



**CONVERGENET HOLDINGS LIMITED  
(IN THE PROCESS OF CHANGING ITS NAME TO  
STELLAR CAPITAL PARTNERS LIMITED) AND ITS SUBSIDIARIES**

Incorporated in the Republic of South Africa  
(Registration number 1998/015580/06)

Share code: CVN

ISIN: ZAE000182440

("ConvergeNet" or the "Company" or the "Group")

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**AUDITED CONDENSED PROVISIONAL GROUP  
RESULTS FOR THE FIFTEEN MONTHS ENDED  
30 NOVEMBER 2014**

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## INTRODUCTION

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The Group hereby presents its audited condensed group results for the fifteen months ended 30 November 2014.

Shareholders are advised that the corporate actions announced by the Group on SENs on 8 September 2014 and 27 October 2014 (the “**Announcements**”), as detailed in note 17 hereto, have not been incorporated into the results presented herein as those corporate actions only became unconditional after the close of the financial period presented.

The Announcements detailed, *inter alia*, the Group’s plans to sell its remaining two operating companies, Structured Connectivity Solutions Proprietary Limited (“**SCS**”) and Chrystalpine Investments 9 Proprietary Limited Group (“**Chrystalpine**”) (incorporating Andrews Kit Proprietary Limited (“**Contract Kitting**”)) and as a result of this firm intention to dispose of those entities, the cash generating unit of SCS and Chrystalpine have been classified as a disposal group held for sale in terms of IFRS 5 “*Non-current assets held for sale and discontinued operations*” (“**IFRS 5**”) at 30 November 2014. In terms of the requirements of IFRS 5, the Group has presented the assets and liabilities of the disposal group separately on the face of the statement of financial position and have accounted for this disposal group by measuring the assets and liabilities of SCS and Chrystalpine at the lower of their carrying values and the fair value of those assets less cost to sell. In addition to the statement of financial position disclosures, the sum of the post-tax profit or loss of the discontinued operations, SCS and Chrystalpine for the fifteen months ended 30 November 2014 and year ended 31 August 2013 (restated) is presented as a single amount on the face of the statement of comprehensive income. The impact of the sale of SCS and Chrystalpine (incorporating Contract Kitting) will be disclosed in profit and loss from discontinued operations in the forthcoming financial year.

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**CONDENSED GROUP STATEMENT OF  
FINANCIAL POSITION AS AT 30 NOVEMBER 2014**

	Note	As at 30 November 2014 R'000	As at 31 August 2013 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	-	4,342
Goodwill		-	34,822
Intangible assets		-	2,910
Deferred taxation		<b>3,216</b>	9,777
		<b>3,216</b>	51,851
<b>Current assets</b>			
Inventories		-	58,688
Other financial assets	6	<b>76,000</b>	2,331
Current tax receivable		-	883
Trade and other receivables		<b>571</b>	62,644
Cash and cash equivalents		<b>3,334</b>	14,689
		<b>79,905</b>	139,235
Non-current assets held for sale	7	<b>129,668</b>	262,058
		<b>209,573</b>	401,293
<b>TOTAL ASSETS</b>		<b>212,789</b>	453,144
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>			
Equity attributable to owners of the parent		<b>193,329</b>	219,113
Non-controlling interest		<b>(14,221)</b>	(8,605)
		<b>179,108</b>	210,508
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Operating lease liability		-	1,251
Deferred taxation		-	106
		-	1,357
<b>Current liabilities</b>			
Other financial liabilities		-	29,241
Current tax payable		<b>421</b>	490
Finance lease obligation		-	126
Provisions		-	1,046
Trade and other payables		<b>3,711</b>	56,062
Bank overdraft		-	15,066
		<b>4,132</b>	102,031
Non-current liabilities held for sale	7	<b>29,549</b>	139,248
		<b>33,681</b>	241,279
<b>Total Liabilities</b>		<b>33,681</b>	242,636
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>212,789</b>	453,144
Net asset value per share (cents)		<b>191.52</b>	22.57
Net tangible asset value per share (cents)		<b>191.52</b>	18.68

**CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIFTEEN MONTHS ENDED 30 NOVEMBER 2014**

	Note	15 months ended 30 November 2014 R'000	Restated year ended 31 August 2013 R'000
<b>Continuing operations</b>			
Revenue		797	19,896
Cost of sales		(490)	(18,264)
<b>Gross profit</b>		<b>307</b>	1,632
Other income	8	10,853	12,407
Operating expenses		(14,914)	(40,308)
Impairment of goodwill and other financial assets		(2,950)	(3,333)
Fair value adjustments		414	6,672
Other operating expenses		(12,378)	(43,647)
<b>Operating loss</b>		<b>(3,754)</b>	(26,269)
Investment income	10	7,913	147
Finance costs		(2,360)	(528)
<b>Profit/(loss) before taxation</b>		<b>1,799</b>	(26,650)
Taxation		1,617	(4,116)
<b>Profit/(loss) for the period/year from continuing operations</b>		<b>3,416</b>	(30,766)
<b>Discontinued operations</b>			
Net loss for the period/year from discontinued operations	7	(92,469)	(195,501)
<b>Loss for the period/year</b>		<b>(89,053)</b>	(226,267)
Other comprehensive income:			
Exchange gain on translation of foreign operations net of tax		-	388
Gains on revaluation of land and buildings		-	99
<b>Total comprehensive loss for the period/year net of tax</b>		<b>(89,053)</b>	(225,780)
<b>Loss for the period/year attributable to:</b>			
Equity holders of the parent		(94,293)	(209,204)
Non-controlling interests		5,240	(17,063)
		(89,053)	(226,267)
<b>Profit/(loss) for the period/year from continuing operations attributable to:</b>			
Equity holders of the parent		(1,824)	(27,117)
Non-controlling interests		5,240	(3,649)
		3,416	(30,766)
<b>Loss for the period/year from discontinued operations attributable to:</b>			
Equity holders of the parent		(92,469)	(182,087)
Non-controlling interests		-	(13,414)
		(92,469)	(195,501)

## CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	15 months ended 30 November 2014 R'000	Restated year ended 31 August 2013 R'000
<b>Total comprehensive loss for the period/year attributable to:</b>			
Equity holders of the parent		(94,293)	(208,949)
Non-controlling interests		5,240	(16,831)
		<b>(89,053)</b>	<b>(225,780)</b>
<b>Earnings per share</b>			
Basic and diluted basic (loss) per share (cents)			
From continuing operations		(1.82)	(3.05)
From discontinued operations		(92.30)	(20.47)
Basic loss for the period		(94.12)	(23.51)
<b>Headline and diluted headline (loss) per share (cents)</b>			
From continuing operations		(1.79)	(2.84)
From discontinued operations		(14.48)	(6.10)
Headline loss for the period		(16.27)	(8.94)
Basic and diluted weighted average number of shares		100,180,601	889,726,462
Total number of shares in issue		100,946,502	970,935,125
<b>Reconciliation between (loss) and headline (loss)</b>			
Continuing operations			
Basic loss attributable to equity holders of parent		(1,824)	(27,117)
Impairment of intangible assets		32	-
Loss on disposal of assets		-	117
Loss on disposal of subsidiaries		-	2,550
Tax effect of adjustments		-	(826)
<b>Headline loss</b>		<b>(1,792)</b>	<b>(25,276)</b>
Discontinued operations			
Basic loss attributable to equity holders of parent		(92,469)	(182,087)
Loss on disposal of assets		1,058	600
Loss on disposal of associates		-	3,255
Loss/(profit) on disposal of subsidiaries		71,466	(15,020)
Loss recognised on the remeasurement of disposal groups to fair value less cost to sell		-	786
Impairment of goodwill		5,435	127,494
Tax effect of adjustments		-	(1,348)
Portion of adjustments attributable to non-controlling interests		-	12,037
<b>Headline loss</b>		<b>(14,510)</b>	<b>(54,283)</b>

**CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE FIFTEEN MONTHS ENDED 30 NOVEMBER 2014**

	<b>As at 30 November 2014 R'000</b>	As at 31 August 2013 R'000
Balance at 01 September 2013/1 September 2012	<b>210,508</b>	483,188
<b>Total comprehensive loss for the period</b>	<b>(89,053)</b>	(226,267)
Exchange gain on translation of foreign operation	-	388
Revaluation	-	99
Shares issued in terms of transactions with non-controlling shareholders	-	15,888
Equity settled share based payments	<b>3,420</b>	476
Shares vested in terms of a forfeitable share plan	<b>1,350</b>	-
Own shares acquired by subsidiaries, held as treasury shares	<b>(78)</b>	(21,211)
Own shares acquired by subsidiaries, held as treasury shares re-issued	-	23,139
Transactions with non-controlling shareholders	<b>52,961</b>	(65,192)
<b>Balance at 30 November 2014/31 August 2013</b>	<b>179,108</b>	210,508

**CONDENSED GROUP STATEMENT OF CASH FLOWS  
FOR THE FIFTEEN MONTHS ENDED 30 NOVEMBER 2014**

	<b>15 months ended 30 November 2014 R'000</b>	Restated year ended 31 August 2013 R'000
<b>Net cash from/(utilised in) operating activities</b>	<b>2,258</b>	(40,558)
<b>Net cash from/(utilised in) investing activities</b>	<b>26,958</b>	(979)
<b>Net cash (utilised in) financing activities</b>	<b>(26,761)</b>	(11,233)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,455</b>	(52,770)
Cash at the beginning of the year	<b>(377)</b>	66,496
Cash balances transferred to disposal group held for sale	<b>1,256</b>	(14,103)
<b>Total cash at end of the period</b>	<b>3,334</b>	(377)

## NOTES

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### 1 Reporting entity

ConvergeNet (in the process of changing its name to Stellar Capital Partners Limited) is a company domiciled in the Republic of South Africa. The condensed financial statements of the Group as at and for the fifteen months ended 30 November 2014 comprise the Company and its subsidiaries (together referred to as the "Group").

As at 30 November 2014 the Group consisted of the Company and its subsidiary companies namely:

- ConvergeNet Management Services Proprietary Limited
- Structured Connectivity Solutions Proprietary Limited (Disposal group held for sale)
- Chrystalpine Investments 9 Proprietary Limited (holding company of Andrews Kit Proprietary Limited) (Disposal group held for sale)
- Andrews Kit Proprietary Limited (Disposal group held for sale)
- ConvergeNet SA Proprietary Limited (dormant since 30 June 2014)
- Navix Distribution Proprietary Limited (dormant)
- Northbound Communication Solutions Proprietary Limited (dormant)
- Simat Management Company Proprietary Limited (dormant)

The audited condensed financial statements of the Group as at and for the fifteen months ended 30 November 2014 are available on request from the Group's registered office at Level P3, Oxford Corner, c/o Jellicoe and Oxford Road, Rosebank, Johannesburg, or at <http://convergenet.com/investor-relations>.

### 2 Statement of compliance

These audited condensed group financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("**Listings Requirements**") for provisional reports, and the Companies Act of South Africa, 2008, as amended, applicable to summarised financial statements. The Listing Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("**IFRS**") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and include, as a minimum the information required by IAS 34 – Interim Financial Reporting. They do not include all the information required for a complete set of International Financial Reporting Standards financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last audited consolidated financial statements as at and for the year ended 31 August 2013.

In preparing these audited condensed group financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 31 August 2013.

These financial results were approved by the Board of Directors on 26 February 2014.

The audited condensed group financial statements have been prepared under the supervision of Charl de Villiers CA(SA), who was appointed as Chief Financial Officer with effect from 1 February 2015.

### 3 Accounting Policies

All accounting policies applied by the Group in these audited condensed group financial statements comply with IFRS and are consistent with those applied by the Group in the consolidated financial statements as at and for the year ended 31 August 2013.

During the current financial period the Group has adopted all the new, revised or amended accounting standards and interpretations as issued by the IASB, that are relevant to its operations, which were effective for the Group from 1 September 2013.

The adoption of the new and revised accounting standards and interpretations which had no material impact on the results of the Group, are as follows:

- Amendments to IAS 27, 'Separate Financial Statements'
- IFRS 10, 'Consolidated Financial Statements' and IFRS 12 'Disclosure of Interests in Other Entities'
- IFRS 13, 'Fair Value Measurement'
- Annual Improvements to IFRSs 2009-2011 Cycle
  - IAS 1 'Presentation of Financial Statements': clarification of the requirements for comparative information
  - IAS 32 'Financial Instruments: Presentation': clarification of the tax effect of distribution to holders of equity instruments
  - IAS 34 'Interim Financial Reporting': clarification of interim financial reporting and segment information for total assets and liabilities

### 4 Comparative figures

Unless otherwise indicated, comparative figures refer to the year ended 31 August 2013. In accordance with the requirements of IFRS 5, the statement of comprehensive income and statement of cash flows have been re-presented for the disclosures that relate to the operations of SCS and Chrystalpine which have been discontinued by the end of the reporting period.

