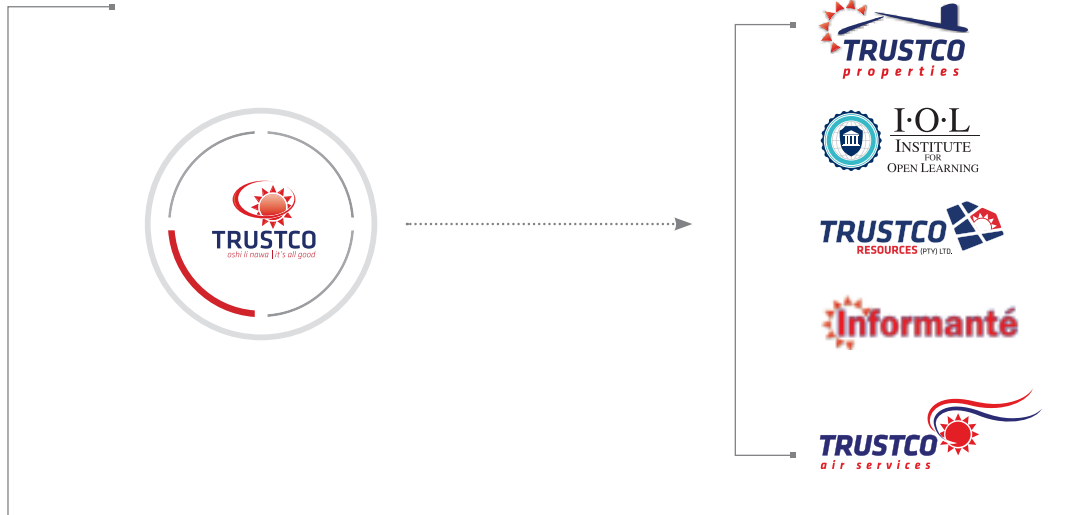


INVESTMENTS

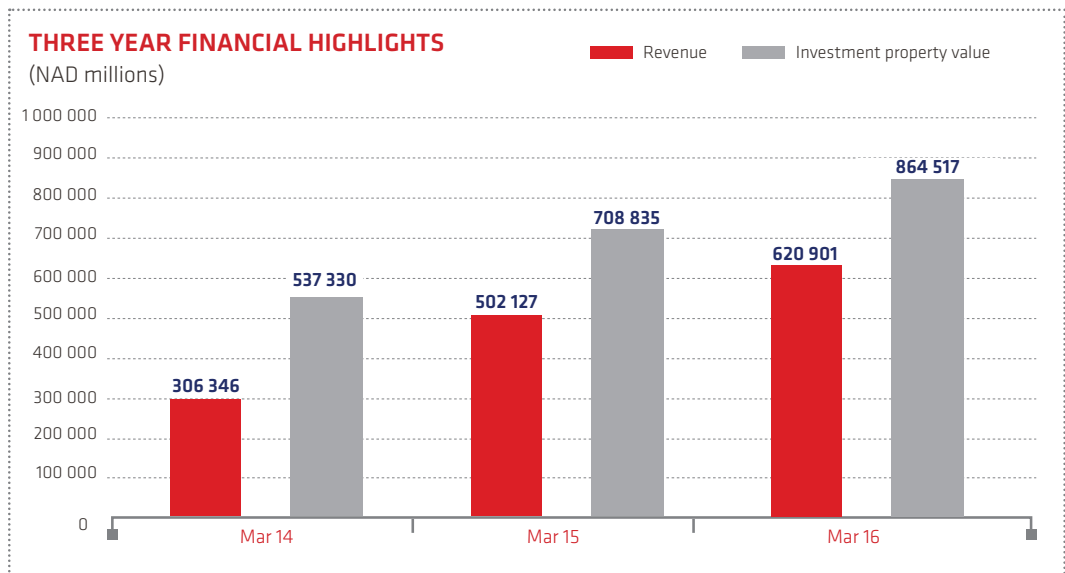


PROPERTIES

Trustco is active in mixed-use land development. For over 20 years the group has played its part in building the foundation of Namibian serviced land supply. The acute shortage of serviced land in the country remains a priority to all and the most profound constraint is the mismatch between the supply of developed land and demand therefor.

The property portfolio contributes meaningfully to satisfying the high demand for land from the public and is therefore in line with the government's drive for Vision 2030; to provide housing to all Namibians.

