

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

Action required

1. If you have disposed of your Shares, please forward this Circular to the purchaser of such Shares or the broker or agent through whom you disposed of such Shares.
2. The General Meeting convened in terms of the Notice incorporated in this Circular will be held on Monday, 29 September 2014 at the office of Sasfin, 29 Scott Street, Waverley, Gauteng at 15:00.

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



AMALGAMATED ELECTRONIC CORPORATION LTD

AMALGAMATED ELECTRONIC CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/010036/06)

Share code: AER ISIN: ZAE000070587

("Amecor" or "the Company")

CIRCULAR TO SHAREHOLDERS

regarding the disposal of Amecor's 79% interest in Secequip and incorporating:

- a notice convening the General Meeting; and
- a form of proxy in respect of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders with "own-name" registration only).

Corporate Advisor



Joint Legal Advisors



ARARAT
CORPORATE ADVISORY SERVICES

Sponsor



Independent Expert



Reporting Accountants



This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Amecor and the Transfer Secretaries at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular, from the date of issue hereof until the date of the General Meeting.

Date of issue: **Thursday, 28 August 2014**

CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office of Amecor

Schalk du Plessis
Amecor House
14 Richard Road
Industria
Florida Hills, 1716
(PO Box 720, Florida Hills, 1716)

Date and place of incorporation of Amecor

27 June 1997, Johannesburg

Sponsor

Sasfin Capital
(A division of Sasfin Bank Limited)
(Registration number 1951/002280/06)
29 Scott Street
Waverley
Johannesburg, 2090
(PO Box 95104, Grant Park, 2051)

Transfer Secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2193
(Private Bag X60500, Houghton, 2041)

Corporate Advisor

Integrated Capital Management Proprietary Limited
(Registration number 2005/019761/07)
Unit 2, Ground Floor
3 Melrose Boulevard
Melrose Arch
Johannesburg, 2196
(PO Box 333, Melrose Arch, 2076)

Joint Legal Advisors

Read Hope Phillips Thomas & Cadman Inc.
(Registration number 2000/022080/21)
3rd Floor, 30 Melrose Boulevard
Melrose Arch
Melrose North
Gauteng, 2196
(PO Box 757, Northlands, Gauteng, 2116)

and

Ararat Corporate Advisory Services
Proprietary Limited
(Registration number 1996/008182/07)
Glenhove Square
71 4th Street
Houghton Estate, 2198
(PO Box 55302, Northlands, Gauteng, 2116)

Reporting Accountants

Mazars Inc.
(Registration number 2005/025794/07)
2nd Floor, St Davids Place
Parktown, 2193
(PO Box 6697, Johannesburg, 2000)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply, mutatis mutandis, to the following section on action required by Shareholders.

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

- If you have disposed of all of your Shares, this Circular should be handed to the purchaser of such Shares or the CSDP, broker, banker, attorney or other agent who disposed of your Shares for you.
- If you are in any doubt as to what action to take, consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.
- This Circular contains information relating to the Transaction. You should carefully read this Circular and decide how you wish to vote on the resolution to be proposed at the General Meeting. The General Meeting, convened in terms of the Notice incorporated in this Circular, will be held at the office of Sasfin, 29 Scott Street, Waverley, Gauteng, on Monday, 29 September 2014 commencing at 15:00.

1. IF YOU HAVE DEMATERIALISED YOUR SHARES

1.1 "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, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), by no later than 15:00 on Thursday, 25 September 2014.

1.2 Other than "own-name" registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting. You must **not** however, complete the attached form of proxy. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the General Meeting. If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them 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 mandate furnished to them. If you do wish to attend or 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.

2. IF YOU HOLD CERTIFICATED SHARES

You are entitled to attend, 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, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), by no later than 15:00 on Thursday, 25 September 2014.

SALIENT DATES AND TIMES

2014

Record date for Shareholders to be recorded in the Register in order to receive this Circular	Friday, 22 August
Circular posted to Shareholders and the Notice convening the General Meeting published on SENS	Thursday, 28 August
Last day to trade in Shares in order to be recorded in the Register to vote at the General Meeting (see note 3 below) (Voting Last Day to Trade)	Friday, 12 September
Voting Record Date for Shareholders to be recorded in the Register in order to be eligible to vote at the General Meeting	Friday, 19 September
Forms of proxy for the General Meeting to be received by the Transfer Secretaries by 15:00 on (see note 4 below)	Thursday, 25 September
General Meeting held at 15:00 on	Monday, 29 September
Results of the General Meeting published on SENS	Monday, 29 September

Notes:

1. The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to this information on important dates and times.
2. The above dates and times are subject to amendment. Any amendment to the dates and times will be published on SENS and in the South African press.
3. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade. Therefore persons who acquire Shares after the Voting Last Day to Trade will not be eligible to vote at the General Meeting.
4. A Shareholder may submit a form of proxy at any time before the commencement of the General Meeting (or adjourned or postponed General Meeting) or hand it to the Chairman of the General Meeting before the appointed proxy exercises any of the relevant Shareholder rights at the General Meeting (or adjourned or postponed General Meeting), provided that should a Shareholder lodge a form of proxy with the Transfer Secretaries less than 48 hours (excluding Saturdays, Sundays and official public holidays) before the General Meeting, such Shareholder will also be required to furnish a copy of such form of proxy to the Chairman of the General Meeting before the appointed proxy/ies exercises any of such Shareholder's rights at the General Meeting (or adjourned or postponed General Meeting).
5. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
6. All times given in this Circular are local times in South Africa.