### 5 Goodwill

R'000	2014	2013
Cost	103,773	103,773
Accumulated impairment	(74,386)	(68,951)
Transferred to disposal group classified as held for sale	(29,387)	-
<b>Carrying value at 30 November 2014/31 August 2013</b>	<b>-</b>	<b>34,822</b>

At 30 November 2014, Chrystalpine Investments 9 Proprietary Limited group, incorporating Andrews Kit Proprietary Limited, and Structured Connectivity Solutions Proprietary Limited, has been classified as a disposal group held for sale ("Disposal Group"). The Disposal Group has been measured at the lower of its carrying amount and fair value less cost to sell and as a result, an impairment loss of R5,435,000 has been recognised in respect of goodwill attributable to Andrews Kit Proprietary Limited.

### 6 Other financial assets

	2014	2013
<b>Financial assets at fair value through profit or loss</b>		
Foreign exchange contracts - Standard Bank of South Africa Limited	-	131
<b>Listed shares</b>	<b>3,267</b>	
Listed shares comprising 200,000 shares in Goliath Gold Mining Limited at R1.58 per share and 34,806,030 shares in Mine Restoration Investments Limited at R0.09 per share		
<b>Total financial assets at fair value through profit and loss</b>	<b>3,267</b>	<b>131</b>
Other financial assets at amortised cost		
Interest bearing		
<b>X-DSL Networking Solutions (Pty) Ltd</b>	<b>100</b>	<b>2,200</b>



6 **Other financial assets (continued)**

	2014	2013
This loan bore interest at the prime rate and was repaid in full on 8 December 2014. The loan was secured by 100% of the issued ordinary shares and 100% of the shareholder claims of X-DSL Networking Solutions (Pty) Ltd.		
<b>Loan Participation 1 - AfrAsia Special Opportunities Fund (Pty) Ltd</b>	<b>10,231</b>	-
The Group has participated in a loan advanced by AfrAsia Special Opportunities Fund (Pty) Ltd to a private unrelated entity which accrues interest at prime plus 8.5% per annum (serviced quarterly). This loan participation is repayable on or before 30 September 2015 and is secured by corporate guarantees, cession of book debts, insurance policies and bank accounts, a general notarial bond over movable assets and a subordination of all shareholder and inter-company claims.		
<b>Zaloserve (Pty) Ltd</b>	<b>50,000</b>	-
The loan accrues interest at Prime Rate minus 2%, payable monthly in arrears, and is repayable in semi-annual instalments over 4 years, ending 31 December 2017. The loan was fully settled on 31 December 2014. It was secured by a cession and pledge of 100% of the issued shares and a general notarial bond registered over the movable property of Sizwe Africa IT Group (Pty) Ltd.		
<b>Loan Participation 2 - AfrAsia Special Opportunities Fund (Pty) Ltd</b>	<b>12,000</b>	-
The Group has participated in a loan advanced by AfrAsia Special Opportunities Fund (Pty) Ltd to a private unrelated entity which accrues interest at 2% per month (serviced monthly). This loan participation is repayable on or before 31 August 2015 and is secured by unlisted shares at a minimum cover ratio of three times the face value of the outstanding amount of debt.		
<b>Sizwe Africa IT Group (Pty) Ltd</b>	<b>1,867</b>	-
This relates to expenses settled on behalf of Sizwe Africa IT Group (Pty) Ltd. The loan is payable on demand and does not bear any interest.		
<b>Total other financial assets at amortised cost</b>	<b>74,198</b>	2,200
<b>Impairment of loans and receivables</b>	<b>(1,465)</b>	-
<b>Total other financial assets at amortised cost (net of impairments)</b>	<b>72,733</b>	2,200
<b>Total other financial assets</b>	<b>76,000</b>	2,331
<b>Non-current assets</b>	<b>-</b>	-
<b>Current assets</b>	<b>76,000</b>	2,331
	<b>76,000</b>	2,331

Long-outstanding amounts due from Sizwe Africa IT Group (Pty) Ltd were impaired during the current reporting period which resulted in a charge to the statement of comprehensive income in the amount of R1,465,000. The carrying amounts of the remaining other financial assets approximate their fair values as the balances are neither past due nor impaired and have a low risk of default.