To further support sustainable land development, a servicing construction company was acquired during the financial year.



To ensure that the mixed-use property portfolio remains a sustainable key-business driver, the focus remains on Trustco's existing and future residential, commercial and industrial developments.

THE LAND BANK CURRENTLY CONSISTS OF THE DEVELOPMENTS KNOWN AS ELISENHEIM, LAFRENZ, ONDANGWA AND FARM HERBOTH:

Elisenheim (EPDC), ± 1 186 hectares earmarked to include:

- ± 6 000 single residential erven
- ±75 general residential erven with a density between 1:250 and 1:180
- ± 5 institutional erven
- ± 3 school grounds
- A vast amount of land is earmarked for commercial use such as shopping centres, office space and clinics / hospitals
- The development also includes 558 hectares which will be developed as a "Nature Estate" in future

Lafrenz, ± 347.9 hectares of industrial land earmarked to include:

- Extension 2 and 3 consisting of 36.9 hectares or 116 industrial erven
- The remaining sellable 184.5 hectares is still available for future development

Ondangwa, Extension 11 (± 13,01 hectares) earmarked to include:

- 56 single residential erven
- 7 general residential erven
- 8 business erven
- 9 light industrial erven

Ondangwa, Extension 12 (± 29,42 hectares) earmarked to include:

- 51 industrial erven

Farm Herboth:

- ± 2765,72 hectares of virgin land for future development



Elisenheim phase 3

INVESTMENTS

CONTINUED



Relationships with regulators play an integral part in the property business to ensure the required municipal approvals are granted and land is developed in compliance with the required zoning ordinances and regulations. Project execution supported by financiers, suppliers, subcontractors and stakeholder relationships are essential to sustainable developments.

These synergies resulted in the delivery of a consistent supply of serviced land, with a current average selling price of NAD2 050.00 per m². More than 115 000m³ of earth was removed in the process of servicing the land and more than 1 million interlock pavers were used for the internal road structures.





Elisenheim phase 2

The completed infrastructure such as roads, water and electricity supplies, in line with required standards set by regulators, resulted not only in achieving the demand of purchaser's basic requirements, but also enabled the transfer processes of properties to commence.

The available land bank is currently 4,200 hectares, amounting to 42 million square metres, estimated to contribute meaningfully to sustainable revenue growth for at least another 20 years. Trustco will continue to explore and invest in future profitable acquisitions.

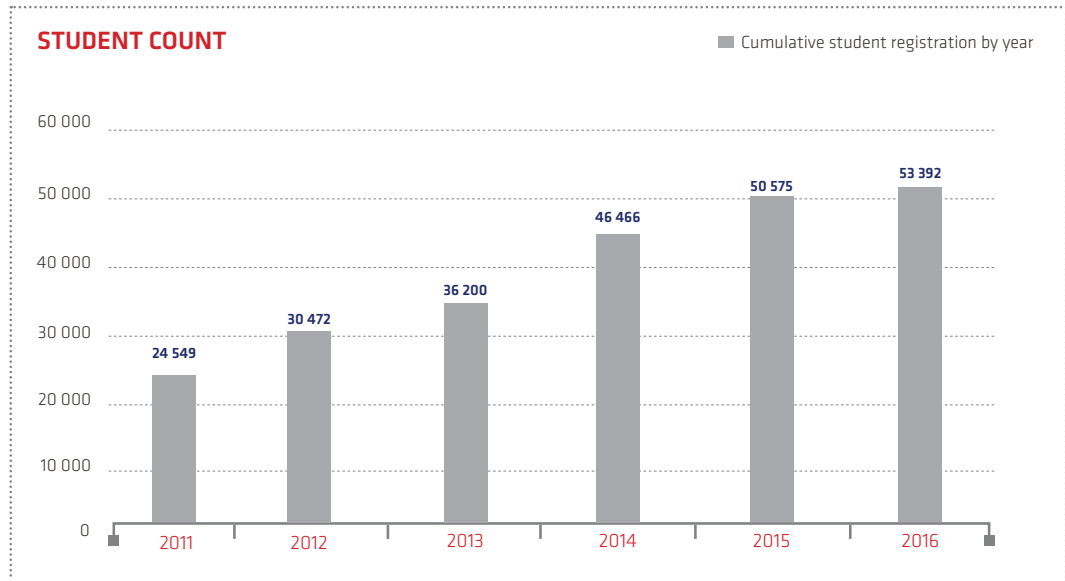
INVESTMENTS

CONTINUED

EDUCATION

Established in 1997 as the Open Learning Group, its initial objective was to expand educational qualifications in Namibia. In 2005 Trustco purchased this educational

institution with a count of merely 2 500 students. The student enrolment has grown to over 53 000 students over the past 12 years, which makes the Institute for Open Learning, (IOL) as it is known today, the largest distance education institution in Namibia.



