordance with a round robin resolution of the Board of the Company signed by each and every Director)

18 April 2019

By order of the Independent Board



*BR Wright,



*AF Hicks



*L Matteucci

(Being duly authorised hereto to sign this Circular for and on behalf of each and every member of the Independent Board in accordance with a round robin resolution of the Independent Board signed by each and every member of such Board)

18 April 2019

FAIR AND REASONABLE OPINION

The Independent Board
Delta EMD Limited
15 Heyneke Street
Industrial Site
Nelspruit
1200

10 April 2019

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO THE INDEPENDENT BOARD OF DIRECTORS OF DELTA EMD LIMITED REGARDING THE SPECIAL DIVIDEND TO HOLDERS OF ORDINARY NO PAR VALUE SHARES IN THE SHARE CAPITAL OF DELTA EMD LIMITED

INTRODUCTION

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed by the independent board of directors (the “Independent Board”) of Delta EMD Limited (“Delta EMD” or the “Company”) to compile a report on the special dividend of R0.75 per ordinary no par value share in the share capital of Delta EMD (“Delta EMD Share”) or an amount which is less than R0.75 per Delta EMD Share (to take into account unforeseen and/or contingent liabilities that may not have been provided for) to be paid to holders of Delta EMD Shares (“Delta EMD Shareholders”) (the “Special Dividend” or the “Transaction”).

The Special Dividend forms part of the process whereby Delta EMD would be voluntarily wound-up (the “Voluntary Wind-Up”) and delisted from the main board of the securities exchange operated by JSE Limited.

INDEPENDENT EXPERT REPORT REQUIRED

The Transaction constitutes the disposal of a greater part of the assets or undertaking of the Company in terms of section 112 of the Companies Act (No.71 of 2008), as amended (the “Companies Act”). The Transaction constitutes an affected transaction as defined in section 117(1)(c)(i) of the Companies Act, which is subject to the provisions of the Companies Act Regulations, 2011 promulgated under the Companies Act (“the Companies Regulations”). In terms of Regulation 90(1)(a) (as read with section 114(2) and section 114(3) of the Companies Act), the Independent Board is required to obtain appropriate external advice as to how the Transaction affects all holders of securities in Delta EMD and whether the proposed terms and conditions of the Transaction are fair and reasonable insofar as Delta EMD Shareholders are concerned (the “Opinion”).

RESPONSIBILITY

Compliance with the Companies Act is the responsibility of the board of directors of Delta EMD (the “Board”). Our responsibility is to report on the terms of the Transaction.

EXPLANATION AS TO HOW THE TERMS “FAIR” AND “REASONABLE” APPLY IN THE CONTEXT OF THE TRANSACTION

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Transaction may be said to be fair if the fair value attributable to Delta EMD Shareholders after the Special Dividend is equal to or more than the fair value attributable to Delta EMD Shareholders before the Special Dividend.

An assessment of reasonableness is generally based on factors other than quantitative considerations.

DETAILS AND SOURCES OF INFORMATION

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

- The terms and conditions of the Transaction as presented in the circular to Delta EMD Shareholders dated 18 April 2019;
- Audited annual financial statements of Delta EMD for the year ended 31 December 2017;
- Unaudited year-to-date management accounts for the period ending 31 March 2019, which includes a statement of financial position;
- A reconciliation of cash available for distribution as a Special Dividend as prepared by the management of Delta EMD (“Management”);
- Discussions with Delta EMD directors, Management and/or their advisors regarding the rationale for the Transaction;
- Discussions with Delta EMD directors, Management and/or their advisors regarding the historical financial information of the Company as well as the liquidation steps forming part of the Voluntary Wind-Up;
- Discussions with Delta EMD directors, Management and/or their advisors on prevailing market, economic, legal and other conditions which may affect underlying value;
- Publicly available information relating to Delta EMD and the sector in which Delta EMD operates; and
- Publicly available information relating to Delta EMD that we deemed to be relevant, including Company announcements and media articles.

The information above was secured from:

- Directors of Delta EMD, Management and/or their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing the Company.

