



2023

Notice of virtual annual
general meeting
for the year ended
30 June 2023

AVENG
Providing a better life

Contents

IFC	Letter to shareholders
IFC	Shareholders' diary 2024 at a glance
1	Salient features – 2023 financial performance
4	Commentary
11	Summarised consolidated annual financial statements
47	Notice of virtual annual general meeting
53	Explanatory notes: virtual annual general meeting
55	Form of proxy
56	Notes to the form of proxy
57	Shareholders' analysis
60	Corporate information

Shareholders' diary

Financial year end	30 June
Annual general meeting	1 December 2023

Publication of results

Half year ended 31 December 2023	20 February 2024
Year ended 30 June 2024	20 August 2024

Letter to shareholders

Dear shareholder

We present to you our FY2023 results by way of our summarised consolidated annual financial statements, which are a summary of the information contained in the audited consolidated and separate annual financial statements of the Company, which are available on the Company's website at <https://www.aveng.co.za/investor-centre.php>.

In addition to the summary of our audited financial statements, this document contains the detailed notice to our 79th virtual Annual General Meeting ("AGM") to be held entirely by electronic communication at 09:00 (SAST) on Friday, 1 December 2023.

The virtual AGM will be hosted on an interactive electronic platform, in order to facilitate voting and remote participation by shareholders. Further details, including how to submit votes by proxy before the meeting, are contained in the following notice of the virtual AGM ("Notice of AGM").

If you are unable to attend the virtual AGM, you may vote by proxy in accordance with the instructions set out in the Notice of AGM and the form of proxy. The enclosed form of proxy, which is also available on our website at www.aveng.co.za, includes comprehensive instructions on how to complete it. Should you have any questions, please contact our offices.

Shareholders or their proxies who wish to participate and vote in the virtual AGM through the electronic participation platform, must either:

1. Register online using the online registration portal at <https://meetnow.global/ZA>; or
2. Apply to Computershare, by sending a request to proxy@computershare.co.za, to be received by Computershare by no later than Wednesday, 29 November 2023, in order to allow for processing.

As we have previously indicated, the changing financial reporting requirements and corporate governance demands over the past few years have resulted in voluminous annual reports. In order to promote sustainability, we will not be posting the integrated report to our shareholders.

Our comprehensive integrated report will be on the Company's website for viewing and may be downloaded from www.aveng.co.za on 27 October 2023. Printed copies of the integrated report will be made available to shareholders on request. If you would prefer to receive a printed copy, please contact Edinah Mandizha, on +27 (11) 779 2800 or at edinah.mandizha@avengroup.com.

Yours sincerely



Edinah Mandizha

Group company secretary

Salient features – operating group analysis

Group revenue

R32,9 billion

2022 | R26,2 billion



Net cash excluding IFRS 16

R1,4 billion

2022 | R2,1 billion



Headline loss

R950 million

2022 | R308 million headline earnings at 30 June 2022



Work in hand

R52,2 billion

2022 | R30,8 billion



Operating loss of

R856 million

2022 | R576 million earnings for the period ended 30 June 2022



Total comprehensive loss

R580 million

2022 | R237 million earnings



External South African legacy debt settled

2022 | R478 million



Salient features – operating group analysis

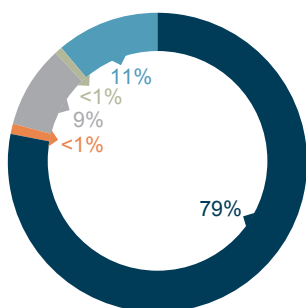
for the year ended 30 June 2023

Operating (loss) / earnings – operating group

	FY23 Rm	FY22 Rm	Change %
McConnell Dowell	(815)	385	(>100)
Moolmans	(110)	207	(>100)
Aveng Construction: South Africa	(59)	(67)	12
Trident Steel	204	220	(7)
Aveng Manufacturing	–	(5)	>100
Other	(76)	(164)	54
Operating (loss) / earnings	(856)	576	(>100)

Revenue per operating group

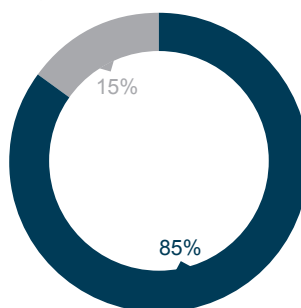
June 2023
R32,9 billion



- McConnell Dowell
- Moolmans
- Aveng Construction South Africa
- Aveng manufacturing
- Trident Steel

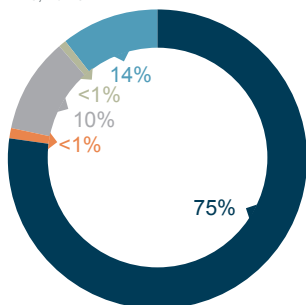
Work in hand per operating group

June 2023
R52,2 billion



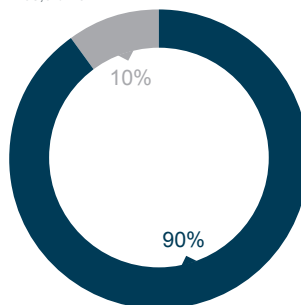
- McConnell Dowell
- Moolmans

June 2022
R26,2 billion



- McConnell Dowell
- Moolmans
- Aveng Construction South Africa
- Aveng manufacturing
- Trident Steel

June 2022
R30,8 billion



- McConnell Dowell
- Moolmans



RESULTS

FOR THE YEAR ENDED 30 JUNE 2023

AVENG LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1944/018119/06) ISIN: ZAE000302618
SHARE CODE: AEG (Aveng, the Company or the Group)

Salient features

- **Revenue¹ of R28,9 billion (2022: R22,5 billion*)**
- **Operating loss¹ of R1 060 million (2022: R360 million earnings*)**
- **Operating earnings¹ of R183 million (2022: R360 million earnings) (excluding BLNG project operating loss)**
- **Loss for the year of R1 283 million (2022: R130 million earnings)**
- **Loss per share of 1 017 cents per share (2022: 106 cents earnings per share)**
- **Headline loss of R950 million (2022: R308 million earnings)**

OVERVIEW

The financial year has been a year of transition, characterised by a normalisation of operating activities as we emerged from the global COVID-19 pandemic, rapid growth of McConnell Dowell as revenue, work in hand and people numbers grew, the awarding of new contracts at Moolmans and the related investment in, delivery and commissioning of heavy mining equipment. Both McConnell Dowell and Moolmans invested in systems in the areas of new business and human capital management. The Group continued its journey to develop both enterprise risk management and ESG frameworks. The sale of Trident Steel and settlement of the legacy term debt brought the 2018 restructuring strategy to a conclusion.

New financing facilities were arranged in support of the investment in new equipment and the partial funding of a project guarantee following its encashment, together with new

general banking facilities for South African operations. These activities provide the foundation for a focused business and balance sheet as we build for the future.

Aveng grew its continuing operations revenue by 28% in the current year but delivered a disappointing operational performance. The Group incurred a significant operating loss following substantial losses in the Southeast Asia business unit of McConnell Dowell, primarily from the Batangas LNG terminal project. Both McConnell Dowell and the Group reported operating losses as a result. An operational underperformance at Moolmans further contributed to the operating loss. Following the disappointing results in McConnell Dowell, the Group conducted a review of the BLNG project and a broader portfolio of current projects. This has led to the design and implementation of improved operational standards and governance procedures for tenders and projects at McConnell Dowell.



- **Headline loss per share of 753 cents (2022: 252 cents earnings per share)**
- **Cash on hand of R2,4 billion (June 2022: R2,6 billion)**
- **Net cash position excluding IFRS 16 of R1,4 billion (June 2022: R2,1 billion)**
- **Increase in work in hand to R52,2 billion from R30,8 billion in June 2022**
- **Net asset value per share of 2 043 cents per share (2022: 2 873 cents per share)**

* Re-represented. The Group is required to re-present the results of Trident Steel, previously presented in continuing operations, to discontinued operations for all periods presented.

¹ Continuing operations

LEVERS FOR GROWTH

Stronger balance sheet

Aveng has delivered on its strategy announced in February 2018 to simplify its business, de-risk its balance sheet and reduce its debt. The strategy required Aveng to dispose of non-core assets and repay its debt to allow the Group to focus on the core assets of McConnell Dowell and Moolmans.

Concluding the implementation of the Trident Steel disposal transaction, enabled Aveng to continue its journey to a sustainable capital structure by fully extinguishing its South African legacy debt of R478 million and short-term Trade Finance Facility of R450 million. The settlement of South African legacy debt, which at its height amounted to R3,3 billion in 2018, marked a pivotal moment in ensuring a sustainable capital structure and a platform for growth for Aveng.

With Trident Steel being a working capital-intensive business, the disposal allowed Aveng to further de-risk its balance sheet by terminating over R500 million in ancillary trade finance facilities, including foreign exchange, promissory notes and letter of credit facilities.

The company continued to de-risk the balance sheet through the reduction of the South African guarantee exposure from R3,8 billion in 2018 to R82 million at 30 June 2023. In addition, the Group continues to settle major litigation, historical claims and contingent liabilities.

Subsequent to year end, the financial institutions that have an interest in the Common Terms Agreement, have reduced from six to two parties. The Group has entered into new banking facilities with The Standard Bank of South Africa Limited and the existing Common Terms Agreement will be amended and restated to reflect these changes.

Having achieved these fundamental milestones, Aveng has been simplified and focused to deliver its projects through its core disciplines in its two subsidiaries, McConnell Dowell and Moolmans.

Work in hand

McConnell Dowell continued to win work within its areas of specialist disciplines. The business won R38 billion (AUD3,2 billion) in new work and grew work in hand by 40%, from R27,8 billion (AUD2,5 billion) at 30 June 2022 to R44,2 billion (AUD3,5 billion) at 30 June 2023. McConnell Dowell has secured 100% of its FY24 planned revenue.

Moolmans grew its work in hand significantly to R8,0 billion at 30 June 2023 after winning R9,4 billion of new work, including a new five-year contract at Tshipi é Ntle. Moolmans has secured 93% of its planned FY24 revenue.

The total Group work in hand as at 30 June 2023 was R52,2 billion representing a R21,4 billion increase from the prior year.

People and systems

The Group made progress in its investments in new generation technologies and cloud migration. These enable the operations to improve operational efficiencies and safety with data-driven decision-making and system automation. The Group invested R270 million in ICT during the year.

Aveng is continuously strengthening its human resource capacity to support operational performance and growth aspirations. The business continues to invest in the technical and leadership capacity of its people through learning and development programmes, new appointments and the creation of a pipeline of future leaders. Key leadership appointments were made within the businesses, with McConnell Dowell appointing a new managing director in Southeast Asia and other regional leaders in Australia. Moolmans appointed an Operations Director and HR executive. At a Board level, Mr Bernard Swanepoel resigned as an independent non-executive director and Mr Michael Kilbride and Ms Mavis Hermanus retired as independent non-executive directors. Mr David Noko and Mr Nicholas Bowen joined the Aveng board as independent non-executive directors.

Environment, Social and Governance

Our ESG practices are governed by policies, internal controls and are subject to both internal and external assurance. These are reported to and overseen by the Board and relevant sub-committees. We monitor our ESG practices in an effort to align them with best practice, recognising that this is a fast-changing landscape.

The Group made considerable progress in implementing the ESG framework during the year. McConnell Dowell and Moolmans continue to refine their key performance indicators (KPIs) to reduce the carbon footprint, lower environmental impacts, formalise our social commitments and our duty of care, and strengthen regulatory compliance and business conduct. Both subsidiaries reported 2023 performance against baseline metrics established last year.

The Group achieved its primary goal of zero fatalities and performed well in their other key safety, health and environment performance indicators. The Group recorded a lost-time injury frequency rate of 0,11 (2022: 0,09) against a target of 0,14 and total recordable injury frequency rate of 0,73 (2022: 0,59) against a target of 0,64.

Batangas LNG Terminal Project ("BLNG project")

The BLNG project was awarded during the COVID-19 global pandemic. It was subject to significant delay and disruption caused by the pandemic, including related supply chain disruptions and the inability to mobilise people to the requisite locations to efficiently execute work. International and domestic Australian border closures made travel impossible over an extended period of the project's life, to the Batangas site in the Philippines and other locations where equipment was being manufactured. Later supply chain disruptions were further exacerbated by the Russia-Ukraine war.

Total losses booked on the BLNG project in the current year, amounted to R1 243 million (AUD104 million). This includes the recognition of a loss following the encashment of the project guarantee of R529 million (AUD43 million). The life-to-date loss recorded on this project amounts to R1 353 million (AUD114 million).

Subsequent to year end, McConnell Dowell reached a commercial settlement with FGEN LNG on all contractual claims and has recognised the full loss on the BLNG project, which is currently in the commissioning phase and will be completed in the coming months. McConnell Dowell and FGEN LNG have entered into a services agreement pursuant to which McConnell Dowell will utilise its expertise, experience, systems and capabilities to support FGEN LNG achieve full commissioning of the BLNG project.

Improving operational standards and governance procedures

As a consequence of an internal review of the BLNG project, operational standards and governance procedures have been improved with the establishment of a Project Management Office (PMO), led by experienced PMO professionals who directly report to the McConnell Dowell CEO. The PMO will provide best practice support to project management teams and ensure full compliance with procedures, including:

- Robust consideration of pursue/no-pursue decisions at all tender review gates;
- Review of commercial limits policy to tighten application of commercial terms;
- Revise risk rating system to define tender approval levels;
- Monthly reassessment of the project risk rating in response to emerging risks and opportunities with higher risk projects subject to a more comprehensive review and oversight; and
- Enhanced project technical reviews to strengthen assurance mechanisms to identify specific issues earlier and allow for more timely interventions.

OPERATIONAL PERFORMANCE

Our commitment to ensuring the success of our two businesses, McConnell Dowell and Moolmans, remains unwavering and in line with the objective of ensuring a sustainable future as an international engineering-led contractor focused on infrastructure, resources and contract mining in selected markets.

McConnell Dowell

For the year ended 30 June 2023, McConnell Dowell achieved a 25% growth in revenue to R26 billion (AUD2.2 billion), mainly attributable to the Australian business unit, but reported an operating loss of R815 million (AUD66 million) compared to an operating profit of R385 million (AUD35 million) in the prior year. This is mainly driven by significant underperformance in the Southeast Asia business unit as a result of the BLNG project that contributed R1 243 million (AUD104 million) to the operating loss.

McConnell Dowell's Australian business unit reported strong operating earnings of R717 million (AUD60 million) compared to prior year operating earnings of R700 million (AUD63 million) as a result of healthy market conditions in the Australian infrastructure sector, which is supported by infrastructure investments from all levels of government. New work won of R29 billion (AUD2.4 billion) increased the work in hand by 53% from 30 June 2022, with new contracts awarded in all states, across a range of project sizes and contract types in most of McConnell Dowell's specialist disciplines.

The New Zealand & Pacific business unit reported increased operating earnings of R222 million (AUD17 million) in comparison to the prior year of R59 million (AUD7 million) following the resumption of new contract awards that were delayed in the previous year due to COVID-19 restrictions. The business unit overcame a variable project pipeline and customer funding constraints to maintain steady growth in its work in hand. Work in hand grew by 8% after winning R3,5 billion (AUD294 million) in new work.