The exceptional growth can be attributed to the accreditation of the institution by the Namibia Qualifications Authority (NQA) and the quality of its relevant courses on offer, as well as the regional representation that is offered by 7 fully-fledged regional branches. In addition, the first IOL information centre was opened in Gobabis, a town in the east of Namibia, during this reporting period. IOL intends to continue its expansion by establishing such centres in all 14 regions of Namibia.

The institute's student profile reflects the demographics of Namibia and emphasises the fundamental role IOL plays in higher education. With its strategic position nationally, it is a key vehicle for sustainable growth and development. IOL further adds value through distance learning by bringing affordable distance education to the people. In the next financial year IOL intends to continue these unrivalled achievements in higher education and ICT learning.



Graduation ceremony

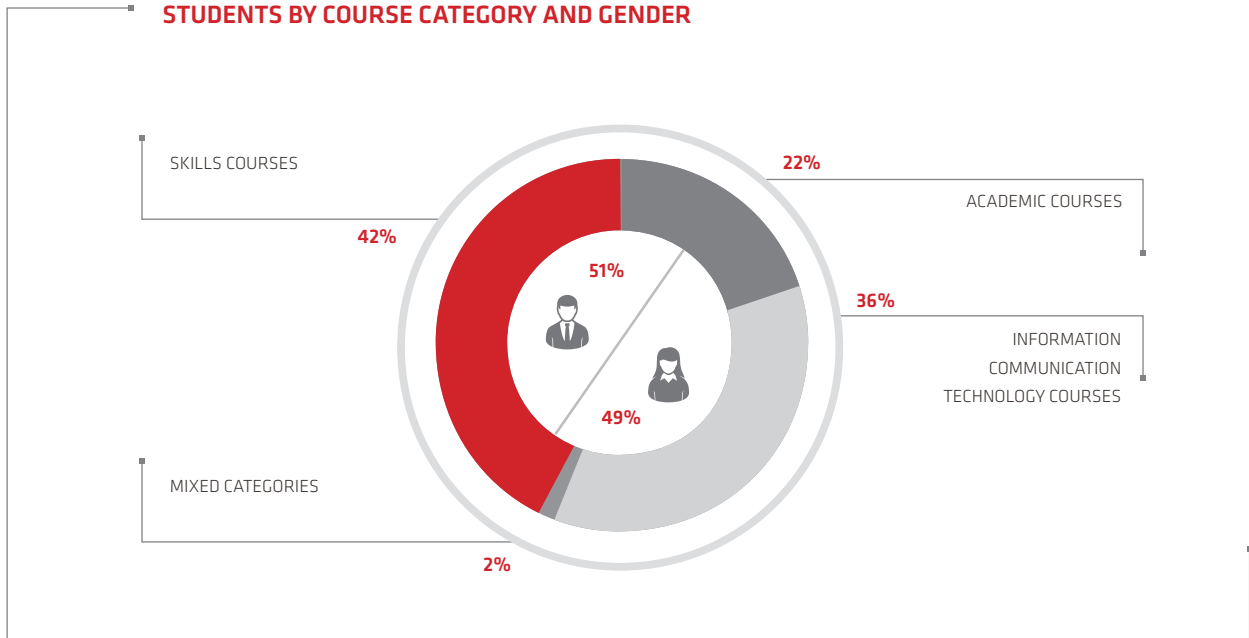


IOL received a PMR award for companies and institutions doing the most within their sector to stimulate the economic growth and development in Namibia

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BRANCHES

INVESTMENTS

CONTINUED



The ability to work with information and communication technologies has become as essential to education, life and workplace success as reading, writing and arithmetic. IOL offers an array of excellent ICT courses to enable students to achieve success in their academic and professional careers and to efficiently and effectively participate in a modern technological advanced society. To keep abreast of the latest technologies used for teaching and learning, persistent research is conducted into the use of information and communication and other technologies and is continuously introduced by IOL. The institute therefore combines educational and ICT courses with the necessary tools to successfully complete and understand both the course and the tool.