PROCEDURES

In arriving at our Opinion, we have undertaken the following procedures in evaluating the fairness and reasonableness of the Transaction:

- Reviewed the terms and conditions of the Transaction;
- Held discussions with directors of Delta EMD and their advisors and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Applied the net asset valuation (“NAV”) approach, which provides an indicative value for the Company’s assets and liabilities on a liquidation basis. This is the value of residual amounts available to the Delta EMD Shareholders after realising the Company’s assets and settling its liabilities;
- Reviewed the statement of financial position of Delta EMD as at 31 March 2019 and tested Management’s assumptions applied in the calculation of the liquidation values of the remaining assets and liabilities;
- Reviewed the reconciliation of cash available for distribution as prepared by Management and corroborated the liabilities provided to the accounting records;
- Reviewed the provision for contingencies raised in the distribution reconciliation;
- Obtained explanations and corroborating evidence for costs and expenses required up to the conclusion of the Voluntary Wind-Up as well as the provision raised for contingencies;
- Recomputed the Special Dividend available for distribution to the Delta EMD Shareholders. We have ignored the impact of dividend withholding tax as it is only applicable to the beneficial owners of the EMD Shares;
- Recomputed the Special Dividend available for distribution to the Delta EMD Shareholders. We have ignored the impact of dividend withholding tax as it is only applicable to the beneficial owners of the EMD Shares;
- Evaluated the relative risks associated with Delta EMD and the industry in which it operates;
- Reviewed certain publicly available information relating to Delta EMD and its underlying investments which we deemed to be relevant;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industries in which Delta EMD and its underlying investments operate, and to analyse external factors that could influence the Company; and

- Held discussions with the directors and management of Delta EMD and their advisors as to the long-term strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the sector in which the Company operates.

ASSUMPTIONS

We arrived at our Opinion based on the following assumptions:

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

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

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

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

LIMITING CONDITIONS

This Opinion is provided to the directors of Delta EMD in connection with and for the purposes of the Transaction. The Opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Delta EMD shareholders.

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

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

Where relevant, forward-looking information of Delta EMD relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Furthermore, future expenses to be incurred by Delta EMD may differ from the current provisions and accruals raised. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Delta EMD will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

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

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

INDEPENDENCE, COMPETENCE AND FEES

We confirm that neither we nor any related person with us have a direct or indirect interest in Delta EMD and the Transaction nor any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and Regulation 90(3)(a) of the Companies Regulations, that we are independent in relation to the Transaction and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Opinion on the Transaction and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R180 000 (excluding VAT) are payable in cash and are not contingent upon the success of the Transaction.

VALUATION APPROACH

BDO Corporate Finance performed a valuation of Delta EMD on a NAV basis, which provides an indicative value for the Company's equity on a liquidation basis.

The key value drivers for the Company are the liquidation values realised on the assets and liabilities, the appropriateness of provisions for cash outflows to be incurred up to the conclusion of the Voluntary Wind-Up and the appropriateness of the provision raised for potential contingencies which may or may not be required.

VALUATION RESULTS

In undertaking the valuation exercise above, we determined a valuation range of R0.73 to R0.77 per Delta EMD Share, with a most likely value of R0.75 per Delta EMD Share. This valuation range was arrived at by applying a sensitivity adjustment of 30% to the provision raised by management for potential contingencies which may arise during or after the Voluntary Wind-Up. Management have provided for an amount of R2.5 million in respect of potential contingencies.

The valuation is provided solely in respect of this Opinion and should not be used for any other purposes.

REASONABLENESS OF THE PROPOSED TRANSACTION

We have assessed the terms of the Transaction with reference to normal market-related practice. We have found no indication that the Transaction will have any material adverse effect on the Company and have identified no Transaction parameters which could be considered unreasonable to the Company.

OPINION

We draw attention to the fact that the Delta EMD Shareholders will be in the same position after the declaration of the Special Dividend as they would be before the declaration of the Special Dividend as the quantum of the Special Dividend is equal to the fair value per Delta EMD Share before the Transaction.

We further draw attention to the fact that Management and the directors of Delta EMD have raised a provision for potential contingencies in order to allow for unexpected expenses or claims arising during or after the Voluntary Wind-Up.

BDO Corporate Finance has considered the terms and conditions of the Transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction, based on quantitative considerations, are fair to the Company.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Transaction are reasonable from the perspective of the Company.