DEFINITIONS AND INTERPRETATIONS

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

"Act"	the Companies Act, No. 71 of 2008, as amended;
"Agreements"	collectively, the Termination of Sale of Business Agreement, the Sale of Shares Agreement, the Rogers Pledge, the Restraint of Trade, the Purchaser Pledge, the Loan Agreement, the Guarantee and the Cession of Book Debts Agreement;
"AIS"	Amecor Integrated Solutions Proprietary Limited (Registration number 1998/002832/07), a company duly incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of Amecor;
"Amecor" or "the Company" or "the Seller"	Amalgamated Electronic Corporation Limited, (Registration number 1997/010036/06), a company duly incorporated in accordance with the laws of South Africa;
"Board" or "Directors"	the current board of directors of Amecor whose names are set out on page 8 of this Circular;
"Business Day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"Certificated Shares"	Shares represented by a share certificate or other physical documents of title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
"Certificated Shareholders"	Shareholders who hold Certificated Shares;
"Cession of Book Debts Agreement"	the written cession agreement entered into between Secequip and Amecor on 25 June 2014, in terms of which Secequip cedes to Amecor <i>in securitatem debiti</i> all of the present and future rights, title and interest of Secequip to all moneys owing to Secequip in respect of its business from time to time;
"Circular"	this Circular to Shareholders, issued on Thursday, 28 August 2014, including the Notice and form of proxy;
"CSDP"	a person that holds in custody and administers securities or an interest in securities and that has been accepted in terms of section 31 of the Financial Markets Act by a central securities depository as a participant in that central securities depository;
"Corporate Advisor" or "Integrated Capital"	Integrated Capital Management Proprietary Limited (Registration number 2005/019761/07), a company duly incorporated in accordance with the laws of South Africa;
"Dematerialised Shareholders"	Shareholders who hold Shares which have been Dematerialised in terms of the requirements of Strate;
"Dematerialised" or "Dematerialisation"	the process by which Shares held by certificated Shareholders are converted to or held in an electronic form as uncertificated Shares and are recorded in the sub-register of Shareholders maintained by a CSDP;
"Divine Inspiration"	Divine Inspiration 579 Proprietary Limited (Registration number 2009/008492/07), a company duly incorporated in accordance with the laws of South Africa and wholly owned by Mr Mark Klinkert;

“Effective Date”	1 April 2014, notwithstanding the Signature Date;
“EPS”	earnings per share;
“Financial Effects”	the <i>pro forma</i> financial effects of the Transaction;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended;
“General Meeting”	the General Meeting of Shareholders to be held at 15:00, on Monday, 29 September 2014 at the office of Sasfin, 29 Scott Street, Waverley, Gauteng;
“Group”	Amecor and its subsidiaries from time to time;
“Guarantee”	the written guarantee entered into between Rogers, Secequip Supplies and the Seller on 25 June 2014, in terms of which Rogers and Secequip Supplies guarantee the obligations of, and the representations and warranties given by, Secequip under the Loan Agreement;
“HEPS”	headline earnings per share;
“IFRS”	International Financial Reporting Standards;
“Independent Expert” or “BDO”	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a company duly incorporated in accordance with the laws of South Africa;
“Joint Legal Advisors” or “RHP” and “Ararat”	Read Hope Phillips Thomas & Cadman Inc. (Registration number 2000/022080/21), a company duly incorporated in accordance with the laws of South Africa; and Ararat Corporate Advisory Services Proprietary Limited (Registration number 1996/008182/07), a company duly incorporated in accordance with the laws of South Africa;
“JSE”	JSE Limited (Registration number 2005/022939/06), a company duly incorporated in accordance with the laws of South Africa, licensed as an exchange under the Financial Markets Act, and listed on the exchange operated by the JSE;
“Last Practicable Date”	the last practicable date prior to the finalisation of the Circular, being Friday, 22 August 2014;
“Listings Requirements”	the JSE Limited Listings Requirements, as amended from time to time;
“Loan Agreement”	the agreement entered into between Secequip and Amecor on 25 June 2014, governing, <i>inter alia</i> , the terms of repayment of the Loan;
“Loan”	the amount of R48 624 000 which was owed by Secequip to Amecor as at the Effective Date and remained owing at the Signature Date as agreed to by the parties to the Loan Agreement;
“MOI”	the memorandum of incorporation of Amecor;
“NAVPS”	net asset value per share;
“Notice”	the notice convening the General Meeting which is attached to and forms part of this Circular;
“NTAVPS”	net tangible asset value per share;
“Purchase Consideration”	the purchase price for the Sale Shares being R2 031 049 which shall be paid by the Purchaser to the Seller in cash;
“Purchaser Pledge”	a written pledge of, and cession in security of rights attaching to the Purchaser’s shares in Secequip, in favour of the Seller, as security for the Purchaser’s obligations under the Guarantee;
“Rand” or “R”	Rand, the legal currency of South Africa;

“Register”	the securities register of Amecor maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Act, including Amecor’s uncertificated securities register;
“Reporting Accountants” or “Mazars”	Mazars Inc. (Registration number 2005/025794/07), a company duly incorporated in accordance with the laws of South Africa;
“Resolution”	the ordinary resolution set out in the Notice, to be approved by the requisite majority of Shareholders at the General Meeting, which will authorise the Transaction and give the Directors the necessary authority to implement the Transaction;
“Results”	Amecor’s condensed consolidated reviewed results for the year ended 31 March 2014 published on SENS on 30 June 2014;
“Restraint of Trade”	the written restraint of trade, non-compete and non-circumvention agreement in favour of Amecor, entered into by Rogers, Secequip Supplies, Amecor and Secequip on 25 June 2014, in terms of which Rogers and Secequip Supplies undertake not to conduct a business similar to, or directly or indirectly competitive with, the business of Secequip, until Secequip has complied with all its obligations under the Loan Agreement including repayment of the Loan to Amecor;
“Rogers”	John Clifford Rogers, an adult male South African with identity number 511208 5072 088. Mr Rogers is a “related party” as contemplated in the Listings Requirements as he is a director of Secequip and the sole shareholder of the Purchaser;
“Rogers Pledge”	a written pledge of, and cession in security of rights attaching to, Rogers’ shares in Secequip Supplies, in favour of the Seller, as security for Rogers’ obligations under the Guarantee;
“SAICA Guide”	the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants;
“Sale of Shares Agreement”	the sale of shares agreement entered into between Amecor and Secequip Supplies on 25 June 2014, as amended, in terms of which the Seller sells the Sale Shares to the Purchaser with retrospective effect to and from the Effective Date, from which date all risk in and benefit attaching to the Sale Shares shall be deemed to have passed to the Purchaser;
“Sale Shares”	79 ordinary shares in Secequip (constituting 79% of the issued shares of Secequip), held by the Seller immediately prior to the Effective Date, subject to the condition precedent in paragraph 2.2 of this Circular;
“SENS”	the Stock Exchange News Service of the JSE;
“Secequip”	Secequip Proprietary Limited (Registration number 2000/023652/07), a company duly incorporated in accordance with the laws of South Africa;
“Secequip Supplies” or “the Purchaser”	Secequip Supplies Proprietary Limited (Registration number 1999/025079/07), a company duly incorporated in accordance with the laws of South Africa and wholly owned by Rogers;
“Shares”	ordinary shares with a par value of 1 cent each in the capital of the Company, of which there were 77 985 337 in issue at the Last Practicable Date;
“Shareholders”	the registered holders of Shares;
“Signature Date”	the date on which all the Agreements were signed, namely 25 June 2014;
“South Africa”	the Republic of South Africa;