IOL has once again affirmed its leadership with the use of technology in higher education with a number of firsts:

- the institute was the first in Namibia to introduce modern technology for delivering distance education programmes to students;
- the complimentary Amazon Kindle Electronic book is bundled with all education courses offered by IOL. More than 90% of all students' materials, study guides and textbooks are electronically available

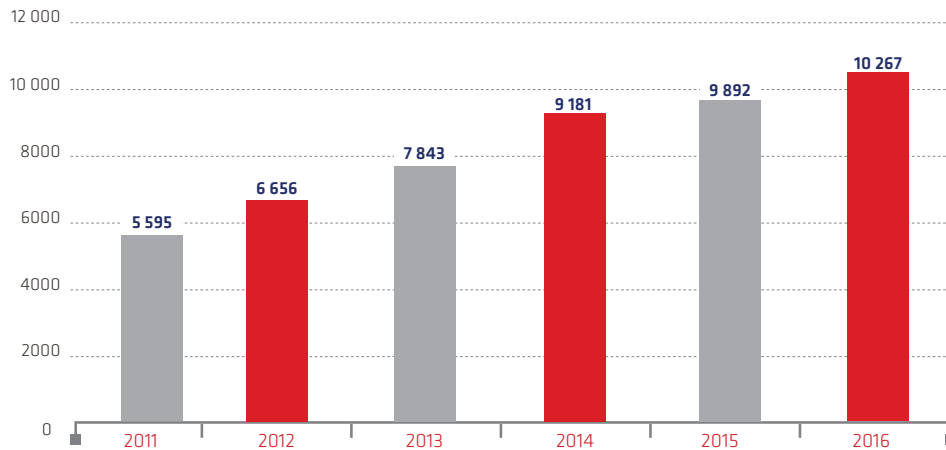
on the Kindle. Agreements with various publishers ensures this availability. Not only does the electronic book benefit students especially in rural areas and IOL cost-wise, but the environmental impact should also be considered. IOL strengthens the sustainable quality of teaching, learning and courses by constantly emphasising on improved client focus, e-learning, innovation and diversity.



A Kindle is included with all education courses

CUMULATIVE GRADUATES BY YEAR

(Number of students)

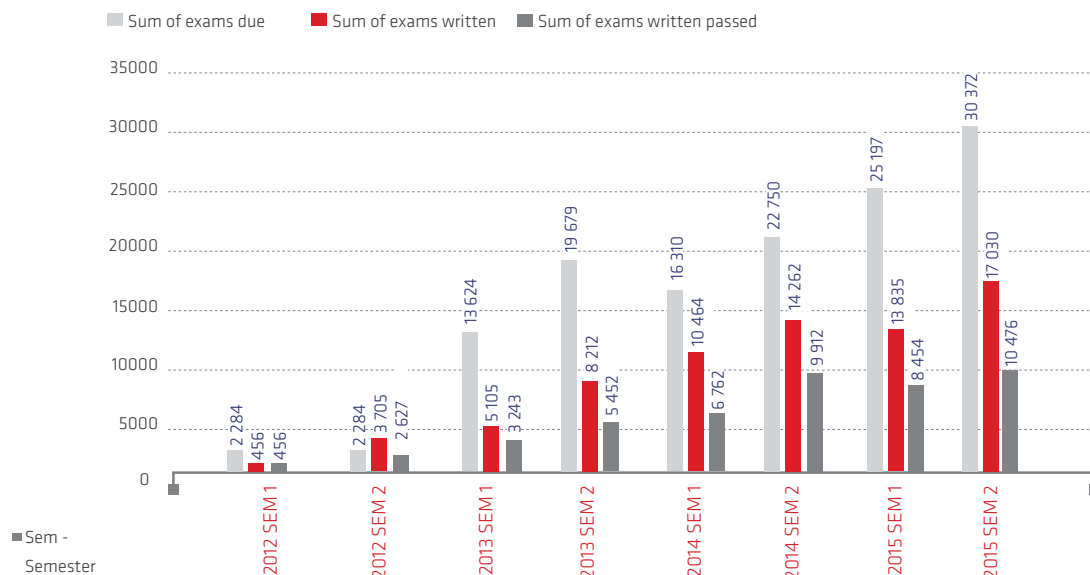


Since inception, more than 10 000 students have graduated with various educational qualifications offered by IOL, including policing qualifications, bookkeeping, an office administration series, certificates, diplomas and honours degrees in business administration, business information systems, travel tourism and hospitality, finance, HIV and AIDS, human resources, marketing and small business management.