Our Opinion is necessarily based upon the information available to us up to 10 April 2019, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Transaction have been fulfilled or obtained.

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

CONSENT

We consent to the reference to our Opinion in announcements to be issued to the shareholders of Delta EMD in the form and context in which it appears.

Yours faithfully

N Lazanakis

Director

BDO Corporate Finance Proprietary Limited
22 Wellington Road
Parktown
2193

FINANCIAL INFORMATION OF DELTA EMD

The report of historical financial information is the responsibility of the Directors of Delta EMD. The full set of audited annual financial statements for the years ended 27 December 2016, 27 December 2017 and reviewed annual financial statements for 27 December 2018 are available on the Company's website, <http://www.deltaemd.co.za> and also available for inspection at the Company's registered office and at the offices of Deloitte & Touche Sponsor Services Proprietary Limited, the Company's JSE Sponsor.

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 27 December

	2016	2017	2018
	R'000	R'000	R'000
Interest received	9 374	6 203	5 187
Administrative expenses	(1 920)	(2 320)	(3 701)
(Expenses)/Income related to discontinue of business	3 784	(2 223)	(4 248)
Rental and other income	1 370	2 299	2 880
Loss on sale of investment	–	–	(2 874)
Impairment raised	–	–	(15 949)
(Loss)/Profit before taxation	12 608	3 959	(18 705)
Normal Taxation	1 341	(623)	8
(Loss)/Profit for the year	13 949	3 336	(18 967)
Total comprehensive (loss)/profit for the year	13 949	3 336	(18 967)
Attributable to equity holders of parent company			
(Loss)/Profit for the year	13 949	3 336	(18 967)
Total comprehensive (loss)/profit for the year	13 949	3 336	(18 967)
Number of shares in issue ('000)	49 166	49 166	49 166
Diluted and weighted number of shares in issue ('000)	49 166	49 166	49 166
– Basic and diluted	28.4	6.8	(38.0)
Dividend per share – ordinary (cents)	100	–	–

STATEMENTS OF FINANCIAL POSITION

at 27 December

	2016	2017	2018
	R'000	R'000	R'000
ASSETS			
Non-current assets			
Current assets			
Trade and other receivables	928	808	582
Bank balances and cash	103 830	80 649	77 998
Taxation receivable	141	–	–
Non-current assets held for sale	25 949	25 949	–
Total assets	130 848	107 406	78 580
EQUITY AND LIABILITIES			
Share Capital	4 856	4 856	4 856
Accumulated profit	87 160	90 496	71 917
Total shareholders' funds	92 016	95 352	76 773
Trade and other payables	22 797	3 283	1 808
Short-term provisions	16 035	8 763	–
Taxation payable	–	8	–
Total equity and liabilities	130 848	107 406	78 580
Net asset value per share (cents)	187	194	156

STATEMENTS OF CHANGES IN EQUITY

For the year ended 27 December

	Share Capital	Accumulated Profit	Total
	R'000	R'000	R'000
Balance at 27 December 2015	4 856	122 326	127 182
Profit for the year	–	13 949	13 949
Dividend paid	–	(49 163)	(49 163)
Prior year unclaimed dividends reversed	–	48	48
Balance at 27 December 2016	4 856	87 160	92 016
Profit for the year	–	3 336	3 336
Balance at 27 December 2017	4 856	90 496	95 352
(Loss) for the year	–	(18 697)	(18 967)
Prior year unclaimed dividends reversed	–	118	118
Balance at 27 December 2018	4 856	71 917	76 773

STATEMENTS OF CASH FLOW

For the year ended 27 December

	2016	2017	2018
	R'000	R'000	R'000
Cash (utilised by)/generated by trading	3 234	(2 244)	(4 951)
Movement in current and non-current provision	(40 776)	(7 273)	(8 763)
Decrease/(Increase) in working capital	(4 139)	(19 393)	2 423
Cash utilised by operations	(41 681)	(28 910)	(11 290)
Interest and dividend received	9 374	6 203	5 187
Taxation paid	(252)	(474)	–
Cash (outflow)/inflow from operating activities	(32 559)	(23 181)	(6 104)
Dividend paid – ordinary	(49 163)	–	–
Proceeds on sale of investment	–	–	12 500
Net (decrease)/increase in cash and cash equivalents	(81 722)	(23 181)	6 396
Bank balance and cash at beginning of year	185 552	103 830	80 647
Cash included on sale of share transaction	–	–	(7 047)
Bank balance and cash at end of year	103 830	80 649	77 998

SECTIONS 115 AND 164 OF THE COMPANIES ACT

115. REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART.

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4) (b), or exempted the transaction in terms of section 119 (6).