“Sponsor” or “Sasfin”	Sasfin Capital, a division of Sasfin Bank Limited (Registration number 1951/002280/06), a company duly incorporated in accordance with the laws of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Termination of Sale of Business Agreement”	the agreement entered into between Secequip and Divine Inspiration on 4 July 2014 in terms of which the Terminated Sale of Business Agreement was terminated and is of no further force and effect;
“Terminated Sale of Business Agreement”	the agreement entered into between Secequip and Divine Inspiration on 12 May 2014 in terms of which Secequip was to sell, as a going concern, the Secequip business consisting of, <i>inter alia</i> , fixed assets, cash deposits, inventory (comprising stock and slow moving stock), customers, continuing contracts, goodwill, as well as employee liabilities, but excluding debtors and certain liabilities, subject to the approval of Secequip’s shareholders;
“Transaction”	the sale of the Sale Shares by Amecor to Secequip Supplies;
“Transfer Secretaries”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a company duly incorporated in accordance with the laws of South Africa;
“Voting Last Day to Trade”	the last day to trade in Shares in order to be recorded in the Register on the Voting Record Date, being Friday, 12 September 2014; and
“Voting Record Date”	the date on which Shareholders must be recorded in the Register in order to be eligible to vote at the General Meeting, being Friday, 19 September 2014.



AMALGAMATED ELECTRONIC CORPORATION LTD

AMALGAMATED ELECTRONIC CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/010036/06)

Share code: AER ISIN: ZAE000070587

("Amecor" or "the Company")

Directors

Independent non-executive

Chris Boulle (*Chairman*)

Percy Ying

John Evans

Non-executive

William Kirsh

Stanley Shane

Executive

Dereck Alexander (*CEO*)

Keith Vieira (*Operational Director*)

Kerry Colley (*Financial Director*)

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 Introduction and background to the Transaction

Amecor holds a 79% interest in Secequip, while the remaining 21% is held by Secequip Supplies. The Board has resolved to dispose of Amecor's interest in Secequip.

The Agreements were entered into in order to give effect to the disposal of Amecor's 79% interest in Secequip to Secequip Supplies with effect from the Effective Date.

Loan Agreement, Rogers Pledge, Purchaser Pledge, Guarantee and Cession of Book Debts Agreement

The Loan, which existed at the time that the Agreements were entered into, was not sold to Secequip Supplies in terms of the Sale of Shares Agreement and was dealt with in terms of the Loan Agreement. In terms of the Loan Agreement, Secequip has undertaken to repay the Loan in 36 equal monthly instalments of R1 350 666.67 each. The Loan does not bear interest. As security for the repayment of the Loan by Secequip in accordance with the Loan Agreement:

- Secequip has granted a general notarial bond over its stock in favour of Amecor;
- Secequip and Amecor have entered into the Cession of Book Debts Agreement;
- Secequip Supplies, Rogers and Amecor have entered into the Guarantee; and
- Secequip Supplies and Rogers have provided written pledges of, and cessions in security of rights attaching to, their respective shares in Secequip and Secequip Supplies in favour of Amecor by entering into the Purchaser Pledge and Rogers Pledge.

This Circular has been prepared in order to comply with the requirements for a “related party transaction” further to a ruling from the Issuer Regulation Division of the JSE.

Shareholders were advised in an announcement dated 30 June 2014 that the Transaction was a “small related party” transaction in terms of the Listings Requirements as:

- the categorisation calculation arrived at was less than 5% of Amecor’s market capitalisation; and
- the Company had transacted with Secequip Supplies to dispose of its 79% interest in Secequip. Secequip Supplies is a material (holding a 21% interest in Secequip) shareholder of Secequip and wholly owned by Rogers, a director of Secequip.

A “small related party” transaction does not require shareholder approval in terms of the Listings Requirements.

The Issuer Regulation Division of the JSE subsequently ruled that, notwithstanding that the Loan will be retained by Amecor and that no portion of the Loan will be disposed of, a portion of the Loan should be included in the categorisation calculation which rendered the categorisation calculation in excess of 5% of Amecor’s market capitalisation. The Transaction is therefore a “related party transaction” in terms of the Listings Requirements. A “related party transaction” requires shareholder approval in terms of the Listings Requirements.

A further announcement was published on 15 August 2014 notifying Shareholders that the Transaction is a related party transaction and providing details of the Financial Effects of the Transaction.

1.2 Purpose of this Circular

This Circular has been prepared in order to comply with the Listings Requirements.

This Circular provides Shareholders with relevant information regarding the Transaction in order to enable the Shareholders to make an informed decision as to whether or not to vote in favour of the Resolution required in terms of the Listings Requirements to implement the Transaction.

The Notice incorporated in this Circular convenes the General Meeting to be held at the office of Sasfin, 29 Scott Street, Waverley, Gauteng at 15:00, on Monday, 29 September 2014, at which meeting Shareholders will be requested to vote on the Resolution required to approve the Transaction.

2. THE TRANSACTION

2.1 Nature of Business of Secequip and rationale for the Transaction

Amecor’s market leading operations are focused on making it safe to live and do business by providing products and services of a strategic nature to the security industry in South Africa and increasingly into other countries in Africa.

Secequip is a wholesale outlet for security technologies within Southern Africa. The group specialise in the import and distribution of premium security products.

Amecor has reviewed the strategic fit of Secequip within the Group and decided to dispose of the Secequip business. This sharpens its strategic focus on businesses that generate superior free cash flow, deliver attractive margins and provide good prospects for growth.

The disposal of Secequip will furthermore improve the quality of Amecor’s free cash flow.

2.2 Condition precedent

As at the Last Practicable Date, the Transaction was subject to approval by the majority of Shareholders in general meeting, as required in terms of the Listings Requirements and the ruling of the Issuer Regulation Division of the JSE referred to in paragraph 2.1 above.

2.3 Purchase consideration

Subject to the condition precedent set out in paragraph 2.2 above, Amecor will dispose of its 79% shareholding in Secequip to the Purchaser for an amount of R2 031 049. The Purchase Consideration shall be discharged by the Purchaser in cash on the first business day after fulfilment of the condition precedent as set out in paragraph 2.2 above.

The cash proceeds of the Transaction will be retained by Amecor in a money market account and will be utilised to pursue Amecor's stated strategic investment focus as and when the opportunity arises to do so.