McConnell Dowell's commercial building arm, Built Environs, increased its revenue by 60% to R2,7 billion (AUD229 million)

in line with the business unit's growth agenda and is operating at scale across its three regions. However, a combination of significant price escalations on certain projects and shortages of subcontractors, resulted in Built Environs reporting break-even operating earnings. Work in hand grew by 106% to its highest historical value of R6,7 billion (AUD564 million).

This improved performance is overshadowed by the substantial loss in Southeast Asia of R1,6 billion (AUD129 million), primarily from the BLNG project of R1 243 million (AUD104 million). The decision to halt tendering activities during the peak of COVID-19 has now been reversed and tendering activities have resumed. The approach to tendering is highly selective, within our disciplines, for clients who recognise the value we contribute.

McConnell Dowell closed with a cash balance of R2,2 billion (AUD 177 million) and raised a term debt facility of R290 million (AUD23 million) in order to partially fund the encashment of the BLNG project guarantee. McConnell Dowell has added to its project guarantee facilities in support of its current and projected revenue. Project guarantee facilities amount to R8,6 billion (AUD688 million).

New work won during the year amounted to R38 billion (AUD3,2 billion) and work in hand increased by 40% to R44 billion (AUD3,5 billion) at 30 June 2023. This strong work in hand balance provides certainty over the FY24 budget revenues.

Moolmans

Moolmans continued to focus on operational performance through investment in people and systems. The business continued its investment in new equipment in line with its strategy of selecting and entering into long term and commercially viable contracts. A new human capital system has been implemented and extensive financial and engineering skills remain invested in support of fleet renewal.

Moolmans reported revenue of R2,9 billion for the year (2022: R3,3 billion). The decrease in revenue is due to the completion of the Lefa contract and reduced the scope of work on the Gamsberg project.

An operating loss of R110 million was reported compared to operating earnings of R207 million in the prior year. Following the award of the new five-year Tshipé Ntle contract, Moolmans committed to a R900 million investment in new heavy mining equipment. Expansion capital expenditure of R613 million, replacement capital expenditure of R77 million and capitalised component spend of R397 million were incurred in the year. The delay in the delivery of equipment to site, negatively impacted the current year's operating result and the improved operational trend in the last quarter was not sufficient to mitigate the losses incurred in the first nine months of the current year. Equipment continued to

be delivered to site post-year and is being commissioned, with the balance of equipment expected by the end of the first quarter.

New work won of R9,4 billion and work in hand grew by 159% to R8 billion (2022: R3,1 billion).

Moolmans entered into new asset-backed financing facilities of R760 million of which R704 million was utilised at year end and financed other equipment by way of lease, resulting in the recognition of both right of use assets and a lease liability. A plant optimisation and renewal program has been implemented, resulting in reduced component spend of R180 million compared to the prior year.

Trident Steel

Trident Steel delivered on its growth aspirations as a steel service centre business, primarily focused on the automotive sector. Revenue was up, driven by higher OEM volumes and higher average selling prices. Operating earnings of R204 million were recorded in the 10-month period up to date of disposal. The business was sold as a going concern for total cash proceeds of R1,2 billion, with an effective date of 28 April 2023.

Project Management Office

The Project Management Office continues to complete the significant task of closing out legacy matters and ensuring that the Group complies with all statutory, legal, technical, commercial and human resources obligations. This primarily relates to Aveng Construction: South Africa. The business unit recorded an operating loss of R59 million (2022: R67 million) and a cash outflow of R68 million (2022: R164 million). The South African performance guarantee exposure reduced from R350 million at 30 June 2022 to R82 million.

FINANCIAL REVIEW

Aveng reported a headline loss of R950 million or 753 cents per share (2022: R308 million or 252 cents per share, earnings). Loss for the period attributable to equity holders of the parent amounted to R1 283 million or 1 017 cents per share (2022: R130 million or 106 cents per share, earnings). Total comprehensive loss of R580 million (2022: R237 million earnings).

Statement of comprehensive earnings

Continuing operations

The Group's revenue from continuing operations increased by 28% to R28,9 billion (2022: R22,5 billion). McConnell Dowell recorded growth from R19,0 billion (AUD1,7 billion) to R26,0 billion (AUD2,2 billion), which makes up 90% of revenue from continuing operations (2022: 84%).

Other earnings increased to R109 million (2022: R27 million) and include the accumulated ticking fee of R75 million recognised on the sale of Trident Steel.

Operating loss from continuing operations amounted to R1 060 million (2022: operating earnings R360 million) and was mainly driven by:

- McConnell Dowell – operating loss of R815 million (2022: operating earnings of R385 million);
- Moolmans – operating loss of R110 million (2022: operating earnings of R207 million);
- South Africa: Construction – operating loss of R59 million (2022: operating loss of R67 million); and
- Other, including the Group corporate head office – operating loss of R76 million (includes the accumulated ticking fee of R75 million recognised on sale of Trident Steel (2022: operating loss of R165 million).

Excluding the impact of the BLNG loss of R1,2 billion, the Group recorded operating earnings of R183 million (2022: R360 million). Any adjusted information excluding the impact of BLNG contained in this report has been prepared for illustrative purposes only and has not been reviewed or reported on by a reporting accountant.

The net impact of impairment reversals and loss on sale of assets amounted to capital earnings of R9 million (2022: capital expenditure of R87 million).

Net finance expense decreased to R123 million from R144 million in the prior year. Finance earnings of R77 million were R69 million higher than the prior year primarily as result of higher cash balances and interest rates in Australia. Finance expenses increased by R48 million to R200 million due to increased interest rates, working capital requirements in South Africa, transaction costs for facilities, coupled with the introduction of new asset-backed financing for new heavy mining equipment at Moolmans.

Discontinued operations

The total loss from discontinued operations amounted to R166 million (2022: R30 million earnings).

Earnings from discontinued operations, net of taxation comprises earnings of R120 million (2022: R111 million) from the *Manufacturing and Processing* segment. The main contributor is Trident Steel, with operating earnings of R204 million for 10 months up to date of disposal (2022: R220 million), offset by net finance expenses of R89 million (2022: R93 million).

The Trident Steel business was disposed of as a going concern on 28 April 2023.

Exchange differences on translating foreign operations reclassified to earnings or loss on derecognition recognised in earnings, relates to the derecognition of cumulative foreign currency translations held in the foreign currency translation reserve (FCTR), following the substantive liquidation and winding up of foreign legacy operations. This charge of

R436 million (2022: Rnil) to earnings is offset by the equal and opposite cumulative amount recognised in OCI. This results in a previously recognised translation difference being transferred from FCTR to profit or loss in the current year. This reclassification had no cash flow effect and no impact on the net asset value of the Group.

Gain on disposal of assets Held for Sale and fair value adjustment of R150 million (2022: R81 million loss) includes a pre-tax gain of R160 million on the disposal of Trident Steel. In the prior year, a fair value loss on disposal groups classified as Held for Sale amounted to R59 million.

Group

Total loss for the year of R1 283 million in comparison to earnings of R130 million in the prior year. This amount includes an amount of R436 million relating to the derecognition of exchange gains on translating foreign operations and R267 million foreign currency translation gain from continuing foreign operations in the current year. Total comprehensive loss for the year of R580 million.

Basic loss per share of 1 017 cents was calculated using a weighted average number of shares of 126,1 million shares. The prior year's basic earnings per share of 106 cents was calculated using a weighted average number of shares of 122,5 million shares. The increase in the weighted average number of shares of 3,6 million shares is due to the vesting of shares in terms of the equity-settled share-based payment plans.

Headline loss of R950 million (2022: R308 million, earnings) and *headline loss per share* of 753 cents (2022: 252 cents, earnings per share) after accounting for losses on derecognition of components, gain on disposal of assets Held for Sale and exchange differences on translating foreign operations reclassified to earnings or loss on derecognition.

Statement of financial position

Property, plant and equipment (PPE) increased by R489 million to R3,0 billion, mainly as a result of Moolmans capital expenditure on new heavy mining equipment, partially offset by the derecognition of PPE on the disposal of Trident Steel.

The Group incurred capital expenditure of R1,4 billion (2022: R834 million) comprising of R614 million (2022: Rnil) expansionary capital expenditure and R751 million (2022: R834 million) replacement capital expenditure. The majority of the amount was spent as follows:

- R225 million (AUD18 million) at McConnell Dowell, relating to specific projects across its business units; and
- R1,1 billion at Moolmans, primarily investment in expansionary new heavy mining equipment of R613 million, replacement capital expenditure of R77 million and components on existing fleet of R397 million.

Right-of-use assets (ROU assets) decreased by R117 million to R489 million (2022: R606 million) largely due to the derecognition of ROU assets of R322 million on the disposal of Trident Steel, depreciation of R219 million, new property leases of R249 million at McConnell Dowell and heavy mining equipment leases of R177 million in the current year.

Deferred taxation assets increased by R268 million to R1 billion (2022: R738 million), mainly as a result of previously unrecognised tax losses which have been booked in Australia following an assessment performed and higher levels of temporary differences in McConnell Dowell as well as foreign currency translation movements.

Lease receivables increased by R399 million to R481 million (2022: R82 million) as a result of entering into a sub-lease with the purchaser of the Trident Steel business for the Trident Steel business premises as the headlease remains with the Group.

Inventories decreased by R766 million to R262 million (2022: R1 billion) largely due to the disposal of Trident Steel.

Contract assets for the Group increased by R1,7 billion to R5,3 billion (2022: R3,6 billion) due to increased contract receivables and work in progress, in line with increased activity levels, uncertified revenue and claims comprising timing-related variation orders and contract claims at McConnell Dowell.

Trade and other receivables decreased by R410 million to R427 million mainly due to the derecognition of trade and other receivables on the disposal of Trident Steel.

Assets Held for Sale decreased by R85 million to R59 million following the disposal of investments in *Oakleaf Investment Holdings 86 (Pty) Ltd* and *Firefly Investments 238 (Pty) Ltd* in the current year.

Deferred taxation liability increased to R218 million from R121 million mainly due to accelerated capital allowances on heavy mining equipment and component spend at Moolmans and decreased levels of deductible temporary differences.

External borrowings and other liabilities increased by R539 million to R1 billion (2022: R481 million) after accounting for:

- Settlement of legacy debt of R478 million;
- Entering into, and settlement of a Trade Finance Facility of R450 million raised for Trident Steel to facilitate working capital needs to support growth;
- New asset-backed financing facilities of R887 million, with a balance of R704 million at year end for new and refurbished heavy mining equipment at Moolmans, with a remaining term of 44 months; and

- New term debt facility of R290 million (AUD23 million) raised, in order to partially fund the encashment of the BLNG project guarantee, to be repaid in the next 12 months.

Unutilised facilities amounted to R388 million (2022: R205 million).

Lease liabilities increased by R115 million to R1,2 billion (2022: R1 billion) including new leases of R430 million at McConnell Dowell and Moolmans, partially offset by repayments of R273 million.

Contract liabilities increased by R466 million to R2,2 billion (2022: R1,7 billion) due to increased advances and progress billings at McConnell Dowell.

Trade and other payables increased by R567 million to R4,7 billion, principally as a result of an increase in project accruals, in line with increased activity levels, on major contracts in McConnell Dowell, offset by the derecognition of trade and other payables on the disposal of the Trident Steel business.

Operating free cash flow amounted to an outflow of R824 million (2022: R612 million inflow) and includes:

- McConnell Dowell – R573 million outflow (2022: R676 million inflow);
- Moolmans – R717 million outflow (2022: R91 million inflow);
- Trident Steel – R420 million outflow (2022: R160 million outflow);
- Construction and Engineering: South Africa – R68 million outflow (2022: R164 million outflow);
- R1,2 billion (including accumulated Trident Steel ticking fee) proceeds on disposal of non-core assets;
- Net finance expenses paid of R213 million; and
- Taxation paid of R47 million.

Cash and bank balances (net of bank overdrafts) decreased to R2,4 billion (June 2022: R2,6 billion). Cash in McConnell Dowell decreased by R141 million and South African operations decreased by R95 million. R996 million (2022: R605 million) is held in joint arrangements.

Net cash position decreased to R1,4 billion, excluding IFRS 16, (2022: R2,1 billion) mainly as result of increased external borrowings which increased by R539 million to R1 billion of which R704 million relates to new asset-backed financing at Moolmans and R290 million (AUD23 million) to a new term debt facility at McConnell Dowell.

OUTLOOK

Aveng is positioned and equipped to restore itself to sustainable, profitable growth. The McConnell Dowell and Moolmans businesses are expected to return to profitability and generate positive operational cash flow. The Group enters the 2024 financial year in a strong position, with combined work in hand amounting to R52,2 billion. This supports 100% of next year's expected revenue of R32 billion.

McConnell Dowell

McConnell Dowell is in a strong secured revenue position and focused on managing risk, converting opportunities and delivering margin. Disciplined project execution is fundamental to the Group's goal of being a fit-for-purpose organisation capable of sustainable and profitable long-term growth.

The current work in hand provides a robust revenue platform, with 100% of planned revenue for FY24 secured. 83% of work in hand is government work and 17% in private sector. The addressable market across McConnell Dowell's footprint provides a visible pipeline of AUD15,6 billion facilitating strategic selection of tender opportunities in support of profitable growth. The business remains focused to convert current tenders of AUD1,4 billion in preferred bidder status to award, with a further AUD0,9 billion in tenders awaiting award and AUD1,0 billion tenders in preparation for submission.

McConnell Dowell continues to focus on improved operational performance and cash generation to achieve an improved operational margin.

Moolmans

Moolmans growth agenda continues to be underpinned by investment in heavy mining equipment, people and systems. The current work in hand provides a solid revenue platform, with 93% of planned revenue for FY24 secured. Key areas of focus are to improve operational performance and cash generation. The continued investment in new equipment will support its strategy of selecting and entering into long-term and commercially viable contracts.

Moolmans total visible pipeline amounts to R65 billion with R47 billion worth of tenders in submission and awaiting adjudication.

FY24 AREAS OF FOCUS

- Return Group to profitability and positive cash generation;
- Deliver operational performance at current revenue levels;
- Improve quality and consistency of operational margins;
- Restore McConnell Dowell's balance sheet and settle term debt;
- Diversify Moolmans client, commodity and geographic focus;
- Continue to de-risk and wind down Group legacy matters;
- Focus on succession planning and capacity building; and
- Target 3% operational margins within 24 months.