- (2) A proposed transaction contemplated in subsection (1) must be approved:
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64 (2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2) (a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), “act in concert” has the meaning set out in section 117 (1) (b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3) (a), the company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3) (b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5) (a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164. **DISSENTING SHAREHOLDERS APPRAISAL RIGHTS**

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
- (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37 (8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,
- that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
- (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
- (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5) (a) (i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
- (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12) (b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

- (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7) (a); or
 - (c) the day the company received a demand as contemplated in subsection (7) (b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

- (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

PRICE AND TRADING HISTORY OF DELTA EMD SHARES ON THE JSE

Set out below is a table showing the aggregate volumes and values traded and the highest and lowest prices traded in Delta EMD Shares for:

- each month over **the 12 months prior to the date of issue of this Circular; and**
- **each day over the 30** trading days preceding the Last Practicable Date.

Daily	High (cents)	Low (cents)	Close (cents)	Volume (shares)	Value (R)
March 2019					
1 March	–	–	170	–	–
4 March	–	–	170	–	–
5 March	165	162	165	4 325	7 007.49
6 March	–	–	165	–	–
7 March	–	–	165	247	407.55
8 March	165	150	165	60 442	90 729.30
11 March	–	–	165	–	–
12 March	149	149	149	296	441.04
13 March	–	–	149	–	–
14 March	–	–	149	–	–
15 March	–	–	149	–	–
18 March	–	–	149	–	–
19 March	–	–	149	–	–
20 March	–	–	149	–	–
22 March	–	–	149	–	–
25 March	145	116	154	140	197.2
26 March	150	145	150	27 825	40 357.25
27 March	–	–	150	–	–
28 March	–	–	150	–	–
29 March	154	154	154	200	308
1 April	150	149	149	8 610	12 905.85
2 April	149	120	149	3 317	4 934.21
3 April	149	145	149	30 000	43 511.84
4 April	–	–	149	–	–
5 April	–	–	149	–	–

Set out below is a table showing the highest, lowest and closing prices and aggregated monthly volumes traded in the Delta EMD Shares on the JSE for the previous 12 months:

Monthly	High (cents)	Low (cents)	Close (cents)	Volume (shares)	Value (R)
2018					
April	118	95	96	43 036.00	41 175
May	110	95	95	443 452.00	421 664
June	94	81	81	23 823.00	21 377
July	110	81	90	65 888.00	62 083
August	115	85	115	29 261.00	25 786
September	120	95	120	2 794 523.00	3 083 220
October	130	118	125	1 651 684.00	1 977 912
November	135	114	120	605 773.00	732 373
December	128	114	127	72 531.00	90 117
2019					
January	108	93	108	77 508.00	101 627
February	100	88	95	103 146.00	148 106
March	165	116	154	93 475	139 448

Source: JSE Limited



DELTA EMD LIMITED

(Incorporated in the Republic of South Africa)

(Registration No.: 1919/006020/06)

Share code: DTA ISIN: ZAE000132817

NOTICE OF GENERAL MEETING

Definitions

All terms defined in the Circular to which this Notice of General Meeting is attached and forms part ("**Circular**"), shall bear the same meanings ascribed to them in the Circular when used in this Notice of General Meeting.

Notice of General Meeting

Notice is hereby given that a general meeting of Delta EMD Shareholders will be held at 09:00 on Monday, 10 June 2019, at 10 Bompas Road, Dunkeld, Johannesburg to consider and, if deemed fit, to approve with or without modification, the resolutions as set out in this Notice of General Meeting.