3. INFORMATION RELATING TO AMECOR

3.1 Major Shareholders

Insofar as is known to Amecor, the following Shareholders, other than directors of the Company, beneficially held, directly or indirectly, an interest of 5% or more of the issued share capital of Amecor as at the Last Practicable Date:

Shareholder	Number of Shares	% ¹
Deutsche Securities Proprietary Limited ²	4 540 767	5.82
Integrated Capital ²	8 896 783	11.41
Westbrooke Capital Management Proprietary Limited ²	9 652 787	12.38
Total	23 090 337	29.61

Notes:

1. Based on 77 985 337 Shares in issue on the Last Practicable Date.
2. Held directly.

3.2 Material contracts

Save for the Terminated Sale of Business Agreement and the Agreements, neither Amecor nor its subsidiaries have entered into, verbally or in writing, any restrictive funding agreements or any material contracts otherwise than in the ordinary course of business carried on, or proposed to be carried on by Amecor or any of its subsidiaries either:

- within two years prior to the date of this Circular; or
- at any time and containing any obligation or settlement that is material to Amecor or its subsidiaries at the date of this Circular.

3.3 Material changes

There have been no material changes in the financial or trading position of Amecor or its subsidiaries between the date of the Results and the Last Practicable Date.

4. FINANCIAL EFFECTS

The table below sets out the Financial Effects of the Transaction. The Financial Effects have been prepared for illustrative purposes only, in order to provide information about how the Transaction might have affected shareholders had the Transaction been implemented on the dates indicated in the notes below.

Due to their nature, the Financial Effects do not fairly present the financial position or the effect on earnings of Amecor after the Transaction. The preparation of the Financial Effects is the responsibility of Amecor's directors.

The Financial Effects have been prepared in accordance with the Listings Requirements and the SAICA Guide. The accounting policies used in compiling the Financial Effects comply with IFRS and are consistent with those applied in compiling the Results.

	Before the Transaction ¹	After the Transaction ²	Change %
EPS (cents)	31.8	32.7	2.83
Diluted EPS (cents)	31.8	32.7	2.83
HEPS (cents)	27.9	25.0	(10.39)
Diluted HEPS (cents)	27.9	25.0	(10.39)
NAVPS (cents)	261.0	247.91	(5.01)
NTAVPS (cents)	155.76	142.69	(8.39)
Number of Shares in issue at 31 March 2014 net of 3.7 million treasury shares ('000)	74 306	74 306	–
Weighted average number of Shares in issue for the period ended 31 March 2014 net of 3.7 million treasury shares ('000)	74 306	74 306	–
Fully diluted number of Shares in issue for the period ended 31 March 2014 net of 3.7 million treasury shares ('000)	74 306	74 306	–

Notes:

1. Extracted from the Results.
2. Prepared on the assumption that the Transaction took place on 1 April 2013 for purposes of the *pro forma* statement of comprehensive income and on 31 March 2014 for purposes of the *pro forma* statement of financial position.
3. The detailed Financial Effects of the Transaction and the notes thereto are set out in Annexure 3 to this Circular.
4. The independent reporting accounts' limited assurance report on the Financial Effects is set out in Annexure 2 to this Circular.

5. DIRECTORS

5.1 Directors' interest in securities

As at the Last Practicable Date, the direct and indirect beneficial interests of the Directors (and their associates), including a director who has resigned during the 18 months preceding the Last Practicable Date, in the Shares of the Company are reflected below:

Name	Direct	Indirect	Total	Total ⁶ %
DH Alexander	8 284 430	–	8 284 430	10.62
HS Courtney ¹	–	–	–	–
KA Colley	–	1 475 175	1 475 175	1.89
K Vieira	4 197 955	85 000	4 282 955	5.49
M Noge ²	–	–	–	–
CH Boulle	25 000	–	25 000	0.03
PFC Ying	–	–	–	–
W Kirsh ³	9 000 000	–	9 000 000	11.54
SD Shane ^{3,5}	–	–	–	–
JF Evans ⁴	–	25 940	25 940	0.03
Total	21 507 385	1 586 115	23 093 500	29.61

Notes:

1. Resigned from the Board 10 October 2013.
2. Resigned from the Board 9 October 2013.
3. Appointed to the Board 7 November 2013.
4. Appointed to the Board 5 December 2013.
5. SD Shane is a director and a non-controlling shareholder of Integrated Capital which held an 11.41% interest (8 896 783 Shares) in Amecor at the Last Practicable Date.
6. Based on 77 985 337 Shares in issue on the Last Practicable Date.

5.2 Directors' interest in Transactions

None of the Directors, including a director who has resigned in the last 18 months, had any material beneficial interests, whether direct or indirect in transactions that were effected by the Company:

- during the current or immediately preceding financial year; or
- during an earlier financial year and remain in any respect outstanding or unperformed.

5.3 Directors' service contracts

There were no Directors' service contracts in place as at the Last Practicable Date.

6. EXPENSES

It is estimated that the total expenses relating to the Transaction will amount to approximately R824 217 (costs are exclusive of VAT) and includes the following:

Parties	Rand
Corporate Advisor	–
Sponsor	100 000
Joint Legal Advisors	435 000
Independent Expert	100 000
Reporting Accountants	50 000
JSE documentation fee	14 217
Printing	25 000
Contingency	100 000
Total	824 217

7. CATEGORISATION IN TERMS OF THE LISTINGS REQUIREMENTS

The Issuer Regulation Division of the JSE has ruled that the Transaction is a "related party" transaction in terms of the Listings Requirements and requires the approval of Shareholders in a general meeting. Accordingly, a notice convening the General Meeting is attached hereto. The percentage of voting rights that will be required for the necessary approval to be obtained as set out in the Resolution in the Notice is more than 50% of the votes exercised on the Resolution. As at the Last Practicable Date neither Rogers nor Secequip Supplies nor their associates were shareholders of Amecor. If they acquire shares in Amecor on or before the Voting Record Date, and attend the General Meeting in person or by proxy, their Shares will be taken into account in determining a quorum but their votes will not be taken into account in determining the results of the voting at the General Meeting.

The Company has received verbal undertakings from more than 50% of the Shareholders to vote in favour of the Transaction at the General Meeting.

8. LITIGATION STATEMENT

The Company is not aware of any legal or arbitration proceedings (including any such proceedings which are pending or threatened) involving the Group or Secequip which may have or may have had in the 12 months preceding the Last Practicable Date, a material effect on the Group's financial position.

9. OPINIONS, RECOMMENDATIONS AND UNDERTAKINGS

The Board, having considered the terms and conditions of the Transaction and further to the opinion of the Independent Expert, details of which are set out in Annexure 1 to this Circular, is of the opinion that the terms and conditions thereof are fair to Shareholders, and recommends that Shareholders vote in favour of the Transaction at the General Meeting.

All the Directors who own Shares in their personal capacity (whether directly or indirectly) intend voting in favour of the Transaction.

10. EXPERTS' CONSENTS

Each of Sasfin, Integrated Capital, Mazars, BDO, RHP and Ararat have provided their written consent to the inclusion of their names and, where applicable, their reports in the form and context in which they appear in this Circular and have not withdrawn their consent prior to the publication of this Circular.