Summarised statement of financial position

as at 30 June 2023

2022* AUDm	2023* AUDm		Notes	2023 Rm	2022 Rm
		ASSETS			
		Non-current assets			
8,9	8,0	Goodwill arising on consolidation		100	100
220,0	236,5	Property, plant and equipment		2 968	2 479
53,8	39,0	Right-of-use assets		489	606
12,6	11,3	Infrastructure investments		142	142
65,5	80,2	Deferred taxation		1 006	738
6,5	31,9	Lease receivables		400	73
1,4	1,6	Other non-current assets		20	16
368,7	408,5			5 125	4 154
		Current assets			
91,2	20,9	Inventories		262	1 028
321,8	422,4	Contract assets	9	5 302	3 626
74,3	34,0	Trade and other receivables		427	837
5,3	2,2	Taxation receivable		27	60
0,8	6,5	Lease receivables		81	9
232,2	189,7	Cash and bank balances		2 381	2 617
725,6	675,7			8 480	8 177
12,8	4,7	Assets Held for Sale	10	59	144
1 107,1	1 088,9	TOTAL ASSETS		13 664	12 475
		EQUITY AND LIABILITIES			
		Equity			
		Stated capital		4 776	4 747
		Other reserves		1 678	989
		Accumulated losses		(3 305)	(2 023)
329,6	250,9	Equity attributable to equity-holders of parent		3 149	3 713
0,6	0,5	Non-controlling interest		6	7
330,2	251,4	TOTAL EQUITY		3 155	3 720
		LIABILITIES			
		Non-current liabilities			
10,7	17,4	Deferred taxation		218	121
20,3	40,2	External borrowings and other liabilities	11	504	229
68,6	68,0	Lease liabilities	12	854	773
8,3	6,9	Provisions		86	94
33,5	35,5	Employee-related payables		446	377
141,4	168,0			2 108	1 594
		Current liabilities			
150,8	172,5	Contract liabilities	9	2 165	1 699
22,4	41,1	External borrowings and other liabilities	11	516	252
23,6	23,9	Lease liabilities	12	300	266
28,2	22,6	Employee-related payables		284	318
368,2	375,9	Trade and other payables		4 716	4 149
40,0	33,5	Provisions		420	451
0,9	–	Taxation payable		–	10
634,1	669,5			8 401	7 145
1,4	–	Liabilities Held for Sale	10	–	16
776,9	837,5	TOTAL LIABILITIES		10 509	8 755
1 107,1	1 088,9	TOTAL EQUITY AND LIABILITIES		13 664	12 475

* Supplementary non-IFRS information. Converted at a closing exchange rate of R12,55 /AUD1 (2022 – R11,27/ AUD1). The statement of financial position has been translated from Rand to Australian Dollar to assist in the interpretation of the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with note 2: *Basis of preparation* and changes to the Group accounting policies.

Summarised statement of comprehensive earnings

for the year ended 30 June 2023

2022 AUDm*	2023 AUDm*		Notes	2023 Rm	(Re- presented) ¹ 2022 Rm
		Continuing operations			
2 028,2	2 405,4	Revenue		28 865	22 527
(1 868,1)	(2 366,6)	Cost of sales		(28 422)	(20 749)
160,1	38,8	Gross earnings		443	1 778
2,4	9,0	Other earnings		109	27
(129,6)	(134,4)	Operating expenses		(1 610)	(1 440)
(0,5)	(0,2)	Loss from equity-accounted investments		(2)	(5)
32,4	(86,8)	Operating (loss) / earnings		(1 060)	360
(7,8)	0,7	Capital earnings / (expenses)		9	(87)
0,7	6,6	Finance earnings		77	8
(13,6)	(17,0)	Finance expenses		(200)	(152)
11,7	(96,4)	(Loss) / earnings before taxation		(1 174)	129
(2,6)	4,7	Taxation	14	57	(29)
9,1	(91,7)	(Loss) / earnings from continuing operations		(1 117)	100
		Discontinued operations			
10,1	10,2	Earnings from discontinued operations, net of taxation	5	120	111
–	(35,8)	Exchange differences on translating foreign operations reclassified to earnings or loss on derecognition		(436)	–
(7,3)	13,4	Gain / (loss) on disposal of assets Held for Sale and fair value adjustment		150	(81)
2,8	(12,2)	(Loss) / earnings from discontinued operations		(166)	30
11,9	(103,9)	(Loss) / earnings for the year		(1 283)	130
		Other comprehensive earnings			
		Other comprehensive earnings to be reclassified to earnings or loss in subsequent periods (net of taxation):			
–	35,3	Exchange differences on translating foreign operations reclassified to earnings or loss on derecognition		436	–
9,6	21,6	Exchange differences on translating foreign operations		267	107
9,6	56,9	Other comprehensive earnings for the period, net of taxation		703	107
21,5	(47,0)	Total comprehensive (loss) / earnings for the period		(580)	237

¹ Refer to note 5: *Discontinued operations* for the reclassification of Trident Steel from continuing operations to discontinued operations and further information about the re-presentation of discontinued operations in the prior year.

* Supplementary non-IFRS information. Converted at a weighted average exchange rate of R12,34/AUD1 (2022 – R11,11/AUD1). The statement of comprehensive income has been translated from Rand to Australian Dollars to assist in the interpretation of the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with note 2: *Basis of preparation and changes to the Group accounting policies*.

Summarised statement of comprehensive earnings continued

for the year ended 30 June 2023

2022 AUDm*	2023 AUDm*		Notes	2023 Rm	(Re- presented) ¹ 2022 Rm
		Total comprehensive (loss) / earnings for the period attributable to:			
21,5	(46,9)	Equity-holders of the parent		(579)	237
–	(0,1)	Non-controlling interest		(1)	–
21,5	(47,0)			(580)	237
		(Loss) / earnings for the period attributable to:			
11,9	(103,8)	Equity-holders of the parent		(1 282)	130
–	(0,1)	Non-controlling interest		(1)	–
11,9	(103,9)			(1 283)	130
		Other comprehensive earnings for the period, net of taxation			
9,6	56,9	Equity-holders of the parent		703	107
9,6	56,9			703	107
		Results per share (cents)			
		Basic (loss) / earnings per share			
7,4	(72,7)	Continuing operations	8	(886)	82
2,2	(9,7)	Discontinued operations	8	(131)	24
9,6	(82,4)			(1 017)	106
		Diluted (loss) / earnings per share			
7,0	(72,7)	Continuing operations	8	(886)	77
2,1	(9,7)	Discontinued operations	8	(131)	23
9,1	(82,4)			(1 017)	100
		Number of shares (millions)			
129,5	131,3	In issue	8	131,3	129,5
122,5	126,1	Weighted average	8	126,1	122,5
129,4	126,1	Diluted weighted average	8	126,1	129,4

¹ Refer to note 5: *Discontinued operations* for the reclassification of Trident Steel from continuing operations to discontinued operations and further information about the re-presentation of discontinued operations in the prior year.

* Supplementary non-IFRS information. Converted at a weighted average exchange rate of R12,34/AUD1 (2022 – R11,11/AUD1). The statement of comprehensive income has been translated from Rand to Australian Dollars to assist in the interpretation of the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with note 2: *Basis of preparation and changes to the Group accounting policies*.

Summarised statement of changes in equity

for the year ended 30 June 2023

	Stated capital Rm	Foreign currency translation reserve Rm	Equity-settled share-based payment reserve Rm
Year ended 30 June 2022			
Balance at 1 July 2021	4 747	795	52
Earnings for the period	–	–	–
Other comprehensive earnings for the period (net of taxation)	–	107	–
Total comprehensive earnings for the period	–	107	–
Equity-settled share-based payment – shares granted	–	–	35
Balance as at 30 June 2022	4 747	902	87
Year ended 30 June 2023			
Balance at 1 July 2022	4 747	902	87
Loss for the period	–	–	–
Other comprehensive earnings for the period (net of taxation)	–	267	–
Exchange differences on translating foreign operations reclassified to earnings and loss on derecognition	–	436	–
Total comprehensive loss for the period	–	703	–
Equity-settled share-based payment – shares granted	–	–	15
Equity-settled share-based payment – shares vested	29	–	(29)
Total contributions and distributions recognised	29	–	(14)
Balance as at 30 June 2023	4 776	1 605	73

	Total other reserves Rm	Accumulated losses Rm	Total attributable to equity-holders of the parent Rm	Non-controlling interest Rm	Total equity Rm
	847	(2 153)	3 441	7	3 448
	–	130	130	–	130
	107	–	107	–	107
	107	130	237	–	237
	35	–	35	–	35
	989	(2 023)	3 713	7	3 720
	989	(2 023)	3 713	7	3 720
	–	(1 282)	(1 282)	(1)	(1 283)
	267	–	267	–	267
	436	–	436	–	436
	703	(1 282)	(579)	(1)	(580)
	15	–	15	–	15
	(29)	–	–	–	–
	(14)	–	15	–	15
	1 678	(3 305)	3 149	6	3 155

Summarised statement of cash flows

for the year ended 30 June 2023

	Notes	2023 Rm	2022 Rm
Cash flow from operating activities			
Cash (utilised) / generated from operating activities	16	(421)	1 468
Finance expenses paid		(295)	(288)
Finance earnings received		82	14
Taxation paid		(47)	(47)
Cash (outflow) / inflow from operating activities		(681)	1 147
Cash flow from investing activities			
Acquisition of property, plant and equipment – expansion		(614)	–
Acquisition of property, plant and equipment – replacement		(751)	(834)
Proceeds on disposal of property, plant and equipment		82	168
Proceeds on disposal of Trident Steel	15	1 073	–
Proceeds on disposal of other assets Held for Sale		74	106
Capital expenditure net of proceeds on disposal		(136)	(560)
Advance of short-term loan		(210)	–
Repayment of short-term loan		210	–
Dividends received		10	21
Advances in respect of other non-current assets		(7)	(9)
Cash movements in investing activities classified as Held for Sale		(10)	1
Cash outflow from investing activities		(143)	(547)
Cash flow from financing activities			
Financing activities with debt-holders			
Repayment of external borrowings		(619)	(399)
Proceeds from external borrowings		1 165	–
Proceeds from Trade Finance Facility – Held for Sale		450	–
Repayment of Trade Finance Facility – Held for Sale		(450)	–
Receipt of capital portion of lease receivable		19	–
Payment of capital portion of lease liabilities		(273)	(240)
Payment of capital portion of lease liabilities – Held for Sale		–	(4)
Cash inflow / (outflow) from financing activities		292	(643)
Net decrease in cash and bank balances before foreign exchange movements		(532)	(43)
Foreign exchange movements on cash and bank balances		296	141
Cash and bank balances at the beginning of the period		2 617	2 519
Total cash and bank balances at the end of the period		2 381	2 617

Notes to the summarised consolidated annual financial statements

for the year ended 30 June 2023

1. CORPORATE INFORMATION

The summarised audited consolidated financial statements (results) of Aveng Limited (the Company) and its subsidiaries (the Group) for the period ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 22 August 2023.

Nature of business

Aveng Limited is a limited liability company incorporated and domiciled in the Republic of South Africa whose shares are publicly traded. The Group operates in the construction, engineering and mining environments and as a result the revenue is not seasonal in nature, but is influenced by the nature and execution of the contracts currently in progress.

Change in directorate

- Mr Bernard Swanepoel resigned as an independent non-executive director effective 31 March 2023.
- Ms May Hermanus retired as an independent non-executive director effective 17 July 2023.
- Mr Michael Kilbride retired as an independent non-executive director effective 17 July 2023.
- Mr David Noko was appointed as an independent non-executive director effective 31 March 2023.
- Mr Nicholas Bowen was appointed as an independent non-executive director effective 17 July 2023.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP ACCOUNTING POLICIES

The accounting policies below are applied throughout the summarised audited consolidated financial statements.

2.1 Basis of preparation

The summarised consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which are measured at fair value.

The summarised consolidated financial statements are presented in South African Rand (ZAR) and all values are rounded to the nearest million (Rm) except where otherwise indicated. The accounting policies adopted are consistent with those of the previous year as well as the Group's interim results as at 31 December 2022, except as disclosed in *note 3: Standards and interpretations effective and not yet effective* of the Group's audited consolidated financial statements.

The summarised consolidated financial results do not include all the information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at 30 June 2023 that are available on the Company's website, www.aveng.co.za.

The financial results have been prepared by Gregory Beevers CA(SA) under the supervision of the Group CFO, Adrian Macartney CA(SA).

The information disclosed in the summarised consolidated financial statements is derived from the information contained in the audited annual consolidated financial statements which includes the audit report detailing the key audit matters and does not contain full or complete disclosure details. Any investment decisions by shareholders should be based on consideration of the audited annual consolidated financial statements, which is available on the website.

2.2 Supplementary information

The Group's presentation currency is South African Rand (ZAR). The supplementary information provided in Australian Dollars (AUD) is translated at the closing rate for the consolidated statement of financial position, at the average rate for the consolidated statement of comprehensive earnings.

Disclaimer:

Australian dollar translations included in these financial statements constitutes pro forma financial information in terms of the JSE Listings Requirements. The pro forma financial information is the responsibility of the Board of directors and is presented for illustrative purposes only. Because of its

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP ACCOUNTING POLICIES continued

2.2 Supplementary information continued

nature, the pro forma financial information may not fairly present Aveng's financial position, changes in equity, results of operations or cash flows. The underlying information, used in the preparation of the pro forma financial information, has been prepared using accounting policies which comply with IFRS and are consistent with those applied in the published Group consolidated annual financial statements for the year ended 30 June 2023.

2.3 Assessment of significance or materiality of amounts disclosed in these summarised results

The Group presents amounts in these summarised results in accordance with International Financial Reporting Standards (IFRS). Only amounts that have a relevant and material impact on the summarised results have been separately disclosed. The assessment of significant or material amounts is determined by taking into account the qualitative and quantitative factors attached to each transaction or balance that is assessed.

2.4 Changes to Group accounting policies

A number of other new standards and interpretations are effective from 1 July 2022 but they do not have a material effect on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the annual consolidated financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Judgements and estimation assumptions

In the process of applying the Group's accounting policies, the Group has made judgements relating to certain items recognised, which have the most significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.1.1 Deferred taxation

Deferred taxation assets are recognised for all unused taxation losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred taxation assets that can be recognised, based upon the likely timing and level of future taxable earnings. If the deferred taxation assets and the deferred taxation liability relate to income taxation in the same jurisdiction, and the law allows net settlement, they have been offset in the statement of financial position.

3.1.2 Contract assets / (liabilities)

Positions related to long outstanding contract positions have been judged in conjunction with legal advice and potential timeframes associated with legal action.

Refer to *note 9: Contract assets / (liabilities)* for further detail.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

3.1 Judgements and estimation assumptions continued

3.1.3 Impairment of property, plant and equipment, intangible assets and goodwill arising on consolidation

The Group assesses the recoverable amount of any goodwill arising on consolidation and indefinite useful life intangible assets annually or when indicators of potential impairment are identified in respect of the cash generating unit (CGU) of the Group.

Impairment exists when the carrying amount of a CGU exceeds its recoverable amount. The key assumptions used to determine the fair value less costs of disposal calculation are based on available data (if applicable) from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on assumptions, included in a discounted cash flow model. The cash flows are derived from future budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, the expected future cash inflows and the growth rates used for extrapolation and terminal value purposes.

For further information refer to *note 7: Impairments*.

3.1.4 Revenue recognition

In the *Construction and Engineering: Australasia and Asia* segment, the Group uses the input method in determining the satisfaction of the performance obligation over a period of time in accounting for its construction contracts.