Voting rights

In terms of Delta EMD's memorandum of incorporation, *inter alia*, on a poll, each share of whichever class, entitles the holder thereof to the exercise of one vote in respect of each share held. Due to the importance of this General Meeting, voting on all resolutions will be carried out by way of a poll.

Electronic participation

Shareholders are advised that pursuant to sections 63(2) and (3) of the Companies Act, the Company intends providing Delta EMD Shareholders and their appointed proxies, entitled to attend the General Meeting, with the ability to participate in the General Meeting by way of teleconferencing.

In order to avail Delta EMD Shareholders or their appointed proxies with access to the electronic teleconference call facility, Delta EMD Shareholders, or their proxies must contact Delta EMD's Company Secretary by email at the address: enel@deltaemd.co.za by not later than **Thursday, 6 June 2019** at 09:00 in order to obtain a PIN and dial-in details for the teleconference call. It will be incumbent upon the Delta EMD Shareholder, or such appointed proxy concerned, to provide reasonably satisfactory identification to the Company Secretary. It should be noted that all costs of the teleconference call will be for the account of the Delta EMD Shareholder or such appointed proxy.

Record date of General Meeting, attendance and voting

In accordance with section 59(1) of the Companies Act, the Directors have resolved that the date on which a Delta EMD Shareholder must be registered as such in the Register for purposes of being entitled to attend, participate in and to vote at this General Meeting is **Friday, 31 May 2019 ("Record Date")**. Accordingly, pursuant to the T+3 Strate settlement protocol, the last day to trade in and to acquire Delta EMD Shares in order to be capable of being registered as a Delta EMD Shareholder by the Record Date is **Tuesday, 28 May 2019**.

Subject to being a Delta EMD Shareholder as of the Record Date, you may attend the General Meeting in person. Alternatively, you may appoint a proxy (who need not be a Delta EMD Shareholder) to represent you at the General Meeting. Any appointment of a proxy may be carried out by giving effect to the Form of Proxy accompanying and forming a part of the Circular.

In order for the Form of Proxy to be effective and valid, it must be completed and delivered in accordance with its instructions. If you are not Own-Name Registered as of the Record Date and wish to attend the General Meeting, you must obtain the necessary letter of authority from your CSDP or Broker in order to enable you to represent the Delta EMD Shareholder concerned.

If you are not Own-Name Registered as of the Record Date and do not wish to attend the General Meeting but would nevertheless like your vote to be recorded at the General Meeting, you should make timeous contact with your CSDP or Broker in accordance with the custody agreement governing your relationship in order to furnish them with your voting instructions and you must not complete the attached Form of Proxy.

Identification

Delta EMD Shareholders should note that in terms of section 63(1) of the Companies Act, all participants at the General Meeting will be required to provide identification reasonably satisfactory to the Chairperson of the General Meeting before any person may attend or participate in the General Meeting. Forms of identification include the presentation of a valid identity document, driver's licence or passport.

Completed Forms of Proxy

For effective administration it is requested that completed Forms of Proxy should be forwarded to reach the Transfer Secretaries at the address given below by not later than 09:00 on **Tuesday, 6 June 2019**. In the event of Forms of Proxy not being returned to the Transfer Secretaries by the aforesaid date and time, they may nevertheless be handed to the Chairperson of the General Meeting at any time prior to the commencement of the General Meeting.

SPECIAL RESOLUTION 1: APPROVAL OF THE PROPOSED SPECIAL DIVIDEND WHICH CONSTITUTES DISPOSAL BY DELTA EMD OF THE GREATER PART OF ITS ASSETS

“RESOLVED AS A SPECIAL RESOLUTION THAT, subject to Delta EMD Shareholders holding no more than 0.5% of the issued shares of Delta EMD exercising their appraisal rights in terms of Section 164 of the Companies Act, the declaration and payment by the Board to the Delta EMD Shareholders of a special dividend in cash (**“Special Dividend”**) in an amount of R0.75 comprising the greater part of the Company's assets, be and it is hereby approved in accordance with the provisions of Section 112 read with Section 115 of the Companies Act.”