11. VOTING RIGHTS

All issued Shares rank *pari passu* with each other.

At the General Meeting, every Shareholder present or represented by proxy shall have one vote for every Share held, save for Rogers and Secequip Supplies and their associates to the extent applicable.

12. NOTICE OF GENERAL MEETING

A General Meeting will be held at the office of Sasfin, 29 Scott Street, Waverley, Gauteng, on Monday, 29 September 2014 commencing at 15:00, to consider the Resolution required to give effect to the Transaction. A notice convening the General Meeting is attached hereto and forms part of this Circular.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors whose names appear on page 8 of this Circular collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, where applicable, relating to Amecor and the Transaction, are available for inspection during normal business hours at the registered office of Amecor from the date of this Circular up to and including the date of the General Meeting:

- the MOI;
- the Agreements;
- the Terminated Sale of Business Agreement;
- the consent letters received from the various parties referred to in paragraph 10;
- the opinion of the Independent Expert set out in Annexure 1;
- the independent reporting accountants' limited assurance report on the Financial Effects as set in Annexure 2; and
- the annual reports of Amecor for the three years ended 31 March 2011, 31 March 2012 and 31 March 2013;

Signed on behalf of all of the Directors of Amecor in terms of the powers of attorney granted to her on 22 August 2014.

Director

Kerry Colley

who warrants that she is duly authorised thereto.

22 August 2014
Johannesburg
Gauteng

INDEPENDENT EXPERT'S OPINION

"The Directors
Amalgamated Electronic Corporation Limited
Amecor House
14 Richard Road
Industria North
Johannesburg
1709

22 August 2014

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO AMALGAMATED ELECTRONIC CORPORATION LIMITED REGARDING THE DISPOSAL OF 79% OF THE ISSUED SHARE CAPITAL OF SECEQUIP PROPRIETARY LIMITED

INTRODUCTION

BDO Corporate Finance has been appointed by the board of directors ("the Directors" or "the Board") of Amalgamated Electronic Corporation Limited ("Amecor" or "the Company") to provide an independent fairness opinion to the shareholders of Amecor with regard to the disposal of 79% of the ordinary issued shares in Secequip Proprietary Limited ("Secequip") ("the Sale Shares") to Secequip Supplies Proprietary Limited ("SS" or the "Purchaser") ("the Transaction").

The Transaction entails the disposal of the Sale Shares by Amecor for a consideration of R2 031 049, payable in cash (the "Cash Consideration"). The terms of the Transaction further require that Secequip enter into a loan agreement with the Company in respect of an existing loan in the amount of R48 624 000 (the "Loan Amount") owing to the Company (the "Loan"). The loan bears no interest and is to be repaid in 36 equal monthly instalments of R1 350 666.67. The monthly loan repayment instalments have been discounted at an market investment rate that would have been earned by Amecor to determine a present value in respect of these payments in the amount of R44 998 500 (the "Deferred Consideration"). Security for the Loan is provided by Secequip, SS and the shareholder of SS. The Cash Consideration together with the Deferred Consideration represents a total consideration of R47 029 549 (the "Sale Consideration").

FAIRNESS OPINION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

John Clifford Rogers ("Rogers"), a director of Secequip, holds 100% of the ordinary issued shares in SS and is a related party to Amecor as defined in section 10.1(b)(ii) of the JSE Limited ("JSE") Listings Requirements. SS is an associate of Rogers and a related party to Amecor as defined in section 10.1(b)(vii) of the JSE Listings Requirements.

The Transaction is a related party transaction and in terms of section 10.4 of the JSE Listings Requirements, the Board is required to provide the JSE with written confirmation from an independent professional expert confirming that the terms of the Transaction are fair insofar as the shareholders of Amecor are concerned ("the Fairness Opinion").

RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the Directors. Our responsibility is to report to the Directors and shareholders of Amecor on the fairness of the terms of the Transaction.

EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTION

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. In the case of the disposal of an asset to a related party, a transaction may be said to be fair if the value of the consideration received is more than or equal to the value of the asset that is the subject of the transaction.

The Transaction would therefore be considered fair to the shareholders of Amecor if the Sale Consideration is greater than or equal to the value of the Sale Shares, or unfair if the Sale Consideration is less than the value of the Sale Shares.

DETAILS AND SOURCES OF INFORMATION

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

- the sale of shares agreement concluded between Amecor and SS (“the Sale of Shares Agreement”);
- the loan agreement concluded between Amecor and Secequip (“the Loan Agreement”);
- audited annual report of Secequip for the year ended 31 March 2013;
- draft annual report of Secequip for the year ended 31 March 2014;
- forecast financial information of Secequip for the financial years ending 31 March 2015 to 2019;
- discussions with Amecor directors and management regarding the rationale for the Transaction;
- discussions with Amecor directors and management regarding the historical and forecast financial information;
- discussions with Amecor directors and management and their advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- publicly available information relating to Secequip and the markets in which it operates.

The information above was secured from:

- directors and management of Amecor and Secequip and 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 Secequip.

PROCEDURES

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Transaction:

- reviewed the Sale of Shares Agreement and Loan Agreement;
- reviewed the terms and conditions of the Transaction;
- reviewed the audited and unaudited financial information related to Secequip, as detailed above;
- reviewed and obtained an understanding from management as to the forecast financial information of Secequip and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;
- held discussions with directors of Amecor and Secequip and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- compiled forecast cash flows for Secequip by using the historic and forecast financial information as detailed above. Applied BDO Corporate Finance’s assumptions of growth in revenues into perpetuity and cost of capital to the forecast cash flows to produce a discounted cash flow valuation for Secequip;
- compiled a capitalisation of maintainable earnings valuation for Secequip by using adjusted historical and forecast financial information and applied BDO Corporate Finance’s calculated earnings multiples based on market comparables, adjusted for factors specific to Secequip relative to listed peers, to revenue, earnings before interest and tax (“EBIT”), earnings before interest, taxation, depreciation and amortisation (“EBITDA”) and profit after tax (“PAT”);
- assessed the long-term potential of Secequip;
- performed a sensitivity analysis on key assumptions included in the discounted cash flow valuation of Secequip;
- evaluated the relative risks associated with Secequip and the industry in which it operates;
- reviewed certain publicly available information relating to Secequip and the industry in which it operates that we deemed to be relevant, including company announcements and media articles;

- 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 industry in which Secequip operates, and to analyse external factors that could influence the business; and
- held discussions with the directors and management of Amecor and their advisors as to their 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.

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 Amecor; and
- that reliance can be placed on the audited and unaudited financial information of Secequip.

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:

- reliance on audit reports in the financial statements of Secequip;
- conducting analytical reviews on the historical financial results and forecast financial information of Secequip, 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 Secequip and the economic environment in which it operates.