## 7 Assets and liabilities of disposal group held for sale and discontinued operations

Following a decision taken by the Board to restructure the ConvergeNet Group of companies and convert the Group into an investment holding company, the assets and associated liabilities of Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited)) and Structured Connectivity Solutions Proprietary Limited have been presented as held for sale and discontinued operations in the Group statement of financial position as at 30 November 2014 and statement of comprehensive income for the period then ended. Included within these amounts are the following items:

### 7.1 Disposal group classified as held for sale in the current period

#### 7.1.1 Chrystalpine Investments 9 (Pty) Ltd group and Structured Connectivity Solutions (Pty) Ltd

On 5 September 2014, the Group concluded the terms of the sale of 100% of the Group's interest in Chrystalpine Investments 9 Proprietary Limited (the 100% holding company of Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited for R95,119,000 and R5,000,000 respectively, to Tellumat Proprietary Limited. The criteria for classification of these entities as a disposal group held for sale was met on 31 August 2014 as management was committed to a plan to sell these entities which were available for immediate sale. An active programme to locate a buyer had been initiated under the Group's restructuring mandate and negotiations in respect thereof were in an advanced stage resulting in management concluding that the sale was highly probable within 12 months of classification as held for sale. The purchase consideration will be settled by Tellumat Proprietary Limited by way of the issue of ordinary shares in Tellumat Proprietary Limited such that the Group will hold 30% of the total issued ordinary shares of Tellumat Proprietary Limited following the share issue.

On 16 January 2015, shareholders approved the transaction. The sale of Chrystalpine Investments 9 Proprietary Limited group and Structured Connectivity Solutions Proprietary Limited became unconditional on 5 February 2015 and 16 January 2015 respectively.

### 7.2 Disposal groups classified as held for sale in the prior year and sold in the current period

#### 7.2.1 Sizwe Africa IT Group (Pty) Ltd

On 29 August 2013, the Group concluded a sale of shares agreement with Zaloserve Proprietary Limited ("Zaloserve"), in which Zaloserve acquired 100% of ConvergeNet's interest in Sizwe Africa IT Group Proprietary Limited ("Sizwe") and its subsidiaries. The criteria for IFRS 5: 'Non-current assets held for sale and discontinued operations' ("IFRS 5") were met at 31 August 2013 and as a result the assets and liabilities of Sizwe were classified as held for sale. The disposal group met the criteria to be classified as a discontinued operation. An impairment charge of R50,846,000 was recorded against goodwill in the prior year and a further R 112,000 against other assets to bring the disposal group in line with its fair value less cost to sell.

The total purchase consideration was R120,000,000 and was vendor financed at a rate of prime less 2% per annum. The sale became unconditional on 11 December 2013. On 31 December 2014, Zaloserve paid an amount of R50,000,000 (in addition to the amount of R50,000,000 received prior to the end of the reporting period) in full and final settlement of the remaining R70,000,000 purchase consideration outstanding and thereby utilised the R20,000,000 early settlement discount allowed under the terms of the sale and purchase agreement.

Mr H van Dyk, an executive director of the Board during the prior year, had a personal financial interest in the conclusion and implementation of the Sizwe disposal by virtue of being the sole director and shareholder of Zaloserve.

#### 7.2.2 Telesto Communications Proprietary Limited

On 16 August 2013, the Group concluded a sale of shares agreement with ConvergeCom Proprietary Limited ("ConvergeCom"), in which ConvergeCom acquired 100% of the Group's interest in Telesto Communications Proprietary Limited ("Telesto"). The criteria for IFRS 5 were met at 31 August 2013 and as a result the assets and liabilities of Telesto were classified as held for sale. The disposal group met the criteria to be classified as a discontinued operation. An impairment charge of R16,522,000 was recorded against goodwill in the prior year and a further R672,000 against other assets to bring the disposal group in line with its fair value less cost to sell.