- (i) in an amount of R0.75 per Delta EMD Share, which Special Dividend will constitute the disposal by the Company of the greater part of the Company's assets; or
- (ii) in an amount which is less than R0.75 per share (as may be determined by the Board to take into account unforeseen and/or contingent liabilities that may not have been provided for), but will nevertheless still constitute the disposal by the Company of the greater part of the Company's assets,

be and is hereby approved in accordance with the provisions of Section 112 read with Section 115 of the Companies Act”

SPECIAL RESOLUTION 2: APPROVAL OF THE PROPOSED VOLUNTARY LIQUIDATION AND DELISTING OF DELTA EMD'S SHARES FROM THE JSE

“RESOLVED AS A SPECIAL RESOLUTION THAT, subject to the declaration and payment of the Special Dividend by the Board referred to in Special Resolution 1, or the declaration and payment by the Board of a dividend other than a Special Dividend as contemplated in Special Resolution 1:

- (i) Delta EMD be wound-up voluntarily (**“Voluntary Winding-Up”**) in terms of Section 80 of the Companies Act (**“Voluntary Winding up”** and that its shares be delisted from the JSE (**“Delisting”**);
- (ii) PricewaterhouseCoopers Legal (Pty) Ltd, represented by Henrita Sauls; or failing her, any other partner of PricewaterhouseCoopers of equivalent standing and expertise, be and is appointed as liquidator of Delta EMD in respect of the Voluntary Winding-Up (**“Liquidator”**), subject to the approval of the relevant Master of the High Court of South Africa (**“Master”**), to the extent necessary;
- (iii) The remuneration of the Liquidator be fixed at R40,000.00 (excluding VAT), plus such further reasonable expenses and costs as may be approved by the Board; and
- (iv) Subject to the consent of the Master, the Company is authorised to dispense with providing security to the Master in terms of Section 80 of the Companies Act in respect of the Voluntary Winding-Up.”

Percentage of voting rights required for the adoption of Special Resolutions 1 and 2

The percentage of voting rights that will be required in terms of the Companies Act for each of Special Resolutions 1 and 2 to be adopted is at least 75% of the voting rights exercised on the resolution being in favour thereof.

Reasons for and effect of the Special Resolutions are set out in the Circular.

ORDINARY RESOLUTION 1: AUTHORITY OF THE LIQUIDATOR

“RESOLVED THAT, forthwith after the appointment of the Liquidator in terms of Special Resolution 2:

- (i) subject to the direction of the Delta EMD Shareholders, the Liquidator shall have all powers conferred by the Companies Act, 2008; and
- (ii) notwithstanding the Voluntary Winding-Up, the powers of the Directors shall not cease in respect of the:
 - (a) administration and realisation of all assets of the Company;
 - (b) settling all outstanding liabilities, including but not limited to the costs of the Voluntary Winding-up and Delisting;
 - (c) operate all bank accounts of the Company, including the management and approval of any payments from the Company’s bank account(s);
 - (d) maintenance of the Company’s securities register;
 - (e) resolution and settlement of any and all disputes or claims and taking all decisions in respect of such disputes or claims;
 - (f) determination of all such further reasonable expenses and costs incurred or to be incurred, in terms of Section 80(8)(b)(ii)(aa) of the Companies Act; and
 - (g) distributing such surplus cash remaining after making provision for all contingent liabilities, all in accordance with the first and final liquidation and distribution account.”

ORDINARY RESOLUTION 2: AUTHORITY FOR DIRECTORS AND COMPANY SECRETARY TO ACT

“RESOLVED THAT, any Director for the time being and, as required, the Company Secretary, as directed by the Board, be and is hereby individually authorised to carry out all such matters, do all such things, and settle and sign all such documents and applications and procure the carrying out of all such matters, the doing of all such things and the settling of all such documents and applications, as are required or necessary to give effect to the foregoing resolutions and matters related thereto.”

In order for Ordinary Resolutions 1 and 2 to be validly passed in terms of Section 65(7) of the Companies Act, a total of more than 50% of the total votes cast must be voted in favour thereof.

For and on behalf of the Board of

Delta EMD Limited



EJ Nel, CA(SA)

Company Secretary
Nelspruit, Mpumalanga
Thursday, 18 April 2019

Transfer Secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196, South Africa
(PO Box 61051, Marshalltown, 2107, South Africa)



DELTA EMD LIMITED

(Incorporated in the Republic of South Africa)
(Registration No.: 1919/006020/06)
Share code: DTA ISIN: ZAE000132817

FORM OF PROXY

All terms defined in the Circular to which this Notice of General Meeting is attached and forms part (“**Circular**”), shall bear the same meanings ascribed to them in the Circular when used in this Form of Proxy.