LIMITING CONDITIONS

This opinion is provided to the Directors and shareholders of Amecor 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 Amecor 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 Secequip relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. 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 Secequip 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 Amecor and we express no opinion on such consequences.

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

INDEPENDENCE

We confirm that we have no direct or indirect interest in Amecor shares or in the Transaction. We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion on the Transaction.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the Transaction.

VALUATION APPROACH

The valuation of Secequip was performed by applying the discounted cash flow methodology. In addition, we considered the market approach (based on financial data for comparable publicly traded companies) as a secondary methodology to support the results of the discounted cash flow valuation.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Secequip. Secequip is a wholesaler of electronic security equipment and distributes its products through 13 national distribution outlets. The key external value drivers and assumptions include demand for the electronic security equipment provided by Secequip, general market conditions and fluctuations in the foreign exchange rate. The business is highly dependent on the demand for the products provided by Secequip which is driven primarily by growth in the South African commercial and residential property sector and related installations of electronic security systems by major security service providers operating in South Africa.

Key internal value drivers and assumptions to the discounted cash flow valuation included revenue growth, projected profit and operating margins and movements in net working capital. Revenue growth is largely driven by the external factors noted above as well as the Rand price of goods sold as all inventory is imported. Approximately 80% of products sold by Secequip are imported from the United Kingdom and purchases are denominated in United States Dollars ("US\$"). The market in which Secequip operates can be considered commoditised and is highly competitive and price sensitive. The forecast for the financial year ending 30 June 2015 is based on Rand:US\$ exchange rate of R10.60:US\$. Prices are reviewed bi-annually. Typically prices would only be adjusted for movements in exchange rates of greater than 5%, as due to the competitive nature of the market, Secequip has experienced difficulty in passing on the full extent of exchange rate adjustments to customers and expects that only 50% of the price increase can be passed to customers without losing market share. Operating margins are also driven by the Rand price of goods sold as well as through business efficiencies and costs containment.

The other key internal value driver and assumption is the weighted average cost of capital ("WACC") applied in the discounted cash flow valuation of Secequip. A WACC range of 18.1% to 19.9% was utilised in the valuation of Secequip.

In addition sensitivity analyses were performed considering key assumptions in arriving at a valuation range. The valuation results were most sensitive to revenue growth, operating profit margins and the weighted average cost of capital. The sensitivity analysis was performed by increasing and decreasing the exchange rate by a maximum of 10% and the WACC range by a maximum of 1%. Our sensitivity analysis indicated that, at a depreciation in the Rand:US\$ exchange rate in excess of 5%, for every 1% depreciation in the Rand, gross margins would be expected to decline by 1.5%. The WACC range sensitivity analysis did not indicate a sufficient effect on the valuation of Secequip to alter our opinion in respect of the fairness of the Transaction.

Key internal value drivers and assumptions to the capitalisation of maintainable earnings valuation included an assessment of non-recurring transactions included in historical results, operating margins and the expected future growth of the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Secequip, as well as an assessment of market-related earnings multiples applicable to comparable companies in the industry in which the company operates.

OPINION

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 Amecor shareholders.

Our opinion is necessarily based upon the information available to us up to 22 August 2014, 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.

Yours faithfully

BDO Corporate Finance Proprietary Limited
Nick Lazanakis
Director

22 Wellington Road
Parktown
2193"

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

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

"The Directors
Amalgamated Electronic Corporation Limited
Amecor House
14 Richard Road
Industria
Florida

22 August 2014

To the Directors of AMALGAMATED ELECTRONIC CORPORATION LIMITED ("AMECOR")

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANT ON AMALGAMATED ELECTRONIC CORPORATION LIMITED ("AMECOR")

Introduction

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Amecor by the directors. The *pro forma* financial information as set out on paragraph 4 of the Circular consists of the *pro forma* statement of financial position as at 31 March 2014, the *pro forma* statement of comprehensive income for the period ended 31 March 2014 and related notes as set out in Annexure 3 of the Circular. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the Circular on the group's financial position as at 31 March 2014 and the group's financial performance for the period then ended, as if the corporate action or event had taken place at 1 April 2013 and for the period then ended. As part of this process, information about the group's financial position and financial performance has been extracted by the directors from the Reviewed results of Amecor published on 30 June 2014 and Secequip Proprietary Limited for the 12-month period ended 31 March 2014, on which an independent review report was issued on 30 June 2014.

Responsibilities

Directors' responsibility for the *pro forma* financial information

The directors of Amecor are responsible for compiling the *pro forma* financial information in accordance with the applicable criteria as set out in the JSE Listings Requirements and described in paragraph 4/Annexure 3.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

Scope

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature*. This standard requires that we comply with

ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of the engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of the *pro forma* information included in the Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or Transaction at 31 March 2014 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the group, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 3.

Mazars Inc

Registered Auditor

Anoop Ninan

Director

Registered Auditor

Chartered Accountant (SA)

22 August 2014

Mazars House, 5 St Davids Place, Parktown"

PRO FORMA FINANCIAL INFORMATION OF AMECOR

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

The Financial Effects have been prepared for illustrative purposes only, in order to provide information about how the Transaction might have affected shareholders had the Transaction been implemented on the dates indicated in the notes below.

Due to their nature, the Financial Effects do not fairly present the financial position or the effect on earnings of Amecor after the Transaction. The preparation of the Financial Effects is the responsibility of Amecor's directors.

The Financial Effects have been prepared in accordance with the Listings Requirements and the SAICA Guide. The accounting policies used in compiling the Financial Effects comply with IFRS and are consistent with those applied in compiling the Results.

Pro forma statement of comprehensive income

	Before the Transaction ¹ R'000	Sale of shares – Secequip ² R'000	Pro forma adjustments R'000	After the Transaction R'000
Revenue	219 371	–	2 481⁵	221 852
Turnover	217 089	–	–	217 089
Cost of sales	(140 183)	–	–	(140 183)
Gross profit	76 906	–	–	76 906
Operating costs	(43 642)	–	(824) ⁴	(44 466)
Operating profit before interest and taxation (PBIT)	33 264	–	(824)	32 440
Finance income	2 282	–	2 481 ⁵	4 763
Finance costs	(5 752)	–	–	(5 752)
Profit before taxation	29 794	–	1 657	31 451
Taxation	(8 895)	–	(145) ⁶	(9 040)
Profit for the year from continuing operations	20 899	–	1 512	22 411
Profit on disposal of subsidiary	2 734	–	–	2 734
Profit from discontinued operations	770	(3 491) ^{2,3}	–	(2 721) ³
Profit on disposal of Secequip	–	–	2 851 ⁷	2 851
Total comprehensive income for the year	24 403	(3 491)	4 363	25 275
Attributable to:				
Ordinary shareholders of Amecor	23 641	(2 758)	3 447	24 330
Non-controlling interest	762	(733)	916	945
Profit and total comprehensive income for the year	24 403	(3 491)	4 363	25 275
Basic earnings per share (cents)	31.8	(3.7)	4.6	32.7
Diluted earnings per share (cents)	31.8	(3.7)	4.6	32.7