IOL prides itself of the fact that in the year under review the number of students who sat for examinations increased by 24.8%, compared to the previous academic year and the number of examinations passed also increased by 13.5%. Although the quantity of students that passed increased, it has not interfered with the quality of education.

EXAMINATION PROGRESS

(Number of students)



Aside from obtaining accreditation for three new qualifications: the Diploma in Junior Primary Education (NQF level 7), the Diploma in Secondary Education (NQF level 7) and the Diploma in Policing (NQF level 6), IOL as an institution has also obtained re-accreditation which includes the review and upgrade of all qualifications. As part of the accreditation process, support letters were received from relevant stakeholders. In this process IOL managed to put an articulation agreement in place for the policing qualifications with the University of Science and Technology (NUST) in Namibia.

IOL's strategic short-, medium- and long-term objectives include the development of additional qualifications to add to its course portfolio. This includes the Diploma in Education, a Diploma in Secondary Education (Entry Level), Bachelors degree in Policing and Vocational Education and Training (TVET) as its new area of venture. TVET was identified as an area where it can make a big economic impact due to the high number of unskilled and unemployed Namibians. IOL is committed to maintain its reputation as the foremost provider of distance education in Namibia.

INVESTMENTS

CONTINUED



NNDC processing plant, April 2016

RESOURCES

The global commodities outlook continues to remain under pressure with the trend expected to continue over the short- to medium-term. As the global economic landscape struggles to gain traction and yield growth in the face of a slowdown in the Chinese economy and the continued stagnancy of the European economy, the same logic and expectations do not apply to diamonds.

The majority of the diamond miners globally managed to maintain healthy EBIT margins despite the unfavorable macro-economic picture over the past 18 to 24 months and the decline in jewellery sales in China. In fact, on the opposite side of the value chain, the luxury goods segment, which is generally viewed as a proxy for diamond sales, showed a 2% growth in 2015 (4% in 2014) compared to global commodity prices declining by 50.71% on average over the same period. This has been achieved through increasing efficiencies in the mining processes and the prudent management of input costs.

Notwithstanding that, the diamond industry as a whole faces several challenges in the long-term, most prominently is the consumption patterns of the younger generation and profitability of industry players across the diamond value chain. This may force structural changes in the business model as a whole, which may result in a shake up in the industry where only the most efficient, sustainable and streamlined businesses will survive and thrive.

Over the next 15-year planning horizon, the demand for rough diamonds is forecast to grow parallel with global economic growth at 3-4% annually, whilst supply will decrease by 1-2%, thus widening the supply / demand gap from as early as 2019.

Given these fundamentals as well as the structural changes within the industry, in typical Trustco entrepreneurial spirit, the logical step for Trustco Resources is to secure and develop opportunities in the diamond sector.

Positive demand growth for diamonds will almost certainly outstrip growth in carat production, given the lack of major new discoveries in the last decade and the projected slowdown in several existing mines. Across the value chain, companies that are able to innovate and differentiate themselves will be best positioned to capture the opportunities created by this supply dynamic.

- DE BEERS

Our primary focus - diamonds

Whilst the group's vision is not restricted to one specific segment within the resources sector, the primary focus now is to develop a diamond business across the complete diamond value chain – from "mine to market".

Namibia's economic and political stability as well as reliable administrative structures combined with its reputation as a producer of high quality diamonds along the Skeleton Coast,

together present a very attractive investment prospect. The first mining transaction is the acquisition of Huso Investments (Pty) Ltd from Dr Quinton van Rooyen. Huso is the holding company of Northern Namibia Development Company (Pty) Ltd (NNDC), a diamond mining and exploration entity in Namibia, and Morse Investments (Pty) Ltd (Morse), a licensed diamond processing and polishing factory in Namibia.

The transaction received majority approval by Trustco's shareholders at the general meeting of shareholders on the 5th of October 2015, subject to eight conditions precedent (CP's) (refer to TGH SENS dated 5 October 2015). Of the eight CP's, only one, "That all regulatory requirements, including, but not limited to, the obtaining of licenses and approvals before perfecting the share purchase agreement are met", is yet to be concluded.