In the *Mining* segment, the Group uses an output method in determining the satisfaction of the performance obligation through a contract that requires direct measurement. The Group's technical experts, engineers and contract managers exercise their judgement in estimating progress based on performance of the contract or milestone achieved.

Judgements made in the application of the accounting policies for contracting revenue and earnings and loss recognition include:

- the determination of the point in the progress toward complete satisfaction of the performance obligation;
- the determination of when it is highly probable that revenue will not be reversed in the future for claims and variations;
- estimation of total contract revenue and total contract costs;
- assessment of the amount the client will pay for contract variations;
- estimation of project production rates and programme through to completion; and
- The ability to deliver contracts within the requirements of each contract

The construction contracts undertaken by the Group may require it to perform extra or change order work, and this can result in negotiations over the extent to which the work is outside the scope of the original contract or the price for the extra work.

Given the complexity of many of the contracts undertaken by the Group, the knowledge and experience of the Group's project managers, engineers and executive management is used in assessing the status of negotiations with the customer, the reliability with which the estimated recoverable amounts can be measured, the financial risks pertained to individual projects, and the associated judgements and estimates employed. Cost and revenue estimates are reviewed and updated monthly, and more frequently as determined by events or circumstances.

In addition, many contracts specify the completions schedule requirements and allow for liquidated damages to be charged in the event of failure to achieve that schedule; on these contracts, this could result in the Group incurring liquidated damages.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

3.1 Judgements and estimation assumptions continued

3.1.5 Contingent liabilities

Parent company guarantees issued in the ordinary course of business are at inception accounted for as contingent liabilities in accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37)* and disclosed accordingly. Subsequent to the issuance of the guarantee, and a Completion Certificate for the related work, the probability of the related obligation is determined to be remote (and therefore not disclosed in the financial statements unless there are other reasons that make the obligation probability possible).

Where a claim on the guarantee has been made by the respective client, the probability of the obligation is assessed in detail by management.

Where there is a possibility of reimbursement on a parent guarantee, this reimbursive right is required to be disclosed (as a contingent asset) separate to the related obligation, only if virtually certain.

Reimbursements from cross indemnities may not be disclosed in the financial statements unless a claim is made by a client on the corresponding obligation, and the reimbursement is considered probable.

3.1.6 Loss making and onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.1.7 Uncertainty over income tax treatments

In determining the taxable profit / (loss), tax bases, unused tax losses and tax rates, management assumes that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

In determining whether tax treatments should be considered independently or on a collective basis, the Group selects the approach that provides better predictions of the resolution of the uncertainty. The Group will reassess the tax treatment if facts and circumstances change.

3.1.8 Held for Sale classification

Trident Steel

At 31 December 2022, a binding sale of business agreement was in place, with a credible buyer, to dispose of Trident Steel, a division of Aveng Africa (Proprietary) Limited, as a going concern.

At this date, the Group classified the Trident Steel as Held for Sale, and measured the business at the lower of fair value less costs of disposal and the carrying amount. The fair value less costs of disposal exceeded its carrying amount. No fair value adjustment was required.

The Group completed the disposal of Trident Steel as a going concern for total cash proceeds of R1,2 billion, with an effective date of 28 April 2023. The transaction constituted a Category 1 transaction in terms of the JSE Listings Requirements. Refer to the Circular distributed to shareholders on 2 December 2022 for further details relating to the transaction, as well as the SENS announcement to shareholders on 3 May 2023 upon completion of the disposal.

4. GOING CONCERN AND LIQUIDITY

As detailed in *note 2: Basis of preparation and changes to the Group accounting policies* and *note 18: Events after the reporting period* to the financial statements, in determining the appropriate basis of preparation of the financial statements, the board is required to consider whether the Group and Company can continue in operational existence for the foreseeable future. The financial performance of the Group and Company is dependent on the wider economic environment in which it operates.

4. GOING CONCERN AND LIQUIDITY continued

In concluding this assessment, the Board has taken the following considerations into account:

Execution of plans

- Continued profitability in the operating performance of McConnell Dowell's Australian and New Zealand & Pacific business units and breakeven position of Built Environs. This improved performance is overshadowed by the substantial loss in Southeast Asia, primarily from the Batangas LNG terminal project and poor operational performance at Moolmans;
- Moolmans committed to investing R900 million in new heavy mining equipment, with expansion capital expenditure of R613 million in the current year. The delay in delivery of equipment to site, negatively impacted the current year result;
- Full settlement of the remaining South African legacy debt of R478 million and short-term trade finance facility of R450 million;
- Completion of the non-core asset disposal plan:

Current year

- The conclusion of the sale of Trident Steel for total cash proceeds of R1,2 billion (including the ticking fee of R75 million) at a pre-tax profit of R160 million;
- The conclusion of the sale of the Oakleaf and Firefly investments; and
- The conclusion of the sale of the remaining Infraset factories

The last remaining investment in Imvelo Concessions Company Proprietary Limited has been sold and is awaiting government approval, expected in the next 12 months. This will complete the non-core asset disposal plan.

The expected disposal of the remaining investment in Imvelo Concession Company Proprietary Limited in the next 12 months, will complete the non-core asset disposal plan;

- Sensitivity testing of key inputs included in the operating and liquidity forecasts to ascertain the effect of non-achievement of one or more key inputs (operational business performance and timing of the disposal of Imvelo), including any effect on the ongoing compliance with covenant requirements in place with the South African Banks, Australian banks and other financing arrangements within the Group;
- Updated budget and business plans for post period-end up to 30 June 2026 for the Group, incorporating the benefits already realised and expected from actions taken, as well as future benefits from improved liquidity to be achieved;
- The continued monitoring of the Group's short-term liquidity forecast management process;
- Subsequent to year end the Group entered into new banking facilities with The Standard Bank of South Africa Limited and the existing Common Terms Agreement will be amended and restated to reflect this change. The facility supports working capital requirements for the South African operations.

In the 2023 financial year, the Group reported a loss for the year of R1,3 billion and an operating free cash outflow of R824 million. As a result of these losses, the Group's available cash resources were negatively impacted. The Group continues to focus on improving operational performance, improving overhead efficiency and improving working capital efficiencies. To this end, a number of Group initiatives have been concluded or are in progress.

The Group has cash (net of bank overdraft facilities) of R2,4 billion at 30 June 2023 (30 June 2022: R2,6 billion), of which R996 million (30 June 2022: R605 million) is held in joint arrangements. After taking into account debt of R1 billion, the Group has net cash of R1.4 billion. Unutilised facilities amounted to R388 million (30 June 2022: R205 million).

Liquidity, solvency and ongoing funding

The Group continues to actively manage the liquidity and cash flow in two distinct liquidity pools, namely the Australian liquidity pool and the South African Group liquidity pool.

4. GOING CONCERN AND LIQUIDITY continued

Liquidity, solvency and ongoing funding continued

Following the encashment of the project guarantee by the client on the BLNG project, the bankers in Australia settled the guarantee, and in turn, McConnell Dowell settled an amount of R251 million (AUD20 million) by year end. A new term debt facility of R290 million (AUD23 million) was raised, in order to partially fund the encashment of the BLNG project guarantee, to be repaid in the next 12 months. McConnell Dowell closed with a cash balance of R2,2 billion (AUD 177 million). McConnell Dowell has added to its project guarantee facilities in support of its current and projected revenue. Project guarantee facilities amount to R8,6 billion (AUD688 million).

The South African Group liquidity pool remains tightly managed. The Group settled the South African legacy debt of R478 million and short-term trade finance facility of R450 million following the disposal of Trident Steel. Moolmans entered into new asset-backed financing of R704 million in the year.

Management updated the forecast up to the 2025 financial year end, as well as preparing cash flow forecasts covering a minimum of 12 months from the date of these audited consolidated annual financial statements. These forecasts have been prepared and reviewed by management to ensure that they have been accurately compiled using appropriate assumptions. The budgets, plans and forecasts have, together with the assumptions used, been interrogated, and approved by the Board.

The Group's current assets of R8,5 billion exceeded its current liabilities of R8,4 billion at 30 June 2023.

The Company's current assets of R337 million exceeded its current liabilities of R96 million at 30 June 2023.

The forecasts indicate that the Group will have sufficient cash resources for the foreseeable future. All businesses are expected to perform in line with business plans and are therefore expected to generate sufficient cash to meet their obligations.

The directors have considered all of the above, including detailed consideration of the current position of all businesses, all business plans and forecasts, including all available information, and are therefore of the opinion that the going concern assumption is appropriate in the preparation of the Group and Company financial statements, and that sufficient liquidity will be available to support the ongoing operations of the Group, and that the realisation of assets and the settlement of liabilities, including contingent liabilities and commitments, will occur in the ordinary course of business. Refer to notes 11: *External borrowings and other liabilities* and 18: *Events after the reporting period and pending transactions*.

5. DISCONTINUED OPERATIONS

Identification and classification of discontinued operations

The Group structure comprises of McConnell Dowell and Moolmans forming the ongoing business of the Group with *Aveng Construction: South Africa, Aveng Manufacturing and Trident Steel* no longer forming part of the continuing operations of the Group.

Aveng Africa completed the disposal of Trident Steel as a going concern on 28 April 2023. At 31 December 2022, management concluded that the Trident Steel business met the criteria of Held for Sale under IFRS 5 *Non-current assets Held for Sale and Discontinued operations* and was classified as such.

The earnings from discontinued operations comprise of *Manufacturing and Processing* segment, which includes Trident Steel and the remaining Infraset factories. Despite being non-core business, Aveng Construction: South Africa does not meet the discontinued operations criteria in IFRS 5 and is not included in the discontinued operation figures presented on the following page.

Following the disposal of the last remaining non-core assets, management focused its efforts on winding-up legacy operations, including foreign operations – predominantly in the rest of Africa. As a result, a cumulative amount of R436 million of exchange differences relating to foreign operations, recognised through other comprehensive income and accumulated in the foreign currency translation reserve has been reclassified from equity to profit or loss in the current year. This reclassification has no impact on the net asset value of the Group.

The Group is required to re-present the results of Trident Steel, previously presented in continuing operations, to discontinued operations for all periods presented.

5. **DISCONTINUED OPERATIONS** continued

The impact of the re-presentation of the prior year was as follows:

	2022		
	Previously presented Rm	Re-presented Rm	Impact Rm
Earnings for the period			
Continuing operations	155	100	(55)
Discontinued operations	(25)	30	55
Results per share (cents)			
From continuing operations			
Earnings – basic	126	82	(44)
Earnings – diluted	119	77	(42)
From discontinued operations			
Earnings – basic	(20)	24	44
Earnings – diluted	(19)	23	42

The (loss) / earnings from discontinued operations are analysed as follows:

	2023 Rm	2022 Rm
Revenue**	4 070	3 651
Cost of Sales	(3 712)	(3 317)
Gross earnings	358	334
Other earnings	15	113
Operating expenses	(169)	(231)
Operating earnings	204	216
Gain on disposal of property, plant and equipment	5	3
Fair value adjustments on properties and disposal groups classified as Held for Sale	–	(15)
Net finance expenses	(89)	(93)
Earnings for the period	120	111
Exchange differences on translating foreign operations reclassified to earnings or loss on derecognition	(436)	–
Gain / (loss) on disposal of assets Held for Sale and fair value adjustment	150	(81)
(Loss) / earnings from discontinued operations	(166)	30
Attributable to:		
Equity-holders of the parent	(166)	30
Items by nature		
Capital expenditure	52	34

Cash flow from discontinued operations:

	2023 Rm	2022 Rm
Cash outflow from operating activities	(339)	(29)
Cash outflow from investing activities	(52)	(1)
Cash outflow from financing activities	(47)	(4)

* The earnings from discontinued operations have been re-presented and include the earnings from Trident Steel which were previously included in the continuing operations of the Group for comparative periods presented.

** Revenue mostly consist of the sale of goods

6. SEGMENTAL REPORT

The reportable segments of the Group are components:

- that engage in business activities from which they earn revenues and incur expenses; and
- have operating results that are regularly reviewed by the Group's chief operating decision-makers to make decisions about resources to be allocated to the segments and in the assessment of their performance as required per *IFRS 8 Operating Segments*.

Prior to the outcome of the strategic review and management's implementation of a robust plan to reshape and refocus the operating structure of the Group, the following five reportable segments were presented which were largely organised and managed separately according to the nature of products and services provided:

- *Construction and Engineering: Australasia and Asia;*
- *Mining;*
- *Construction and Engineering: South Africa;*
- *Manufacturing and Processing; and*
- *Other.*

The reportable segments are presented per their classification in the disclosure of the segmental statement of comprehensive earnings and segmental statement of financial position in this note.

Details on the reportable segments are as follows:

6.1.1 Construction and Engineering: Australasia and Asia

This segment comprises McConnell Dowell and is divided into the following business units: Australia, New Zealand & Pacific Islands, Built Environs and Southeast Asia.

McConnell Dowell is an engineering-led specialist in multidisciplinary contract work, delivering infrastructure solutions in the resources, energy, marine and water and civil and transport sectors.

6.1.2 Mining

This segment comprises Moolmans, a tier-one contract mining business operating in Africa with a primary focus on open cast mining.

6.1.3 Construction and Engineering: South Africa

This segment includes Aveng Construction: South Africa.

The Group disposed of all businesses in this segment in prior years.

The segment includes only the assets and liabilities related to the close out of a limited number of historical contracts not transferred as part of the Aveng Construction: South Africa sales.

6.1.4 Manufacturing and processing

This segment comprised of Aveng Manufacturing and Trident Steel.

The Group completed the disposal of Trident Steel and the remaining Infraset factories in the current year.

The Group no longer reports on this reportable segment following the disposals.

6.1.5 Other

This comprises corporate services and the balance of corporate held investments and properties.