	Before the Transaction¹ R'000	Sale of shares – Secequip² R'000	<i>Pro forma</i> adjustments R'000	After the Transaction R'000
<i>Continuing operations</i>				
Earnings per share (cents)	31.8	(3.7)	4.6	32.7
Diluted earnings per share (cents)	31.8	(3.7)	4.6	32.7
Headline earnings per share (cents)	27.9	(3.7)	0.8	25.0
Diluted headline earnings per share (cents)	27.9	(3.7)	0.8	25.0
Number of shares in issue ('000)	77 986	77 986	77 986	77 986
Treasury shares	(3 680)	(3 680)	(3 680)	(3 680)
Weighted number of shares in issue ('000)	74 306	74 306	74 306	74 306
Headline earnings per share calculation				
Earnings	23 641	(2 758)	3 447	24 330
<i>Less:</i> Profit on sale of PPE	(202)	–	–	(202)
<i>Add:</i> Tax	57	–	–	57
Profit on sale of AIS	(2 734)	–	–	(2 734)
Profit on sale of Secequip	–	–	(2 851)	(2 851)
	20 762	(2 758)	596	18 600

Notes:

1. Extracted from the reviewed results of Amecor for the year ended 31 March 2014. Mazars reviewed and provided an unmodified review opinion on these results.
2. Extracted from the reviewed results of Secequip for the year ended 31 March 2014. Mazars reviewed and provided an unmodified review opinion on these results.
3. To take into account the disposal of Secequip. Secequip was accounted for as a discontinued operation in the reviewed results of Amecor for the year ended 31 March 2014. The amount of R3.491 million relates to the profits earned by Secequip for the period under review. Had Secequip been disposed of on 1 April 2013, this profit would not have been attributable to the Amecor Group. The remaining amount of R(2.721) million relates to the discontinued operations of AIS.
4. To take into account the costs of the Transaction as detailed in paragraph 6 of this Circular.
5. To take into account the notional interest on other financial assets recognised at fair value on initial recognition in terms of IAS 39 using a market-related investment rate of 5.1% as well as interest earned on the cash received as part of the purchase consideration at an interest rate of 5.1%.
6. To take into account the tax effects of the Transaction.
7. The profit on disposal of R2.851 million relates to:
 - the difference between the fair value of the consideration received amounting to R2.031 million in cash and R44.998 million being the fair value of the loan (Total Fair Value of Proceeds amounting to R47.029); and
 - the carrying amount of Amecor's interest in Secequip amounting to R44.178 million.
8. The *pro forma* adjustments relating to interest income and tax thereon included in the above statement of comprehensive income have a continuing effect on Amecor.
9. The *pro forma* statement of comprehensive income has been prepared on the assumption that the Transaction took place on 1 April 2013.

Pro forma statement of financial position

	Before the Transaction ¹ R'000	Sale of shares – Secequip R'000	After the Transaction R'000
ASSETS			
Non-current assets	107 323	30 756	138 079
Property, plant and equipment	28 549	–	28 549
Intangible assets	24 154	–	24 154
Goodwill	54 034	–	54 034
Loan receivable at fair value	–	30 756 ³	30 756
Deferred tax asset	586	–	586
Current assets	132 785	16 274	149 059
Inventories	27 164	–	27 164
Loan receivable at fair value	–	14 243 ³	14 243
Trade receivables and other receivables	62 375	–	62 375
Taxation	6 358	–	6 358
Cash and cash equivalents	36 888	2 031 ⁴	38 919
Assets of disposal groups held for sale	68 767	(68 767) ⁵	–
Total assets	308 875	(21 738)	287 138
EQUITY AND LIABILITIES			
Equity attributable to Amecor shareholders	174 761	2 028 ⁵	176 789
Non-controlling interest	19 169	(11 744) ⁵	7 426
Equity and reserve	193 930	(8 893)	184 214
Non-current liabilities	65 037	–	65 037
Borrowings	58 529	–	58 529
Deferred tax liability	6 508	–	6 508
Current liabilities	37 063	824	37 887
Trade and other payables	35 793	824 ⁶	36 617
Taxation	378	–	378
Borrowings	892	–	892
Liabilities of discontinued operations	12 845	(12 845) ⁵	–
Total equity and liabilities	308 875	(21 738)	287 138
Number of shares in issue	77 986		77 986
Treasury shares	(3 680)		(3 680)
Weighted number of shares in issue	74 306		74 306
Net asset value per share (cents)	260.99		247.91
Tangible net asset value per share (cents)	155.76		142.69

Notes:

1. Extracted from the reviewed results of Amecor at 31 March 2014.
2. Prepared on the assumption that the Transaction took place on 31 March 2014 for purposes of the *pro forma* statement of financial position.
3. To take into account the initial recognition of the loan at fair value in terms of IAS 39 calculated at a notional interest rate of 5.1%.
4. To take into account cash received in terms of the Purchase Consideration.
5. To take into account the Transaction further to the Transaction being accounted for as a discontinued operation in the results of Amecor for the year ended 31 March 2014.
6. To take into account the Transaction costs as detailed in paragraph 6.
7. The *pro forma* adjustments to the statement of financial position have a continuing effect on Amecor.



AMALGAMATED ELECTRONIC CORPORATION LTD

AMALGAMATED ELECTRONIC CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/010036/06)

Share code: AER ISIN: ZAE000070587

("Amecor" or "the Company")

NOTICE OF GENERAL MEETING

Where appropriate and applicable, the terms defined in this Circular to which this notice is attached and forms part, bear the same meanings in this notice, and in particular in the Resolution set out below.

NOTICE IS HEREBY GIVEN that the General Meeting will be held at the office of Sasfin, 29 Scott Street, Waverley, Gauteng, on Monday, 29 September 2014 commencing at 15:00, for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolution set out below.