The sale of the Group's interest in 100% of Telesto Communications Proprietary Limited became unconditional on 29 October 2013. On the same date, payment of R6,000,000 was effected in terms of the sale and purchase agreement. On 31 May 2014, an amount of R1,250,000 was made in full and final settlement of the remaining R1 300 000 outstanding under the agreement. An early settlement discount of R50,000 was recognised in profit and loss.

Mr D Bisschoff, an executive director of the Board during the prior year, had a personal financial interest in the conclusion and implementation of the Telesto disposal by virtue of being the sole director and shareholder of ConvergeCom.

**Assets and liabilities of disposal group classified as held for sale**

<b>R'000</b>	<b>2014</b>	<b>2013</b>
<b>Assets of disposal group classified as held for sale</b>		
Property, plant and equipment	<b>4,265</b>	27,114
Goodwill and intangible assets	<b>30,360</b>	523
Other financial assets	<b>1,274</b>	28,447
Inventories	<b>47,987</b>	32,451
Trade and other receivables	<b>43,831</b>	164,211
Other assets	<b>1,951</b>	9,312
Investment in subsidiaries	-	-
	<b>129,668</b>	262,058
<b>Liabilities of disposal group classified held for sale</b>		
Interest bearing loans and other financial liabilities	<b>470</b>	7,653
Finance lease obligation	<b>276</b>	16,477
Trade and other payables	<b>28,803</b>	109,126
Other liabilities	-	5,992
	<b>29,549</b>	139,248

**Loss for the period from discontinued operations - 2014**

<b>R'000</b>	<b>Sizwe Africa IT Group Proprietary Limited</b>	<b>Telesto Communi- cations Solutions Proprietary Limited</b>	<b>Disposal Group Held for sale</b>	<b>Total</b>
Revenue	-	-	312,451	312,451
Other income, investment revenue and share of profits of associates	-	-	2,634	2,634
Expenses	-	-	(327,935)	(327,935)
Profit before taxation of discontinued operations	-	-	(12,850)	(12,850)
Taxation	-	-	(5,082)	(5,082)
<b>Loss after tax of discontinued operations</b>	-	-	(17,932)	(17,932)
Post-tax (loss)/gain recognised on the sale of disposal groups	(52,627)	(18,839)	2,364	(69,102)
Post-tax loss recognised on the re-measurement of assets of disposal group	-	-	(5,435)	(5,435)
<b>Loss from discontinued operations</b>	<b>(52,627)</b>	<b>(18,839)</b>	<b>(21,003)</b>	<b>(92,469)</b>

\* No deferred taxation asset has been recognised in respect of the re-measurement of the disposal group to fair value less cost to sell as it is not expected that the Group will record future taxable capital gains against which the deferred tax asset can be utilised.

**Profit/(loss) for the year from discontinued operations - 2013**

<b>R'000</b>	<b>Size Africa IT Group Proprietary Limited</b>	<b>Telesto Communications Solutions Proprietary Limited</b>	<b>Disposal Group Held for sale</b>	<b>X-DSL Networking Solutions Proprietary Limited</b>	<b>Simat Group</b>	<b>Total</b>
Revenue	613,178	16,352	263,110	15,452	14,565	922,657
Other income, investment revenue and share of profits of associates	11,858	(593)	461	556	2,316	14,598
Expenses	(673,827)	(16,857)	(263,229)	(21,086)	(52,171)	(1,027,170)
Loss/profit before taxation of discontinued operations	(48,791)	(1,098)	342	(5,078)	(35,290)	(89,915)
Taxation	2,849	(165)	(1,865)	(9)	(3,348)	(2,538)
<b>(Loss)/profit after tax of discontinued operations</b>	<b>(45,942)</b>	<b>(1,263)</b>	<b>(1,523)</b>	<b>(5,087)</b>	<b>(38,638)</b>	<b>(92,453)</b>
Post-tax (loss)/gain recognised on the sale of disposal groups	-	-	-	(4,131)	24,563	20,432
Post-tax loss recognised on the re- measurement of assets of disposal group*	(50,959)	(17,187)	(55,334)	-	-	(123,480)
<b>(Loss)/profit from discontinued operations</b>	<b>(96,901)</b>	<b>(18,450)</b>	<b>(56,857)</b>	<b>(9,218)</b>	<b>(14,075)</b>	<b>(195,501)</b>

\*No deferred taxation asset has been recognised in respect of the re-measurement of the disposal group to fair value less cost to sell as it is not expected that the Group will record future taxable capital gains against which the deferred tax asset can be utilised.