Notes to the summarised consolidated annual financial statements continued

for the year ended 30 June 2023

6. SEGMENTAL REPORT continued

	Note	Construction and Engineering: Australasia and Asia		Mining	
		2023 Rm	2022 Rm	2023 Rm	2022 Rm
Continuing operations					
Revenue		25 950	19 034	2 897	3 349
Gross earnings / (loss)		398	1 378	100	409
Operating (loss) / earnings		(815)	385	(110)	207
Capital earnings / (expenses)		–	16	(13)	(148)
Finance earnings		56	6	11	2
Finance expenses		(16)	(34)	(50)	(20)
(Loss) / earnings before taxation		(775)	373	(162)	41
Taxation		–	(26)	53	4
(Loss) / earnings for the period		(775)	347	(109)	45
Discontinued operations					
(Loss) / earnings for the period		–	–	–	–
Continuing and discontinued operations					
(Loss) / earnings before interest, taxation, depreciation and amortisation					
Operating (loss) / earnings before non-recurring items		(815)	385	(110)	207
Depreciation		312	278	436	450
Amortisation		–	–	–	3
(Loss) / earnings before interest, taxation, depreciation and amortisation (EBITDA)		(503)	663	326	660
Normalised earnings for the period		(774)	331	(154)	87
Total assets		9 341	7 401	3 590	2 856
Total liabilities		7 757	5 205	1 651	812
Capital expenditure		224	187	1 087	622

	Construction and Engineering: South Africa		Other		Manufacturing and Processing		Total	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm
	18	150	–	(6)	–	–	28 865	22 527
	(41)	(12)	(14)	3	–	–	443	1 778
	(59)	(67)	(76)	(165)	–	–	(1 060)	360
	1	–	21	45	–	–	9	(87)
	–	–	10	1	–	–	77	9
	(2)	–	(132)	(99)	–	–	(200)	(153)
	(60)	(67)	(177)	(218)	–	–	(1 174)	129
	–	–	4	(7)	–	–	57	(29)
	(60)	(67)	(173)	(225)	–	–	(1 117)	100
	–	–	(286)	(81)	120	111	(166)	30
	(59)	(67)	(76)	(164)	204	215	(856)	576
	–	–	3	3	44	95	795	826
	–	–	–	–	1	1	1	4
	(59)	(67)	(73)	(162)	249	311	(60)	1 405
	(60)	(67)	(150)	(252)	127	105	(1 011)	204
	43	78	690	71	–	2 059	13 664	12 465
	164	215	937	1 075	–	1 437	10 509	8 744
	–	–	2	1	52	24	1 365	834

6. SEGMENTAL REPORT continued

The Group operates in five principal geographical areas:

	South Africa Rm	Rest of Africa including Mauritius Rm	Australia Rm	New Zealand and Pacific Islands Rm	Southeast Asia Rm	Other regions Rm	Total Rm
2023							
Revenue	6 958	27	20 780	3 793	1 377	–	32 935
Continuing operations	2 915	–	20 780	3 793	1 377	–	28 865
Discontinued operations	4 043	27	–	–	–	–	4 070
Operating (loss) / earnings	(39)	–	558	222	(1 594)	(3)	(856)
Continuing operations	(243)	–	558	222	(1 594)*	(3)	(1 060)
Discontinued operations	204	–	–	–	–	–	204
Capital expenditure	1 141	–	82	103	39	–	1 365
Continuing operations	1 089	–	82	103	39	–	1 313
Discontinued operations	52	–	–	–	–	–	52
Segment assets	4 320	(5)	6 587	1 595	1 159	8	13 664
2022							
Revenue	6 944	200	13 695	2 598	2 741	–	26 178
Continuing operations	3 293	200	13 695	2 598	2 741	–	22 527
Discontinued operations	3 651	–	–	–	–	–	3 651
Operating earnings / (loss)	159	32	593	59	(267)	–	576
Continuing operations	(57)	32	593	59	(267)	–	360
Discontinued operations	216	–	–	–	–	–	216
Capital expenditure	647	–	117	60	10	–	834
Continuing operations	613	–	117	60	10	–	800
Discontinued operations	34	–	–	–	–	–	34
Segment assets	4 955	89	4 852	1 216	1 333	20	12 465

* Includes the impact of the losses on the Batangas LNG project of AUD104 million (R1.2 billion).

6. SEGMENTAL REPORT continued

	Notes	2023 Rm	2022 Rm
Loss / earnings for the period		(1 283)	130
Continuing operations		(1 117)	100
Discontinuing operations		(166)	30
Non-recurring items			
Impairment loss on equity-accounted investments		3	–
Impairment loss on intangible assets		–	8
Reversal of impairment loss on long-term receivables		–	(26)
Reversal of impairment of right-of-use asset		(24)	–
(Gain) / loss on disposal of Held for Sale		(150)	22
Loss / (gain) on disposal of property, plant and equipment		7	(4)
Exchange differences on translating foreign operations reclassified to earnings or loss on derecognition		436	–
Fair value loss on disposal groups classified as Held for Sale	10	–	74
Normalised (loss) / earnings for the period¹		(1 011)	204
Normalised (loss) / earnings per share – basic (cents)²		(802)	167
Normalised (loss) / earnings per share – diluted (cents)³		(802)	158

¹ Normalised (loss) / earnings for the period adjusts the (loss) / earnings for the period for the impact of non-recurring items such as impairment losses, reversal of impairment losses, fair value adjustments of disposal groups classified as Held for Sale and gains or losses recognised on the sale of Held for Sale CGUs and exchange differences on translating foreign operations reclassified to earnings or loss on derecognition. The adjustments for non-recurring items are not expected to re-occur on a continuing basis.

² Normalised (loss) / earnings per share – basic is calculated by dividing the normalised (loss) / earnings for the period by the weighted average number of shares. Refer to note 8: Earnings and Headline Earnings for the determination of the weighted average number of shares.

³ Normalised (loss) / earnings per share – diluted is calculated by dividing the normalised (loss) / earnings for the period by the diluted weighted average number of shares. Refer to note 8: Earnings and Headline Earnings for the determination of diluted weighted average number of shares.

7. IMPAIRMENT

The Group performed an annual impairment test as at 30 June 2023. The test involved the assessment of internal and external qualitative factors for each CGU that may constitute an indicator of impairment. The test may be extended to individual assets in instances of underutilisation, obsolescence, physical damage or material decline in the economic performance of the assets.

7.1 Assets in the scope of IAS 36 *Impairments*

Goodwill arising on consolidation

A compulsory impairment assessment of goodwill allocated to the McConnell Dowell CGU was performed in the current year. The McConnell Dowell CGU falls under the *Construction and Engineering: Australasia and Asia* reportable segment. The recoverable amount of the CGU, being the value-in-use based on a discount rate of 15,7% (2022: 14,2%), materially exceeded the carrying amount of the CGU and hence no goodwill impairment loss was recognised in the current year.

Other individual assets in the scope of IAS 36 *Impairments*

An impairment assessment was performed on:

- **Property, plant and equipment at Moolmans, which is part of the Mining reportable segment.** Management, through the use of an external evaluator, determined that no impairment was required in the current year (30 June 2022: R106 million) relating to owned equipment and vehicles. The prior year impairment arose from instances of underutilisation, obsolescence, physical damage or material decline in the economic performance of specific items of owned equipment and vehicles. The fair value of these assets falls within *Level 2* of the hierarchy identified in *IFRS 13* and was calculated using the prices of similar assets within the market.
- **Intangible assets at Moolmans, which is part of the Mining reportable segment.** As at 30 June 2023, the Group determined that no impairment was required (30 June 2022: R8 million) relating to computer software due to the software having no value in use. The recoverable amount of the computer software was based on the value in use.

7.2 Total impairment losses for the prior year

The total impairment losses for the year per CGU and individual assets are summarised as follows:

	2022	
	Property, plant and equipment Rm	Intangible assets Rm
Other individual assets in the scope of IAS 36		
Aveng Moolmans	106	8
	106	8

8. EARNINGS AND HEADLINE EARNINGS PER SHARE

	2023		2022	
	Number of shares	Weighted average number of shares	Number of shares	Weighted average number of shares
Opening balance	129 483 343	129 483 343	64 741 672 056	35 739 404 321
Issue of shares – Equity-settled share-based payment plan (29 June 2023)	1 807 677	14 858	–	–
Issue of shares – Rights offer (15 March 2021)	–	–	–	22 358 997 268
Issue of shares – Class A Shares (15 March 2021)	–	–	–	427 370 106
Issue of shares – Rights offer (7 June 2021)	–	–	–	4 581 879 966
Issue of shares – Class A Shares (7 June 2021)	–	–	–	1 634 020 395
Share consolidation (8 December 2021)	–	–	(64 612 188 713)	(64 612 188 713)
	131 291 020	129 498 201	129 483 343	129 483 343
<i>Less: Treasury shares</i>				
Aveng Limited Share Purchase Trust	(12 037)	(12 037)	(6 018 386)	(6 018 386)
Aveng Management Company (Pty) Ltd	(1 577)	(1 577)	(788 684)	(788 684)
Equity-settled share-based payment plan	(5 343 186)	(3 418 430)	(3 500 186 838)	(3 500 186 838)
Share consolidation (8 December 2021)	–	–	3 499 979 920	3 499 979 920
Total treasury shares	(5 356 800)	(3 432 045)	(7 013 988)	(7 013 988)
Weighted average number of shares	125 934 220	126 066 156	122 469 355	122 469 355
<i>Add: Shares issuable in terms of the equity-settled share-based payment plan</i>	–	–	3 488 000 000	3 488 000 000
<i>Less: Shares issued in terms of the Share consolidation (8 December 2021)</i>	–	–	(3 481 024 000)	(3 481 024 000)
Diluted weighted average number of shares*	125 934 220	126 066 156	129 445 355	129 445 355

* The shares issuable in terms of the equity-settled share-based payment plan were anti-dilutive for the year ended 30 June 2023 and have therefore not been included in the calculation of diluted number of shares.

8. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

	2023		2022	
	Gross of taxation Rm	Net of taxation Rm	Gross of taxation Rm	Net of taxation Rm
Determination of headline earnings				
(Loss) / earnings for the period attributable to equity-holders of parent		(1 282)		130
Impairment of intangible assets	–	–	8	8
Impairment of property, plant and equipment	–	–	106	81
Impairment of equity-accounted investments	3	3	–	–
(Gain) / loss on disposal of assets Held for Sale	(162)	(150)	22	22
Loss / (gain) on disposal of property, plant and equipment	7	7	(4)	(4)
Reversal of impairment loss of right-of-use asset	(24)	(24)	–	–
Loss on derecognition of components	93	68	161	152
Exchange differences on translating foreign operations reclassified to earnings and loss on derecognition	436	436	–	–
Insurance proceeds on plant and equipment – Trident Steel	(8)	(8)	–	–
Fair value adjustment on properties and disposal groups classified as Held for Sale*	–	–	(81)	(81)
Headline (loss) / earnings		(950)		308
Diluted Headline (loss) / earnings		(950)		308
HEPS from continuing & discontinued operations				
Headline earnings per share – basic (cents)		(753)		252
Headline earnings per share – diluted (cents)		(753)		238
Issued shares		131,3		129,5
Weighted average shares		126,1		122,5
Diluted shares		126,1		129,4

* Excludes R155 million of depreciation released on reclassification of Trident Steel to continuing operations for Headlines earnings. Refer to note 10: Assets and liabilities classified as Held for Sale.

9. CONTRACT ASSETS / (LIABILITIES)

	2023 Rm	2022 Rm
Uncertified claims and variations (underclaims) ¹	1 955	1 225
Contract contingencies	(160)	(81)
Progress billings received (including overclaims and early customer receipts) ^{2/5}	(2 165)	(1 699)
Uncertified claims and variations less progress billings received	(370)	(555)
Contract receivables ³	3 381	2 427
Provision for expected credit loss	(2)	(3)
Retention receivables ⁴	128	58
Net contract assets	3 137	1 927
Disclosed on the statement of financial position as follows:		
Uncertified claims and variations ¹	1 955	1 225
Contract contingencies	(160)	(81)
Contract receivables	3 381	2 427
Retention receivables	128	58
Provision for expected credit losses	(2)	(3)
Contract assets	5 302	3 626
Progress billings received (including overclaims and amounts received in advance) ^{2/5}	(2 165)	(1 699)
Contract liabilities	(2 165)	(1 699)
Net contract assets	3 137	1 927

¹ Includes revenue not yet certified – recognised over time/measurement and agreed variations, less provisions and deferred contract costs.

² Progress billings are amounts billed for work performed above revenue recognised.

³ Amounts invoiced still due from customers.

⁴ Retentions are amounts invoiced but not paid until the conditions specified in the contract are fulfilled or until defects have been rectified.

⁵ Advances are amounts received from the customer before the related work is performed. These conditions are anticipated to be fulfilled within the following 12 months.

10. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The outcome of a strategic review led to the Board's decision to exclude the following segments from the Group's long-term strategy:

- *Construction and Engineering: South Africa; and*
- *Manufacturing and Processing.*

These non-core segments were initially recognised and presented as separately identifiable disposal groups and were disclosed as discontinued operations in the Group's statement of comprehensive earnings. Refer to *note 5: Discontinued Operations*.

Sales finalised in the current year

Manufacturing and Processing

Trident Steel

At 31 December 2022, management concluded that the Trident Steel business met the criteria of Held for Sale under *IFRS 5 Non-current assets Held for Sale and Discontinued Operations* and was classified as such.

At this date, the Group measured the Trident Steel business at the lower of fair value less costs of disposal and the carrying amount. The fair value less costs of disposal exceeded its carrying amount. No fair value adjustment was required.

The Group completed the disposal of Trident Steel as a going concern for cash proceeds of R1,2 billion (including the ticking fee), with an effective date of 28 April 2023. The transaction constituted a Category 1 transaction in terms of the JSE Listings Requirements. Refer to the Circular distributed to shareholders on 2 December 2022 as well as *note 15. Disposal of assets Held for Sale* for further details relating to the transaction.

Construction and Engineering: South Africa

Infrastructure assets and equity-accounted investments

The disposal of investments in Firefly Investments 238 Proprietary Limited ("Firefly") and Oakleaf investment Holdings 86 Proprietary Limited ("Oakleaf") have been completed in the current year. The disposals do not require separate disclosure in terms of the JSE Listings Requirements.

10. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE continued

	Notes	2023 Rm	2022 Rm
Assets Held for Sale		59	144
Liabilities Held for Sale		–	(16)
		59	128
Movement during the period			
Opening Balance		128	414
Movements in:			
Non-current assets		11	(110)
Current assets		748	110
Non-current liabilities		23	86
Current liabilities		(156)	108
Sale of assets Held for Sale		(1 398)	(92)
Adjustment to fair value less cost of disposal*	10.1	–	(74)
Transferred to / from:			
Transfer to assets classified as Held for Sale		285	136
Transfer from liabilities / (assets) classified as Held for Sale		418	(450)
Net assets Held for Sale		59	128

* No impact on other comprehensive earnings in the current year.