IMPORTANT DATES TO NOTE

2014

Last day to trade in Shares in order to be eligible to vote at the General Meeting	Friday, 12 September
Voting Record Date to be able to vote at the General Meeting	Friday, 19 September
Forms of Proxy to be received by no later than 15:00 on	Thursday, 25 September
General Meeting to be held at 15:00 on	Monday, 29 September

In terms of section 62(3)(e) of the Companies Act:

- a Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the General Meeting in the place of the Shareholder, by completing the form of proxy in accordance with the instructions set out therein;
- a proxy need not be a Shareholder; and
- all Shareholders are required to provide reasonably satisfactory identification before being entitled to participate and vote in the General Meeting. Forms of identification include valid identity documents, driver's licences and passports.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call and, if they wish to do so:

- must inform your broker or CSDP to deliver, by no later than 15:00 on Friday, 19 September 2014, written notice to Amecor at Amecor's office, Amecor House, 14 Richard Road, Industria, Florida (marked for the attention of the Amecor Company Secretary) in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the General Meeting;

provided that Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy to attend the General Meeting to vote on their behalf.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE DISPOSAL OF AMECOR’S 79% INTEREST IN SECEQUIP

“RESOLVED THAT the disposal of the Sale Shares to Secequip Supplies be and is hereby approved for the purpose of paragraph 10.4(d) of the JSE Limited Listings Requirements and the Directors be and are hereby authorised, for an on behalf of the Company to finalise all matters set out in the Agreements and to do all other matters provided therein or related to the Transaction, and, at their sole discretion to amend, waive, vary and/or extend any of the terms of the Agreements and/or any other document referred to therein and/or connected with the Transaction in whatever way they may consider to be necessary and/or desirable or do all such acts and/or things as they may consider necessary and/or desirable in connection with the Transaction provided that there is no material change to the substance of the terms and conditions of the Agreements, as set out and defined in this Circular.”

The percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is at least 50% of the voting rights exercised on the resolution, other than the votes of Rogers, Secequip Supplies and their associates.

QUORUM

The General Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the General Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Shareholders personally present or represented by proxy (and if the Shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by Shareholders.

FORM OF PROXY

A form of proxy is attached for the convenience of any Certificated Shareholders who cannot attend the General Meeting and who wish to be represented thereat. Forms of proxy may also be obtained on request from Amecor’s registered office. The completed forms of proxy must be deposited at or posted to the office of the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 48 hours prior to the General Meeting, i.e. by 15:00 on Thursday, 25 September 2014. The form of proxy may also be handed to the Chairman of the General Meeting or adjourned General Meeting before the General Meeting is due to commence or recommence. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the General Meeting should the Shareholder subsequently decide to do so.

Attached to the form of proxy as an appendix is an extract of section 58 of the Companies Act, to which Shareholders are referred.

Shareholders who have already Dematerialised their Shares through a broker or CSDP and who wish to attend the General Meeting must instruct their broker or CSDP to issue them with the necessary letter of representation to attend.

Dematerialised Shareholders who have elected “own name” registration in the Register through a broker or CSDP and who are unable to attend but who wish to vote at the General Meeting must complete and return the attached relevant form of proxy and lodge it with the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 15:00 on Thursday, 25 September 2014.

By order of the Board



AMALGAMATED ELECTRONIC CORPORATION LTD

AMALGAMATED ELECTRONIC CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/010036/06)

Share code: AER ISIN: ZAE000070587

("Amecor" or "the Company")

FORM OF PROXY – GENERAL MEETING

Where appropriate and applicable the terms defined in the Circular to which this form of proxy is attached forms part of and shall bear the same meaning in this form of proxy.

For use by the holders of Certificated Shares and/or Dematerialised Shares held through a broker or CSDP who have selected "own name" registration, registered as such at the close of business on the Voting Record Date, at the General Meeting to be held at 15:00, at the office of Sasfin, 29 Scott Street, Waverley on Monday, 29 September 2014 or any postponement or adjournment thereof. The form of proxy may also be handed to the Chairman of the General Meeting or adjourned or postponed General Meeting before the General Meeting is due to commence or recommence.

Dematerialised Shareholders who have not selected "own name" registration must not complete this form.

They must inform their broker or CSDP timeously of their intention to attend and vote at the General Meeting or be represented by proxy thereat in order for the broker or CSDP to issue them with the necessary letter of representation to do so or provide the broker or CSDP timeously with their voting instructions should they not wish to attend the General Meeting in order for the broker or CSDP to vote in accordance with their instructions at the General Meeting.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (address) (BLOCK LETTERS PLEASE)

Telephone no: (WORK)(area code)

Cellphone no:

Telephone no: (HOME)(area code)

Email address:

being the holder/s of Shares hereby appoint

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the General Meeting

as my/our proxy to act for me/us on my/our behalf at the General Meeting of in accordance with the following instructions (see note 2):

	Number of votes		
	*For	*Against	*Abstain
Ordinary Resolution Number 1 – Approval of the disposal of the Sale Shares to Secequip Supplies			

*One vote per Share held by Shareholders on the Voting Record Date.

Signed at

on

2014

Full name

Capacity

Signature(s)

Assisted by (where applicable)

Please see the notes hereof.

Notes:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided. 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. A proxy appointed by a Shareholder in terms hereof may not delegate his authority to act on behalf of the Shareholder to any other person.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the General Meeting as he deems fit in respect of all the Shareholder's votes exercisable thereat.
4. Forms of proxy must be lodged at or posted to Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 15:00 on Thursday, 25 September 2014 or not less than 48 hours before the recommencement of any adjourned or postponed meeting, or 10 minutes before the General Meeting is due to commence or recommence.
5. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so. In addition to the foregoing, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to Amecor. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
6. The Chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes, provided that, in respect of acceptances, the Chairman is satisfied as to the manner in which the Shareholder(s) concerned wish(es) to vote.
7. Each Shareholder is entitled to appoint one or more proxies (none of whom need be a Shareholder) to attend, speak and vote in place of that Shareholder at the General Meeting.
8. 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 Amecor or the Transfer Secretaries or waived by the Chairman of the General Meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
10. Where there are joint holders of Shares:
 - 10.1 one holder may sign this form of proxy; and
 - 10.2 the vote of the senior (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of Shares.
11. The form of proxy may be used at any adjournment or postponement of the General Meeting, including any postponement due to a lack of quorum, unless withdrawn by the Shareholder.
12. An extract from the Companies Act reflecting the provisions of section 58 of the Companies Act is attached as an appendix to this form of proxy.

APPENDIX – EXTRACT FROM SECTION 58 OF THE COMPANIES ACT

“58. Shareholder right to be represented by proxy

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at, a Shareholders meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that 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 the shareholder;
 - (b) a proxy may delegate the proxy’s authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the 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:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company’s Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - (a) the shareholder; or
 - (b) the proxy or proxies, if the shareholder has:
 - (i) directed the company to do so, in writing; and
 - (ii) paid any reasonable fee charged by the company for doing so.

- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
- (8) If a company issues an invitation to Shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
- (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) 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 the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsections (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."