SHAREHOLDERS ARE REFERRED TO THE INSTRUCTIONS AND NOTES REGARDING THIS FORM OF PROXY PROVIDED OVERLEAF.

FORM OF PROXY FOR USE ONLY BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH OWN-NAME REGISTRATION AT THE GENERAL MEETING TO BE HELD AT 09:00 ON Monday, 10 June 2019, AT 10 BOMPAS ROAD, DUNKELD, JOHANNESBURG.

I/We

(full names in BLOCK LETTERS)

of address

Telephone number:

Cell phone number:

Email:

being the holder(s) of Delta EMD Shares, do hereby appoint (see note 1)

1. _____ or failing him/her

2. _____ or failing him/her,

3. the Chairperson of the General Meeting,

as my/our proxy to act for me/us at the General Meeting to be held at 09:00 on **Monday, 10 June 2019**, at **10 Bompas Road, Dunkeld, Johannesburg** and at any adjournment thereof for the purpose of considering and, if deemed fit, approving with or without modification, the ordinary resolutions to be proposed thereat and to vote for and/or against such resolutions in respect of the Delta EMD Shares registered in my/our name/s in accordance with the following instructions;

	Number of Shares		
	For	Against	Abstain
SPECIAL RESOLUTION 1: Approval of the Proposed Special Dividend which constitutes the disposal by Delta EMD of the greater part of its assets			
SPECIAL RESOLUTION 2: Approval of the Proposed Voluntary Winding-Up and Delisting			
ORDINARY RESOLUTION 1: Authority of Liquidator			
ORDINARY RESOLUTION 2: Authority for Directors and Company Secretary to act			

Please indicate with an ‘X’ in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

Signed at _____ this _____ day of _____ 2019

Signed _____

Assisted by (if applicable) _____

Notes to the form of proxy:

1. A Delta EMD Shareholder may insert the name of a proxy or the names of two alternative proxies of his choice in the spaces provided with or without deleting the chairperson of the General Meeting, but any such deletion must be initialled by the Delta EMD Shareholder. The person whose name appears first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please indicate in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Delta EMD Shares exercisable by you, insert the number of Delta EMD Shares held in respect of which you wish to vote. Failure to provide an indication as to the manner in which you wish your votes to be cast will be deemed to authorise and compel the chairperson, if the chairperson is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he deems fit, in respect of all your votes exercisable thereat. A Delta EMD Shareholder or his proxy is not obliged to use all the votes exercisable by the Delta EMD Shareholder or its proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Delta EMD Shareholder or his proxy.
3. It is recommended that forms of proxy, duly completed, be lodged with the Transfer Secretaries as soon as possible for administrative purposes only (preferably by **Thursday, 6 June 2019**), but in any event, duly completed Forms of Proxy must be received by the Transfer Secretaries prior to the proxy exercising any of such Delta EMD Shareholder's rights as a Delta EMD Shareholder at the General Meeting.
4. Any alteration or correction made to this Form of Proxy must be initialled by the signatory(ies).
5. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant Delta EMD Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Delta EMD Shareholder wish to do so.
7. The chairperson of the General Meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairperson is satisfied as to the manner in which the Delta EMD Shareholder wishes to vote.
8. This Form of Proxy shall not be valid after the expiration of the General Meeting or any adjournment thereof.
9. Joint holders – any such persons may vote at the General Meeting in respect of such joint Delta EMD Shares as if he were solely entitled thereto, but if more than one of such joint holders are present or represented at the General Meeting, that one of the said persons whose name stands first in the register in respect of such Delta EMD Shares or his proxy, as the case may be, is alone entitled to vote in respect thereof.

Summary of the rights established in terms of Section 58 of the Companies Act:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in Section 58(4)(c) of the Companies Act or expires earlier as contemplated in Section 58(8)(d) of the Companies Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise –
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 A copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in Section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in Section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in Section 58(5) of the Companies Act.