10.1 Adjustment to fair value less cost of disposal

	2023 Rm	2022 Rm
Trident Steel		
Depreciation and amortisation previously not expensed under IFRS 5 – released on reclassification to continuing operations	–	(155)
Reversal of impairment loss previously recognised	–	103
Total Trident Steel	–	(52)
Other adjustments		
Fair value loss on investments classified as Held for Sale	–	(16)
Fair value loss on disposal groups classified as Held for Sale	–	(6)
Total other adjustments	–	(22)
	–	(74)

The disposal groups and individual assets classified as Held for Sale were stated at fair value less costs to dispose and comprised the following:

30 June 2023	Total Rm
ASSETS	
Non-current assets	
Imvelo Concessions investment	59

10. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE continued

30 June 2022	Equity- accounted and Infrastructure Investments Rm	Manufacturing and Processing- Disposal group Rm	Total Rm
ASSETS			
Non-current assets			
Investments	120	–	120
	120	–	120
Current assets			
Inventories		5	5
Trade and other receivables	–	19	19
	–	24	24
TOTAL ASSETS	120	24	144
LIABILITIES			
Current liabilities			
Employee-related payables	–	1	1
Trade and other payables	–	15	15
	–	16	16
TOTAL LIABILITIES	–	16	16
Net assets Held for Sale	120	8	128

11. EXTERNAL BORROWINGS AND OTHER LIABILITIES

	Notes	2023 Rm	2022 Rm	
Borrowings held at amortised cost comprise:				
Credit and term facilities		314	478	
– within one year		314	250	
– between two and five years		–	228	
Asset-backed financing arrangements		706	3	
– within one year		202	2	
– between two and five years		504	1	
Total borrowings held at amortised cost		1 020	481	
Interest rate structure				
Fixed and variable (interest rates)				
Fixed – long-term		–	1	
Fixed – short-term		26	2	
Variable – long-term		504	228	
Variable – short-term		490	250	
		1 020	481	
Description	Terms	Rate of interest	Rm	Rm
Credit and term facilities				
Restructured term facility (ZAR)	Settled April 2023	3M JIBAR + 7,17%	–	478
Short-term debt facility (AUD)	Repayable June 2024	Variable interest rate at BBSY + 4%	290	–
Short-term financing (AUD)	Monthly instalment ending March 2024	Fixed interest rate of 7,7%	24	–
Asset-backed financing arrangements				
Facilities denominated in AUD	Monthly instalment ending February 2025	Fixed range of 2,99% to 6,41%	2	3
Hire purchase agreement (USD)	Monthly instalments ending February 2027	South African Prime + 1,75%	567	–
Hire purchase agreement (ZAR)	Monthly instalments ending March 2027	South African Prime	137	–
Total interest-bearing borrowings			1 020	481

* Amount less than R1 million.

Unutilised borrowing facilities

At 30 June 2023, the Group had available R388 million (includes bank overdraft facilities of R205 million) (2022: R205 million (includes bank overdraft facilities of R205 million)) of unutilised borrowing facilities.

11. EXTERNAL BORROWINGS AND OTHER LIABILITIES continued

Asset-backed financing arrangements

Construction and Engineering: Australasia and Asia

The business entered into asset-backed finance arrangements to fund the acquisition of various items of plant and machinery.

The total asset-backed finance facilities amounted to AUD0,2 million (2022: AUD0,3 million). The amount outstanding on these facilities as at year end was AUD0,2 million (2022: AUD0,3 million) and is equivalent to R2 million (2022: R3 million). These asset-backed arrangements were secured by plant and equipment with a net carrying amount of R3 million (2022: R4 million).

Mining

The business entered into asset-backed finance arrangements to fund the acquisition of various items of plant and machinery.

The total asset-backed finance facilities amounted to R887 million. The amount outstanding on these facilities as at year end was R704 million. These asset-backed arrangements were secured by plant and equipment with a net carrying amount of R604 million.

The following is summarised financial information of the Group's asset-backed financing arrangements:

	2023 Rm	2022 Rm
Asset-backed financing arrangements are payable as follows:		
Minimum payments due		
– within one year	280	2
– in two to five years	609	1
Less: future finance charges	(183)	–
Present value of minimum payments	706	3

12. LEASE LIABILITIES

	2023 Rm	2022 Rm
Opening balance	1 039	519
New leases	430	88
Lease instalments	(370)	(344)
Interest on lease liabilities	97	106
Classified as Held for Sale – transferred in	–	657
Derecognitions	(67)	–
Unrealised foreign exchange movements	25	13
Closing balance	1 154	1 039
Maturity analysis		
Lease liabilities are payable as follows:		
Minimum lease payments due		
– within one year	372	300
– in two to five years	960	987
– more than five years	–	21
Less: future finance charges	(178)	(269)
Present value of minimum lease payments	1 154	1 039
Non-current lease liabilities	854	773
Current lease liabilities	300	266

The total cash outflow related to leases for the year amounts to R533 million (2022: R533 million).

13. CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities at the reporting date, not otherwise provided for in interim results, arise from performance bonds and guarantees issued in:

	2023 Rm	2022 Rm
South Africa and rest of Africa		
Guarantees and bonds (ZARm)	82	325
Parent company guarantees (ZARm)	116	87
	198	412
Australasia and Asia		
Guarantees and bonds (AUDm)	436	346
Parent company guarantees (AUDm)	2	2
	438	348

Bank guarantees issued by joint ventures and associates

The Group's share of bank guarantees issued by its joint ventures and associates is R16 million (June 2022: R 82 million).

Claims and disputes in the ordinary course of business

The Group is, from time to time, involved in various disputes arising in the ordinary course of business. Depending on the merits, disputes can translate into claims and legal proceedings which will be defended by the Group. Exposures may arise in the normal course of business, including contractual penalties associated with ongoing projects.

13. CONTINGENT LIABILITIES AND ASSETS continued

Claims and disputes in the ordinary course of business continued

Where required, adequate provision is made for all liabilities which are expected to materialise.

However, if the outcome of claims or legal disputes are on balance considered to be possible but not probable, they are not disclosed as a provision.

Based on internal and/or external assessments and/or advice from legal advisers (where appropriate, including counsel), the Board believes that there is significant uncertainty as to whether a future exposure or liability will arise in respect of normal course of business claims or disputes, and as such these are on balance considered to be remote.

The Board believes that Aveng has realistic defences against normal course of business claims and legal disputes, and any adverse decisions in relation to contingent liabilities in this regard will not have a material adverse effect on the financial position of the Group.

Specific claims and disputes

Aveng Africa is presently in dispute with a client for various matters including extension of time claims, escalation claims, claims relating to an agreed penalty-free period, a claim relating to defective workmanship and a claim relating to basement penalties. The various claims are proceeding through the dispute process. In addition, the employer terminated the contract on 6 January 2020 and subsequently called on the guarantee of R87 million, following which the insurer paid the employer the guarantee amount and issued a letter of demand, claiming repayment from Aveng Africa, who in turn, paid the insurer. The final account report from the client was received, which Aveng Africa has disputed and since referred to arbitration. Aveng Africa is represented in the matter by specialist legal advisers, including senior counsel. The abovementioned claims are in various stages of dispute resolution processes and will have an impact on the final account dispute. Having regard to the advice received from its advisers, the Board is of the view that all known liabilities have been recognised and that adequate provisions have been recognised.

Aveng Africa, in joint venture with its partner, terminated a contract with its client on 30 January 2019, which entitlement to terminate is disputed by the client. On 23 November 2020, the client demanded payment of the performance bond and retention guarantee to the value of R235 million. The insurer paid the client and Aveng Africa repaid the insurer for their portion. Aveng Africa is represented in the matter by specialist legal advisers, including senior counsel. Having regard to the advice received from its advisers, the Board is of the opinion that all known liabilities have been recognised and that adequate provisions have been recognised.

Aveng Africa, along with six other South African contractors, entered into a settlement agreement with the South African government in 2016 wherein claims for damages by government departments/entities as a result of historical anticompetitive practices by Aveng Africa would be settled. As a result, Aveng Africa agreed to make 12 annual payments into a trust fund to be set up in terms of the settlement agreement and the purpose of which was to develop and enhance the construction industry including black-owned emerging contractors. Summons was issued against Aveng Africa and others, and the parties are defending the matter. The matter is ongoing. Aveng Africa is represented in the matter by specialist legal advisers, including senior counsel.

On the 21 December 2022, the Equity Division of the Supreme Court of New South Wales delivered its judgement in relation to the claims brought by a plant leasing company and its liquidator against McConnell Dowell. The court dismissed the plaintiff's claim and ruled that the plaintiff had failed to establish its case. The matter remains ongoing as the plaintiff is of the view that they have grounds for appeal. McConnell Dowell is represented in the matter by specialist legal advisers.

McConnell Dowell and its joint venture partner, along with its insurers, are defending a claim from a client, in which it is alleged that a defect exists on a project in New South Wales. McConnell Dowell is represented in the matter by specialist legal advisers.

14. TAXATION

Major components of the taxation expense	2023 Rm	2022 Rm
Current taxation		
Local income taxation – current period – continuing operations	1	–
Local income taxation – current period – discontinued operations	12	–
Foreign income taxation or withholding taxation – current period	32	44
Foreign income taxation or withholding taxation – recognised in the current taxation for prior periods	10	4
	55	48
Deferred taxation		
Deferred taxation – current period	(96)	(19)
Deferred taxation – arising from prior period adjustments	(4)	–
	(100)	(19)
	(45)	29

The South African income tax rate has been decreased to 27% (2022: 28%) for years of assessment commencing on or after 1 April 2022. South African deferred tax assets and liabilities are measured at 27%, being the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the tax rate that has been enacted. Taxation in other jurisdictions is calculated at the prevailing rates.

15. DISPOSAL OF ASSETS HELD FOR SALE

On 28 April 2023, the Group concluded the disposal of Trident Steel, a division of Aveng Africa (Proprietary) Limited, as a going concern total cash proceeds of R1.2 billion (including ticking fee). This comprised R700 million in purchase consideration, the return of R264 million net cash to be retained by Aveng, the payment of an accumulated ticking fee equal to R75 million and the refund to Aveng of R183 million of additional liquidity that was previously provided to the Business to fund growth in the period after 30 June 2022.

Trident Steel formed part of the *Manufacturing and Processing* segment.

The transaction constituted a Category 1 transaction in terms of the JSE Listings Requirements. Refer to the Circular distributed to shareholders on 2 December 2022 for further details relating to the transaction.

A gain of R2 million was recognised on the disposal of Oakleaf, Firefly and remaining Infracret factories.

Gain / (loss) on disposal of assets Held for Sale and fair value adjustments	2023 Rm	2022 Rm
Trident Steel	148	–
Other assets Held for Sale	2	(22)
Fair value loss on disposal groups Held for Sale	–	(59)
	150	(81)

30 June 2023	Trident Steel Rm
Trident Steel	
Total assets	2 846
Property, plant and equipment	209
Right-of-use assets	324
Intangible assets	*
Other non-current assets	4
Inventories	1 481
Trade and other receivables	828
Total liabilities	1 515
Employee-related payables	28
Lease liabilities	6
Trade and other payables	1 481
Net assets sold	1 331
Lease receivable recognised**	418
Total cash proceeds net of transaction costs	1 073
Purchase consideration	1 222
Less: Proceeds from ticking fee***	(75)
Less: Purchaser cash portion	(37)
Less: Transaction costs paid****	(37)
Gain before taxation (Subtotal)	160
Taxation	(12)
Gain on disposal of Trident Steel	148

* Amount less than R1 million.

** The headlease for certain IFRS 16 land and buildings to the value of R418 million remained with Group and was subleased to Trident Steel. A lease receivable was recognised for the same amount.

*** Included in other earnings.

**** Transaction costs incurred relating to the transaction were expenses.

16. CASH (UTILISED) / GENERATED BY OPERATING ACTIVITIES

	Notes	2023 Rm	2022 Rm
(Loss) / earnings before taxation from continuing operations		(1 174)	129
(Loss) / earnings before taxation from discontinued operations*		(154)	30
(Loss) / (earnings) before taxation		(1 328)	159
Finance earnings		(83)	(20)
Finance expenses		294	257
Dividend earnings		(10)	(21)
Share of loss from equity-accounted investment		2	5
Cash (utilised) / retained from operations		(1 125)	380
Non-cash and other movements	16.1	121	262
Depreciation		797	826
Amortisation		–	4
Cash (utilised) / generated from operations		(207)	1 472
Movements in working capital	16.2	(214)	(4)
		(421)	1 468

* The (loss) / earnings before taxation from discontinued operations have been re-presented and include the earnings before taxation from Trident Steel which were previously included in continuing operations of the Group for all periods presented.

16.1 Non-cash and other movements

	2023 Rm	2022 Rm
Equity-settled share-based payment expense	15	34
Impairment loss on property, plant & equipment	–	106
Impairment loss on intangible assets	–	8
Impairment loss on equity-accounted investments	3	–
Reversal of impairment loss on long-term receivables	–	(26)
(Gain) / loss on sale of assets Held for Sale	(162)	22
Loss / (gain) on disposal of property, plant & equipment	7	(4)
Reversal of impairment of the right-of-use asset	(24)	–
Fair value adjustment on properties and disposal groups classified as Held for Sale	–	74
Unrealised foreign exchange losses on borrowings and other liabilities	18	14
Movements in foreign currency translation	(226)	(154)
Exchange differences on translating foreign operations reclassified to earnings and loss on derecognition	436	–
Movement in provisions	(39)	27
Derecognition of components included in property, plant & equipment	93	161
	121	262

16. CASH (UTILISED) / GENERATED BY OPERATING ACTIVITIES continued
16.2 Movements in working capital

	2023 Rm	2022 Rm
(Increase) / decrease in inventories	(450)	142
Increase in contract assets	(1 676)	(223)
Increase in trade and other receivables	(110)	(189)
Decrease in lease receivables	–	5
Increase in contract liabilities	466	40
Increase in trade and other payables	1 691	376
Increase in employee-related payables	55	54
Decrease in working capital Held for Sale	(190)	(209)
	(214)	(4)

17. FAIR VALUE OF ASSETS AND LIABILITIES

The Group measures the following financial instruments at fair value:

- Infrastructure investments

Infrastructure investments

The Group measures its remaining infrastructure investment, Dimopoint Proprietary Limited at fair value through profit or loss. The investment in Imvelo Concession Company Proprietary Limited was classified as Held for Sale in the prior year – refer to *note 10: Non-current assets and liabilities classified as Held for Sale*.

(i) Dimopoint Proprietary Limited (Dimopoint)

Methodology

The value of the Group's share in Dimopoint was determined on the basis of the underlying long-term contractual rental streams. The fair value was determined based on the underlying investment property portfolio. Methodologies include the market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows. The valuation takes into consideration the selling price, escalations per year, rental income escalation per year and risk-adjusted discount rates.

Valuation parameters and assumptions

The following parameters and assumptions were considered in arriving at the valuation:

- In estimating the fair value of the properties, the highest and best use of the properties is taken into account.
- Free cash flows based on the underlying long-term contractual rental streams.
- Market comparable yields applicable to the underlying investment property portfolio.
- A terminal growth rate of 12% was applied.

(ii) Imvelo Concessions Company Proprietary Limited (Imvelo)

The Group measures the fair value of the investment in line with the provisions of IFRS 5, being the fair value less cost of disposal. The fair value is based on a Level 2 hierarchy, being the fair value of a non-binding offer to purchase.

17. FAIR VALUE OF ASSETS AND LIABILITIES continued

Fair value hierarchy

The table below sets out the Group's fair value hierarchy and carrying amounts of assets and liabilities:

	Carrying amounts Rm	Fair value Rm	Valuation reference to observable prices Level 1 Rm	Valuation based on observable inputs Level 2 Rm	Valuation based on unobservable inputs Level 3 Rm
2023					
Assets recognised at fair value					
Assets					
Infrastructure investments	142	142	–	–	142
Infrastructure investments (Held for Sale)	59	59	–	59	–
2022					
Assets recognised at fair value					
Assets					
Infrastructure investments	142	142	–	–	142
Infrastructure investments (Held for Sale)	120	120	–	120	–

The Group uses Level 3 valuation techniques to measure infrastructure investments. Valuation techniques used are appropriate in the circumstances and for which sufficient data was available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

There were no transfers between the different levels during the period.