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**Other income**

Other income includes the write-back of a liabilities previously owed by Simat Management Group SA Proprietary Limited, in the amount of R10,576,000, a wholly-owned subsidiary of the Group, to companies no longer forming part of the Group, which are no longer due and payable in terms of the sale agreements upon the disposal of the companies.

### Operating segments

As the Group have no continuing operations at 30 November 2014, pending completion of the corporate actions noted in the Announcements which became unconditional after the financial reporting period, no segmental reporting has been presented for the current reporting period as the key operating decision maker, Peter van Zyl, manages the continuing operations of the Group as a single segment. The Group did not manage the discontinuing operations, Structured Connectivity Solutions Proprietary Limited and the Chrystallpine Investments 9 Proprietary Limited group (incorporating Andrews Kit Proprietary Limited), as segments during the interim period between the date of the release of the Announcements and the effective date of the corporate actions contained therein, as such segments were managed by Tellumat Proprietary Limited.

Segmental comparative information is presented based in respect of the Group's organisational structure and reporting framework for the year ended 31 August 2013 as follows:

R'000	IT Infrastructure Technology solutions	Telecom Infrastructure Technology solutions	Africa Site Maintenance Solutions	Corporate	Consolidation and other	Total
<b>Year ending 31 August 2013</b>						
<b>From continuing operations</b>						
Total revenue	11,431	12,048	1,068	20,293	-	44,840
Inter-segment sales	(3,134)	-	-	(20,293)	(1,518)	(24,945)
<b>Reported revenue</b>	<b>8,297</b>	<b>12,048</b>	<b>1,068</b>	<b>-</b>	<b>(1,518)</b>	<b>19,895</b>
<b>Segmental result</b>						
<b>Core operating loss for the year</b>	<b>(10,928)</b>	<b>9,620</b>	<b>(6,863)</b>	<b>(30,465)</b>	<b>15,700</b>	<b>(22,936)</b>
Impairment of goodwill and loans and receivables						(3,333)
Investment income						147
Share of profits of associates						-
Finance costs						(528)
Taxation						(4,116)
<b>Net loss for the year after taxation</b>						<b>(30,766)</b>

## 10 Investment income

	2014	2013
<b>Finance Income</b>		
<b>Continuing operations</b>		
Loans and other receivables	7,615	-
Cash and cash equivalents	298	147
	<b>7,913</b>	<b>147</b>

## 11 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 August 2013.

## 12 Change in Board of Directors

Mr. DF Bisschoff resigned as Chief Financial Officer on 31 October 2013 and was subsequently appointed as interim Chief Financial Officer and CEO on a contract basis. This interim agreement terminated on 31 December 2013. Mr. P van Zyl was appointed as a director on 21 November 2013 and replaced Mr. Bisschoff as Chief Financial Officer from 1 January 2014. Janine de Bruyn was appointed as independent non-executive on 25 July 2014. On 8 September 2014, Christina Wiese and Clare Wiese were appointed as independent non-executive directors. Messrs. Peter van Zyl and Charl de Villiers were appointed as permanent chief executive officer and chief financial officer respectively with effect from 1 February 2015.

## 13 Corporate Governance

Mr. Warwick van Breda was appointed as company secretary to ConvergeNet and its subsidiaries with effect from 1 December 2013, prior to which date the role was fulfilled by Juba Statutory Services Proprietary Limited.

## 14 Share Capital

The Group issued 38,529,866 shares at 9 cents per share during November 2013 under the general authority to issue shares for cash. The shares were issued to settle operating expenses of the Group.

The Group completed the repurchase of 34,447 shares at 12 cents per share on 9 December 2013 under the Specific and Odd-lot Offers announced previously. The consolidation of the shares in issue on a 10-for-1 basis was completed on 23 December 2013 ("**Share Consolidation**").