There have been no gains or losses recognised attributable to changes in unrealised gains or losses during the year.

Sensitivity analysis: Financial assets valuations using observable and unobservable inputs

The following table shows the sensitivity of significant unobservable inputs used in measuring the fair value of infrastructure investments:

	Significant unobservable input	Reasonably possible changes to significant unobservable inputs	Potential effect recorded directly in earnings or loss	
			Increase Rm	Decrease Rm
2023				
Infrastructure investments				
Risk-adjusted discount rate:				
– Dimopoint Proprietary Limited	16,0%	0,5%	(4)	4
2022				
Infrastructure investments				
Risk-adjusted discount rate:				
– Dimopoint Proprietary Limited	16,0%	0,5%	(4)	4

18. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant matter or circumstance arising after the reporting date up to the date of this report except as stated below:

18.1 Retirement and appointment of directors

The following directors retired from the board of directors:

- Ms May Hermanus – effective 17 July 2023
- Mr Michael Kilbride – effective 17 July 2023

Mr Nicholas Bowen was appointed as an independent non-executive director effective 17 July 2023. Mr Bowen is based in Sydney and has over 40 years of experience in contract mining, construction and quarrying in Australia and Southern Africa.

18.2 McConnell Dowell BLNG project settlement

Subsequent to year end, but before the date of this report, McConnell Dowell reached a commercial settlement with FGEN LNG on all contractual claims and has booked a full loss on the BLNG project, which is currently in the commissioning phase and will be completed in the coming months.

McConnell Dowell and FGEN LNG have entered into a services agreement pursuant to which McConnell Dowell will utilise its expertise, experience, systems and capabilities to support FGEN LNG achieve full commissioning of the BLNG project.

18.3 Common Terms Agreement and new banking facilities

Subsequent to year end and following the settlement of all senior debt in April 2023, the Financial Institutions that have an interest in the Common terms Agreement, have reduced from six to two parties. The Group has entered into new banking facilities with The Standard Bank of South Africa Limited and the existing Common Terms Agreement will be amended and restated to reflect these changes.

Notice of virtual annual general meeting

AVENG LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1944/018119/06)

ISIN: ZAE000302618

Share code: AEG

("Aveng", the "Company" or with its subsidiaries the "Group")

Notice is hereby given that the 79th AGM of the shareholders of Aveng will be held virtually, on Friday, 01 December 2023 at 09:00 to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out hereunder in the manner required by the Companies Act 71 of 2008 (the "Act"), as read with the Listings Requirements of the JSE Limited ("JSE Listings Requirements"), which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 24 November 2023.

Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the virtual AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences, and passports.

In terms of the provisions of the Act and the Company's memorandum of incorporation, ordinary resolutions require the approval of more than 50% of the votes cast, unless stipulated otherwise herein, by shareholders present or represented by proxy at the virtual AGM, while special resolutions require approval by at least 75% of the votes cast. Shareholders are also referred to the explanatory notes on the virtual AGM on pages 53 and 54.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited consolidated and separate annual financial statements of the Company, incorporating the reports of the auditors, the audit committee, and the directors for the year ended 30 June 2023 have been distributed as required and will be presented to shareholders as required in terms of section 30(3)(d) of the Act.

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

In accordance with Companies Regulation 43(5)(c), issued in terms of the Act, the chairperson of the social, ethics and transformation committee or, in her absence, any member of the committee, will present a report to shareholders at the virtual AGM.

RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, the following resolutions (shareholders are referred to the explanatory notes in relation to the resolutions commencing on page 53):

Ordinary resolutions 1.1 to 1.2: Election of directors

"Resolved to elect, by way of separate resolutions, directors who were appointed subsequent to the previous AGM. The directors eligible for election are:

- 1.1 Mr David Noko; and
- 1.2 Mr Nicholas Bowen."

Ordinary resolutions 2.1 to 2.2: Re-election of directors

"Resolved to re-elect, by way of separate resolutions, directors who are retiring by rotation in terms of the provisions of the Company's memorandum of incorporation. The directors retiring by rotation and who offer themselves for re-election are:

- 2.1 Mr Philip Hourquebie; and
- 2.2 Ms Bridgette Modise."

Ordinary resolutions 3.1 to 3.3: Appointment of audit committee

"Resolved to elect, by way of separate resolutions, the following independent non-executive directors as members of the audit committee from the end of this virtual AGM until the conclusion of the next AGM in terms of section 94(2) of the Act:

- 3.1 Ms Bridgette Modise;
- 3.2 Mr Bradley Meyer; and
- 3.3 Mr Nicholas Bowen."

Ordinary resolution 4: Re-appointment of external auditors

"Resolved to appoint, on the recommendation of the current audit committee, KPMG Inc. as independent auditors of the Company, the auditor meeting the requirements of section 90(2) of the Act, until the conclusion of the next AGM."

Non-binding ordinary resolution 5: Approval of remuneration policy

"Resolved to approve, through a non-binding advisory vote, the remuneration policy of the Company as set out on pages 54 to 69 of the integrated report at <https://www.aveng.co.za/results-reports-presentations.php>."

Note:

Should 25% or more of the votes exercised in respect of the non-binding ordinary resolution number 5 be against the resolution, the Company will issue an invitation to those shareholders who voted against this resolution to engage with the Company.

Non-binding ordinary resolution 6: Approval of remuneration implementation report

"Resolved to approve, through a non-binding advisory vote, the remuneration implementation report of the Company as set out on pages 54 to 69 of the integrated report at <https://www.aveng.co.za/results-reports-presentations.php>."

Note:

Should 25% or more of the votes exercised in respect of the non-binding ordinary resolution number 6 be against the resolution, the Company will issue an invitation to those shareholders who voted against this resolution to engage with the Company.

Special resolution 1: General authority to repurchase shares

"Resolved by way of a special resolution, that the Company or one of its wholly owned subsidiaries, be authorised, by way of a general authority, to acquire the Company's own securities, from any person, upon such terms and conditions and in such number as the directors may from time to time decide, subject to the applicable requirements of the Company's memorandum of incorporation, the Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, subject further to the restriction that the number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing of this special resolution, or 10% (ten percent) of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company."

ADDITIONAL INFORMATION

It is recorded that the restrictions imposed in terms of the JSE Listings Requirements for a general repurchase of a Company's shares include the following:

- The general authority will only be valid until the Company's next AGM provided that it shall not

extend beyond 15 (fifteen) months from the date of passing of this resolution (whichever period is shorter);

- The repurchase must be effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;
- Repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;
- An announcement must be published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of the issued share capital (being the number of shares in issue at the time the general authority is granted), and for each 3% (three percent) in aggregate of the initial number of issued share capital repurchased thereafter, containing the details of such repurchases;
- The Company and / or its subsidiaries may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme established in accordance with the requirements of the JSE Listings Requirements;
- At any point in time, the Company may only appoint one agent to effect any repurchases on its behalf; and
- The board of directors of the Company ("Board") must pass a resolution to authorise the repurchase and the Board must confirm that the Company and its subsidiaries have passed the solvency and liquidity test set out in section 4 of the Act and that since the test was done there have been no material changes to the financial position of the Group.

The Board, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the virtual AGM and at the actual date of the repurchase:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the Company and the Group will be adequate for ordinary business purposes;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group; and
- the Company's ordinary share capital and reserves will be adequate for ordinary business purposes.

Special resolution 2: Non-executive directors' remuneration

"Resolved as a special resolution:

- that the Company be and is hereby authorised to pay remuneration to its non- executive directors for their services as directors, as contemplated in section 66(8) and 66(9) of the Act, as set out below;
- that the Company be and is hereby authorised to pay top-up fees to Mr Bowen, an Australian-based non-executive director, as set out below;
- that the remuneration structure and amounts as set out below, be and are hereby approved, for implementation from the period commencing 1 January 2024 until such time as rescinded or amended by shareholders by way of a special resolution."

Board committee	Category	2023 fee (R)	2024 proposed fee ¹ (R)	% change
Main board ⁸	Chairperson	2	2	
	Lead independent	538 414	570 719	6,0
	Director	384 543	407 615	6,0
	Ad hoc meetings ³	33 739	35 763	6,0
Subsidiary boards	Director	204 360	216 622	6,0
	McConnell Dowell travel allowance	93 325	98 925	6,0
Remuneration and nomination committee ⁸	Chairperson	259 161	274 711	6,0
	Member	103 021	109 202	6,0
Safety, health and environmental committee ⁸	Chairperson	223 740	274 711	22,8
	Member	96 678	109 202	13,0
Social, ethics and transformation committee ⁸	Chairperson	223 740	274 711	22,8
	Member	96 678	109 202	13,0
Audit committee ⁸	Chairperson	342 665	363 225	6,0
	Member	192 869	204 441	6,0
Risk committee ⁸	Chairperson ⁴	259 161	320 000	23,5
	Member	103 021	160 000	55,3
Investment committee	Chairperson ⁴	13 635	14 453	6,0
	Member ⁴	10 407	11 031	6,0
Tender risk committee	Chairperson ^{4,5} (AUD)		6 670	–
	Member ⁴	13 398	23 212	73,2
	Member ^{4,5} (£)		1 450	–
	Member ^{4,5} (AUD)		2 900	–
Ad hoc committee meetings	Member ^{4,5} (USD)		1 830	–
	Member/invitee ⁶	21 898	23 212	6,0
Extraordinary services rendered	Per hour fee ^{5,7}	5 384	5 707	6,0
	Per hour fee ^{5,7} (AUD)		710	–
	Per hour fee ^{5,7} (£)		360	–
	Per hour fee ^{5,7} (USD)		450	–

1. The proposed fees exclude VAT which will be charged by any qualifying non-executive director, at the prevailing rate.

2. Refer to 2024 proposal for non-resident non-executive directors.

3. Per meeting in excess of the four scheduled meetings per year.

4. Per meeting attended.

5. Fees payable to non-resident directors have been set at c.50% premium to the Rand fees payable to resident directors and future increases will be based on the foreign denominated fees.

6. Directors who are not members of a Board committee are sometimes requested on an ad hoc basis to attend meetings of certain committees. The proposed fee structure as set out above includes a fee payable under these circumstances. The meeting attendance fee to directors who are not members of the relevant committee will only be paid if attendance is based on a formal invitation from the committee chairperson.

7. Per hour.

8. Where chairperson or members are non-resident NEDs, these fees do not apply as their NED fee is an inclusive fee (refer to 2024 proposal for non-resident NEDs).

2024 PROPOSAL FOR NON-RESIDENT CHAIRMAN, US AND AUS-BASED NON-EXECUTIVE DIRECTOR

For 2024, a 5,0% cost-of-living adjustment is recommended in respect of the non-resident UK-based chairman of the Board. A 3,0% adjustment is recommended for a US-based non-executive. In the event that there is a South Africa-based chairman, there will be a 6,0% adjustment from 2023 to 2024.

	Fee	2023 fee (R)	2024 proposed fee ¹ (R)	2024 proposed increase % change
Non-resident UK-based non-executive (£)	Composite fee ²	105 053	110 306	5,0
	Ad hoc meeting fee ³	2 738	2 875	5,0
	Tender risk per meeting fee (member) ⁴	–	1 450	–
In the event that we have an SA-based Chairman (ZAR)		1 167 760	1 237 826	6,0
Non-resident US-based non-executive (USD)	Composite fee ^{4,5}	78 000	93 405	19,8
	Ad hoc meeting fee ³	2 080	2 142	3,0
Non-resident AUS-based non-executive (AUD)	Composite fee ⁴	–	140 000	–
	Ad hoc meeting fee ³	–	3 321	–
	Tender risk per meeting fee (chairman) ⁴	–	6 670	–

1. The proposed fees exclude VAT which will be charged by any qualifying non-executive director, at the prevailing rate.
2. Composite fee paid for chairman role inclusive of all committee fees.
3. Fee paid for any additional ad hoc Board or committee meetings attended.
4. Composite fee paid for all Board and committee meetings attended.
5. For 2024, a 19,8% increase is recommended in respect of the non-resident US-based non-executive director fee as a result of his increased responsibilities on appointment as chairperson of the remuneration committee. Please note the 19,8% increase is inclusive of the 3% adjustment recommended for a US-based non-executive.
6. Tender risk committee fees are over and above the composite NED fees paid to non-resident directors and are paid on a per meeting attended basis.

Mr Bowen was appointed to the Board with effect from 17 July 2023, and it was agreed that his remuneration will be a composite fee of AUD125 000 annually, for serving as a Board member as well as Chair of the safety, health and environment, chair of the risk committee and as audit committee member. Since his fees were not approved by shareholders, Mr Meyer was remunerated as per the framework approved at the last AGM, converting the USD fee to AUD at the time payment became due to him. He was paid the maximum amount allowed in terms of the approved framework, which is less than his AUD fee. A top-up of his fees will be paid subject to obtaining the necessary shareholder approval.

The Board fees noted above exclude any VAT which is authorised to be paid, in addition to the above-board fees, to qualifying non-executive directors.

Special resolution 3: Financial assistance to related and inter-related companies

“Resolved by way of a special resolution, that the authority of the directors of the Company as previously approved by shareholders as required in terms of sections 44 and / or 45 of the Companies Act of 2008 and the Company’s memorandum of incorporation to provide financial assistance to any person, or to all related and inter-related companies within the Aveng Group of companies, at such times and on such terms and conditions as the directors in their sole discretion deem fit and subject to all relevant statutory and regulatory requirements being met, be and is hereby renewed, with such authority to remain in place until rescinded or superseded by way of a special resolution passed at a duly constituted virtual AGM of the Company.”

Ordinary resolution 7: Signing authority

“Resolved to authorise any one director or the company secretary of the Company to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the notice convening the virtual AGM at which this ordinary resolution will be considered and approved at such meeting.”

ADDITIONAL INFORMATION

The following additional information, some of which may appear in the integrated report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution 1:

- Directors and management – <https://www.aveng.co.za/leadership.php>
- Major shareholders – page 57
- Directors' interests in ordinary shares – <https://www.aveng.co.za/results-reports-presentations.php>
- Share capital of the Company – <https://www.aveng.co.za/results-reports-presentations.php>
- Directors' report – <https://www.aveng.co.za/results-reports-presentations.php>

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on the corporate information page, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolutions and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all the information required by the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in the integrated report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of signature of the integrated report.

DIRECTORS' INTENTION REGARDING THE GENERAL AUTHORITY TO REPURCHASE THE COMPANY'S SHARES

The directors have no specific intention, at present, for the Company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the Company and its shareholders.

PROXIES AND VOTING

Certificated shareholders and dematerialised shareholders with “own-name” registration, participating via electronic communication, are urged to submit their votes by proxy prior to the meeting. Dematerialised shareholders, other than “own-name”, participating via electronic communication, should contact their Central Securities Depository Participant (“CSDP”) or broker with instructions on how they wish to vote.

Certificated shareholders, “own-name” dematerialised shareholders and dematerialised shareholders other than “own-name”, who have requested a letter of representation from their CSDP or broker in order to vote during the meeting, who have provided the transfer secretary with their details and email address will be provided with the necessary instructions on how to vote.

It is requested that forms of proxy be forwarded to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; Private Bag X9000, Saxonwold, 2132), by no later than 29 November 2023 for administrative purposes. If shareholders who have not dematerialised their shares or who have dematerialised their shares with “own-name” registration, and who are entitled to participate via electronic communication do not deliver forms of proxy to the transfer secretaries by the relevant time, such shareholders will nevertheless be entitled to lodge the form of proxy in respect of the virtual AGM immediately prior to the virtual AGM, in accordance with the instructions therein, with the company secretary via email: edinah.mandizha@avenggroup.com or may use the electronic voting system provided.

SHAREHOLDERS OR THEIR PROXIES WHO WISH TO PARTICIPATE AND VOTE IN THE VIRTUAL AGM THROUGH THE ELECTRONIC PARTICIPATION PLATFORM, MUST EITHER:

1. register online using the online registration portal at <https://meetnow.global/ZA> ; or
2. apply to Computershare, by sending a request to proxy@computershare.co.za so as to be received by Computershare by no later than Wednesday, 29 November 2023.

Every shareholder participating virtually or present or represented or represented by proxy and entitled to vote shall be entitled to one vote per ordinary share.

Shareholders or proxies are advised that they will be required to present reasonably satisfactory identification in order to participate in the virtual AGM as required in terms of section 63(1) of the Act. Forms of identification that will be accepted include original and valid identity documents, driver's licences, and passports.

For the purpose of resolutions proposed in terms of the JSE Listings Requirements wherein any votes are to be excluded from that resolution, any proxy given by a holder of securities to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution.

Any shareholder or appointed proxy participating in the virtual AGM is eligible to ask questions.

By order of the Board



Edinah Mandizha

Group company secretary

Melrose Arch
27 October 2023

Explanatory notes: Virtual annual general meeting

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

At the virtual AGM, the directors must present the audited consolidated and separate annual financial statements of the Company for the year ended 30 June 2023 to shareholders, together with the reports of the directors, the audit committee, and the auditors. These are available at <https://www.aveng.co.za/investor-centre.php>

PRESENTATION OF REPORT BY SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

In terms of Regulation 43(5)(c), one of the statutory functions of a social and ethics committee constituted in terms of the Act is to report to shareholders at the Company's AGM on the matters within the committee's mandate. The report of the group social and ethics committee for the year ended 30 June 2023 is reported in the integrated report and is accessible on the Group's website at <https://www.aveng.co.za/investorcentre>

RESOLUTIONS

Ordinary resolutions 1.1 to 1.2: Election of directors

To elect, by way of a separate resolution, directors who were appointed subsequent to the previous AGM. The directors eligible for election is:

- 1.1 Mr David Noko; and
- 1.2 Mr Nicholas Bowen

The profile of the directors up for election is contained at www.aveng.co.za/board-of-directors.php

Ordinary resolutions 2.1 to 2.2: Re-election of directors

To re-elect, by way of separate resolutions, directors who are retiring by rotation in terms of the provisions of the Company's memorandum of incorporation. The directors retiring by rotation are:

- 2.1 Mr Philip Hourquebie; and
- 2.2 Ms Bridgette Modise

The profile of the directors up for election is contained at www.aveng.co.za/aboutus/leadership

Ordinary resolutions 3.1 to 3.3: Appointment of audit committee

To elect, by way of separate resolutions, the following independent non-executive directors as members of the audit committee from the end of this AGM until the conclusion of the next AGM in terms of section 94(2) of the Act:

- 3.1 Ms Bridgette Modise;
- 3.2 Mr Bradley Meyer; and
- 3.3 Mr Nicholas Bowen

The Board of directors of the Company is satisfied that the proposed members of the audit committee meet all relevant requirements.

Ordinary resolution 4: Re-appointment of external auditors

KPMG Inc. external auditor of the Company has indicated its willingness to continue in office and ordinary resolution 4, based on the recommendation of the audit committee, proposes the re-appointment of that firm as the Company's auditors until the conclusion of the next AGM.

Non-binding ordinary resolution 5: Approval of remuneration policy

King IV on Corporate Governance™* for South Africa recommends and the JSE Listings Requirements require that the remuneration philosophy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration philosophy and policy of the Company.

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Non-binding ordinary resolution 6: Approval of remuneration implementation report

King IV on Corporate Governance for South Africa recommends and the JSE Listings Requirements require that the remuneration implementation report of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration implementation report of the Company.

Special resolution 1: General authority to repurchase shares

Section 48 of the Act authorises the Board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46 having been met. The JSE Listings Requirements require the shareholders of the Company to approve the authority to repurchase shares and the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the virtual AGM for special resolution 1 to become effective.

Special resolution 2: Non-executive directors' remuneration

In terms of section 66(8) and section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the memorandum of incorporation and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the Company and as such, the resolution as included in the notice requests approval of the remuneration paid to non-executive directors for their services as directors of the Company.

Pursuant to the binding rulings of the South African Revenue Service, a non-executive director who earns in excess of R1 million in non-executive directors' fees from all appointments in any 12-month consecutive period is required to register for VAT, and charge VAT on such fees, subject to certain exceptions. Accordingly, the amounts noted within the tables represent the Board fees exclusive of VAT which will be charged by any qualifying non-executive director, at the prevailing rate.

Special resolution 3: Financial assistance to related and inter-related companies

Section 45(2) of the Act authorises the Board to provide direct or indirect financial assistance to a related or inter-related company, subject to subsections (3) and (4) of section 45 of the Act and unless otherwise provided in the Company's memorandum of incorporation. In terms of section 45(3) of the Act, a special resolution of shareholders is required in these instances.

Section 44(2) of the Act authorises the Board to provide financial assistance by way of loan, guarantee, the provision of, security or otherwise to any person for the purpose of, or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company.

The main purpose of the special resolution as set out in the Notice of AGM is to approve the granting of inter-company loans, a recognised and well-known practice, details of which are also set out in the notes to the annual financial statements, as well as providing financial assistance to parties acquiring or subscribing for securities in the Company, typically used in empowerment transactions or funding transactions where another class of shares are issued.

Ordinary resolution 7: Signing authority

Authority is required to do all such things and sign all documents and take all such action as necessary or desirable to implement the resolutions set out in the Notice of AGM and approved at the virtual AGM. It is proposed that the company secretary and / or directors be authorised accordingly.

GENERAL

Shareholders and proxies attending the virtual AGM on behalf of shareholders are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

Form of proxy

AVENG LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1944/018119/06)

ISIN: ZAE000302618

Share code: AEG

("Aveng", the "Company" or with its subsidiaries the "Group")

For use by the registered holders of certificated Aveng shares and the holders of dematerialised Aveng shares in their own name at the virtual AGM of the Company to be held on, Friday, 01 December 2023 at 09:00.

Holders of Aveng shares (whether certificated or dematerialised) through a nominee must not complete this form of proxy, but should timeously make the necessary arrangements with that nominee or, if applicable, CSDP or broker, to enable them to attend and vote at the virtual AGM or to enable their votes in respect of their Aveng shares to be cast at the virtual AGM by a proxy or a representative. If they do not wish to attend the meeting, they must provide their nominee, CSDP or broker, as the case may be, with their voting instructions in accordance with the custody agreement entered into with the registered holder.

I/We _____

(please print)

of (address) _____

(please print)

being the registered holder(s) of _____ ordinary shares in the capital of the Company do hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

the chairperson of the virtual AGM, as my / our proxy to vote on my / our behalf at the virtual AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed at the virtual AGM and at each adjournment of the virtual AGM and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the shares in the issued share capital of the Company registered in my / our name / s, in accordance with the following instructions (see note 2):

Proposed resolutions	For	Against	Abstain
1. Ordinary resolution 1.1: Election of director Mr David Noko			
Ordinary resolution 1.2: Election of director Mr Nicholas Bowen			
2. Ordinary resolution 2.1: Re-election of director – Mr Philip Hourquebie			
Ordinary resolution 2.2: Re-election of director – Ms Bridgette Modise			
3. Ordinary resolution 3.1: Election of audit committee member – Ms Bridgette Modise			
Ordinary resolution 3.2: Election of audit committee member – Mr Bradley Meyer			
Ordinary resolution 3.3: Election of audit committee member – Mr Nicholas Bowen			
4. Ordinary resolution 4: Re-appointment of external auditors			
5. Non-binding ordinary resolution 5: Non-binding advisory vote to approve the remuneration policy			
6. Non-binding ordinary resolution 6: Non-binding advisory vote to approve the remuneration implementation report			
7. Special resolution 1: General authority to repurchase shares			
8. Special resolution 2: Non-executive directors' remuneration			
9. Special resolution 3: Financial assistance to related and inter-related companies			
10. Ordinary resolution 7: Signing authority			

Signed at _____ on _____ 2023

Signature _____

Assisted by me (where applicable)

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

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the chairperson of the virtual AGM" but any such deletion must be initialled by the member. The person whose name appears first on the form of proxy and who is present at the virtual AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's instructions to the proxy must be indicated 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 virtual AGM as he / she deems fit. A member may instruct the proxy to vote fewer than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the virtual AGM.
3. Forms of proxy are requested to be lodged with or posted to the Company's share registrar, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) to be received by no later than 09:00 on Wednesday, 29 November 2023 for administrative purposes. Alternatively, such forms of proxy may be furnished to the company secretary via email (edinah.mandizha@avenggroup.com) before the appointed proxy exercises any of the relevant shareholder's rights at the virtual AGM.
4. The completion and lodging of this form of proxy will not preclude the member from attending the virtual AGM and speaking and voting in person thereat to the exclusion of any proxy appointment in terms thereof, should each member wish to do so.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (for example, for a company, close corporation, trust, pension fund, deceased estate) must be attached to this form of proxy unless previously recorded by the Company's share registrar or waived by the chairperson of the virtual AGM.
6. An alteration or correction made to this form of proxy must be initialled by the signatory or signatories.
7. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the share registrar of the Company.
8. Where there are joint holders of shares in the Company, any one of such persons may, alone, sign this form of proxy in respect of such shares as if such person was the sole holder but, if more than one of such joint holders submits a form of proxy, the form of proxy, if accepted by the chairperson of the virtual AGM, submitted by the holder whose name appears first in the Company's share register will be accepted to the exclusion of any other forms of proxy submitted by any other joint holder/s.
9. The chairperson of the virtual AGM may accept any form of proxy which is completed other than in accordance with these notes if the chairperson of the virtual AGM is satisfied as to the manner in which the member wishes to vote.
10. A proxy need not be a member of the Company.
11. A proxy may not delegate his / her authority to act on behalf of the shareholder, to another person.
12. Every shareholder present virtually or represented by proxy or a duly authorised representative shall have one vote for every share held by such shareholder.

Shareholders' analysis

for the year ended 25 June 2023

Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	30 554	88,53	2 892 497	2,28
1 001 – 10 000 shares	3 189	9,24	10 247 110	8,06
10 001 – 100 000 shares	671	1,94	19 015 597	14,96
100 001 – 1 000 000 shares	81	0,23	22 808 764	17,94
1 000 001 shares and above	16	0,06	72 171 712	56,76
Total	34 511	100	127 135 680	100

Beneficial shareholder categories

Category	Total shareholding	% of issued capital
Hedge Fund	41 878 469	32,94
Private Investor	37 027 039	29,12
Trading Position	11 054 916	8,70
Mutual Fund	7 576 168	5,96
Custodians	6 288 595	4,95
Pension Funds	3 930 887	3,09
Unit Trusts	2 425 668	1,91
Corporate Holding	351 169	0,28
Insurance Companies	338 076	0,27
University	132 771	0,10
Stockbrokers	27 501	0,02
Charity	20 000	0,02
Exchange-Traded Fund	19 193	0,02
Remainder	16 065 228	12,64
Total	127 135 680	100

Shareholders' analysis continued

for the year ended 30 June 2023

Public and non-public shareholdings

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	12	0,03	9 626 169	7,57
Directors and prescribed officers	8	0,01	4 252 197	3,34
Aveng Limited Share Purchase Trust	1	0,00	12 036	0,01
Aveng Management Company Proprietary Limited	1	0,00	1 577	0,00
Aveng LTIP	1	0,00	5 343 186	4,20
Community Investment Trust	1	0,00	17 173	0,01
Public shareholders	34 499	99,97	117 509 511	92,43
Total	34 511	100	127 135 680	100

Beneficial shareholders holding more than 3%

Beneficial shareholdings	Total shareholding	%
Highbridge Capital Management	16 233 479	12,77
Whitebox Advisors	15 144 602	11,91
ABSA	9 236 945	7,27
Steyn Capital	7 709 604	6,06
Ninety-One	5 651 730	4,45
Standard Bank	5 181 991	4,08
Total	59 158 351	46,53

Substantial investment management and beneficial interests above 3%

Investment manager	Total shareholding	%
Whitebox Advisors LLC	17 218 311	13,54
Highbridge Capital Management	16 233 479	12,77
Steyn Capital Management	10 808 807	8,50
Absa Asset Management	9 123 315	7,18
Ninety One	6 166 640	4,85
Total	59 550 552	46,84

Geographic split of investment managers and company-related holdings

Region	Total shareholding	% of issued capital
South Africa	80 030 236	62,95
United States of America and Canada	34 383 307	27,04
United Kingdom	1 234 550	0,97
Rest of Europe	3 057 960	2,41
Rest of World	8 429 627	6,63
Total	127 135 680	100

Geographic split of beneficial shareholders

Region	Total shareholding	% of issued capital
South Africa	79 832 448	62,79
United States of America and Canada	23 662 257	18,61
United Kingdom	1 174 868	0,92
Rest of Europe	3 129 118	2,46
Rest of World	19 336 989	15,22
Total	127 135 680	100

Corporate information

Directors

PA Hourquebie** (Chair),
SJ Flanagan (Group CEO),
AH Macartney (Group FD),
B Modise (Lead independent director)**,
BC Meyer**,
D Noko**, N Bowen**
*Non-executive **Independent

Company secretary

Edinah Mandizha
Business address and registered office
3rd Floor, 10 The High Street, Melrose Arch,
Johannesburg, 2076, South Africa
Telephone +27 (0) 11 779 2800

Company registration number

1944/018119/06

Share codes

Share code: AEG
Share ISIN: ZAE 000302618

Website

www.aveng.co.za

Auditor

KPMG Inc.
Registration number: 1999/021543/21
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122
South Africa
Telephone +27 (0) 11 647 7111

Principal bankers

The Standard Bank of South Africa Limited
FirstRand Bank Limited
United Overseas Bank Limited

Corporate legal advisers

Alchemy Law Africa (Pty) Ltd
Pinsent Masons

Sponsor

Valeo Capital Proprietary Limited
Registration number: 2021/834806/07
Unit 12 Paardevlei Specialist Medical Centre
Paardevelei
Somerset West
Western Cape, 7130, South Africa

Registrars

Computershare Investor Services Proprietary
Limited
Registration number: 2004/003647/07
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196, South Africa
PO Box 61051
Marshalltown, 2107
South Africa
Telephone +27 (0) 11 370 5000



AVENG
Providing a better life
www.aveng.co.za