As a result of the share consolidation, the authorised share capital of the Company was reduced to 200,000,000 ordinary shares of no par value. With effect from 20 January 2015, the authorised share capital of the Company was increased from 200,000,000 ordinary shares of no par value to 1,000,000,000 ordinary shares of no par value.

## 15 Forfeitable share plan

During the period under review, 4,420,000 shares (pre-consolidation) vested under the Group's forfeitable share plan at 10 cents per share and a further 145,000 (post-consolidation) shares at R2.40 per share (post-consolidation).

## 16 Dividend

No dividend has been proposed for the period under review.

## 17 Events after the Reporting Period

On 16 January 2015, shareholders approved the:

- Transfer of the Company's listing from the "Computer Services" sub-sector of the JSE to the "Investment Companies" sub-sector which is expected to reflect on the JSE trading system by 23 March 2015;
- Disposal by ConvergeNet of 100% of ConvergeNet's interest in Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited to Tellumat Proprietary Limited for R95,119,000 and R5,000,000 respectively. The transactions became unconditional on 5 February 2015;

## 17 Events after the Reporting Period (continued)

- Acquisition by ConvergeNet of 30% of Tellumat Proprietary Limited as a result of the settlement of the Chrystalpine Investments 9 Proprietary Limited and Structured Connectivity Solutions Proprietary sale consideration which became effective on 5 February 2015;
- Acquisition by ConvergeNet of 19.26% of DigiCore Holdings Limited for an aggregate amount of R119,231,925 which became unconditional on 16 January 2015 and was completed on 6 February 2015;
- Acquisition by ConvergeNet of an additional 30.32% of Mine Restoration Investments Limited for an aggregate amount of R25,272,664 which became unconditional on 16 January 2015 and was completed on 3 February 2015;
- Acquisition by ConvergeNet of an additional 21.77% of Goliath Gold Mining Limited for an aggregate amount of R64,169,742 which became unconditional on 16 January 2015 and was completed on 13 February 2013;
- Specific issue of 75 million ConvergeNet shares for cash at a subscription price of R2.00 per share, amounting to an aggregate total consideration of R150 million which became unconditional on 16 January 2015 and was completed on 23 January 2015;
- Specific issue of 1 385 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of the private placement underwriting fees which became unconditional on 16 January 2015 and was completed on 23 January 2015;
- Specific issue of 1 140 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of private placement commitment fees which became unconditional on 16 January 2015 and was completed on 23 January 2015; and
- The change of name of ConvergeNet to “Stellar Capital Partners Limited” and resulting amendment to the Memorandum of Incorporation which is expected to reflect on the JSE trading system from 16 March 2015.

The directors are not aware of any subsequent events, not already disclosed above and in the Announcements that require further disclosure in this announcement.

## 18 Audit opinion

This summarised report is extracted from audited information, but is not audited itself. The annual financial statements were audited by Grant Thornton Cape Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

The directors take full responsibility for the preparation of the audited condensed consolidated financial results and that the financial information has been correctly extracted from the underlying annual financial statements. This financial information has been prepared under the supervision of Charl de Villiers CA (SA), the Group Chief Financial Officer. The Group's auditors have not reviewed nor reported on any of the comments in this announcement relating to future forecasts.

## 19 Group outlook

The Group is positive about entering into a new phase as investment holding company and the implementation of its stated investment strategy.

For and on behalf of the board

**D Tabata**  
*Chairman*

**CB de Villiers**  
*Chief Financial Officer*

27 February 2015

### **Directors**

D Tabata\*^ (Chairman), P van Zyl, CB de Villiers, L Mangope\*^,  
C Pettit\*^, CC Wiese\*^, CH Wiese\*^, J de Bruyn\*^

(\* Non-Executive, ^ Independent)

### **Company secretary**

Warwick van Breda,  
7 Killara Road, Bedfordview, 2007

### **Registered office**

Level P3, Oxford Corner, c/o Jellicoe and Oxford,  
Rosebank, Johannesburg

### **Postal Address**

P.O. Box 10709, Centurion, 0046

### **Transfer Secretaries**

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70 Marshall Street, Johannesburg, 2001

### **Sponsor and Corporate Adviser**

AfrAsia Corporate Finance Proprietary Limited  
Office 202, Cape Quarter, The Square, 27 Somerset Road,  
Green Point, Cape Town

### **Web**

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