The material payment terms will be:

- The maximum purchase consideration shall be NAD3 621 149 000, payable to the seller (being Dr Quinton van Rooyen) by way of an issue of a maximum of 772 100 000 Trustco shares to the seller at an issue price of NAD4.69 per share, which purchase price will be payable as follows:
- An initial amount of NAD672 000 000, which will be settled by way of an issue of 143 300 000 Trustco shares, to the seller at an issue price of NAD4.69 per share which amount represents 100% of the current value of the initial mineral resource estimate converted using an exchange rate of NAD 11.35 for every US\$1. The initial mineral resource value is as per the independent competent person's report.
- Subsequent payments: the balance of the purchase consideration amounting to NAD2 949 149 000 will be settled by way of the issuance of a maximum of 628 800 000 Trustco shares at NAD4.69 each, issued by way of annual payments determined in accordance with the table below:

Annual financial year end	EBITDAASA annual target	Number of shares issued
31/3/2016	NAD50 million	6.4 million
31/3/2017	NAD110 million	14.1 million
31/3/2018	NAD121 million	15.5 million
31/3/2019	NAD133.1 million	17 million
31/3/2020	NAD146.4 million	18.7 million
31/3/2021	NAD161.1 million	20.6 million
31/3/2022	NAD177.2 million	22.7 million
31/3/2023	NAD194.9 million	24.9 million
31/3/2024	NAD214.4 million	27.4 million
Total	NAD1 308.1 million	167.3 million

Should the seller fail to achieve the above targets, no shares will be issued during that period.

Should the closing date not occur before 31 March 2016, the first and all subsequent financial year-end dates will automatically be extended until the next financial year.

- An additional payment of 461.5 million Trustco shares will be issued at an issue price of NAD4.69 per share to the seller if at any time during the period of nine years from the closing date the mineral resource (as determined by an independent competent person's report) is in excess of 1.5 million carats, which mineral resource excludes the mineral resource included in the initial mineral resource estimate already paid for.

Subsequent to the initial transaction, Huso identified a target ("Target Co"), which holds an exploration license within the diamond fields of Sierra Leone. The license area contains several known kimberlite deposits. At the time of this report, Huso has entered into advanced negotiations with the Target Co to participate in the geo-economic evaluation and development of the resource. While the transaction is subject to the outcome of an independent due diligence review, Huso is confident that it will reach a definitive agreement with Target Co, whereby Huso shall acquire a controlling stake in the license. Huso shall therefore add an additional diamond resource to its portfolio, most likely before the Huso / Trustco transaction being closed. Irrespective of when the transaction closes, Dr Quinton van Rooyen shall finance the initial exploration programme related to Target Co, thus carrying the exposure until this project is derisked. There will be no further payment to Dr van Rooyen for this additional asset above the payment schedule as agreed in the initial Huso / Trustco transaction.

Downstream, Morse identified a well-established jewellery outlet in Namibia, which it will acquire, with the aim to design, brand and market its diamonds and jewellery directly to customers both in the local and international market.

Trustco's diamond vision: mine to market

In 2015, De Beers highlighted that the diamond industry should be concerned about "safeguarding the diamond dream" as the risk of weakening consumer confidence is increasing. One of the trends shaping the future of the diamond industry is consumer demand for greater transparency and accountability across the diamond pipeline. Consumers globally are increasingly looking at brands that offer authenticity, quality and compliance with international best practices when making their purchases. As a result of its differentiation and perceived value proposition, consumers prefer branded jewellery above the more generic retailers. Also, with global supply forecast to outstrip supply, combined with macro-economic realities, the midstream segment will be faced with growing pressure. It therefore follows, that it will become increasingly important for companies to seek differentiated strategies within the diamond value chain, such as integration or consolidation, to enable them to thrive in an industry where the competitive landscape continues to evolve faster than ever before.

Trustco Resources is of the opinion that market forces will prompt further structural changes, which may create new opportunities, for example, one of the initiatives by the Responsible Jewellery Council (RJC), is the Chain of Custody Certification (CoC) scheme. The CoC approach underpins responsible and accountable business practices within the diamond industry, which would extend beyond that of the Kimberley Certification scheme. The CoC scheme will follow the flow of diamonds as it is transferred along the supply chain, by documenting the sequence of custody, thereby building confidence in the business practices

INVESTMENTS

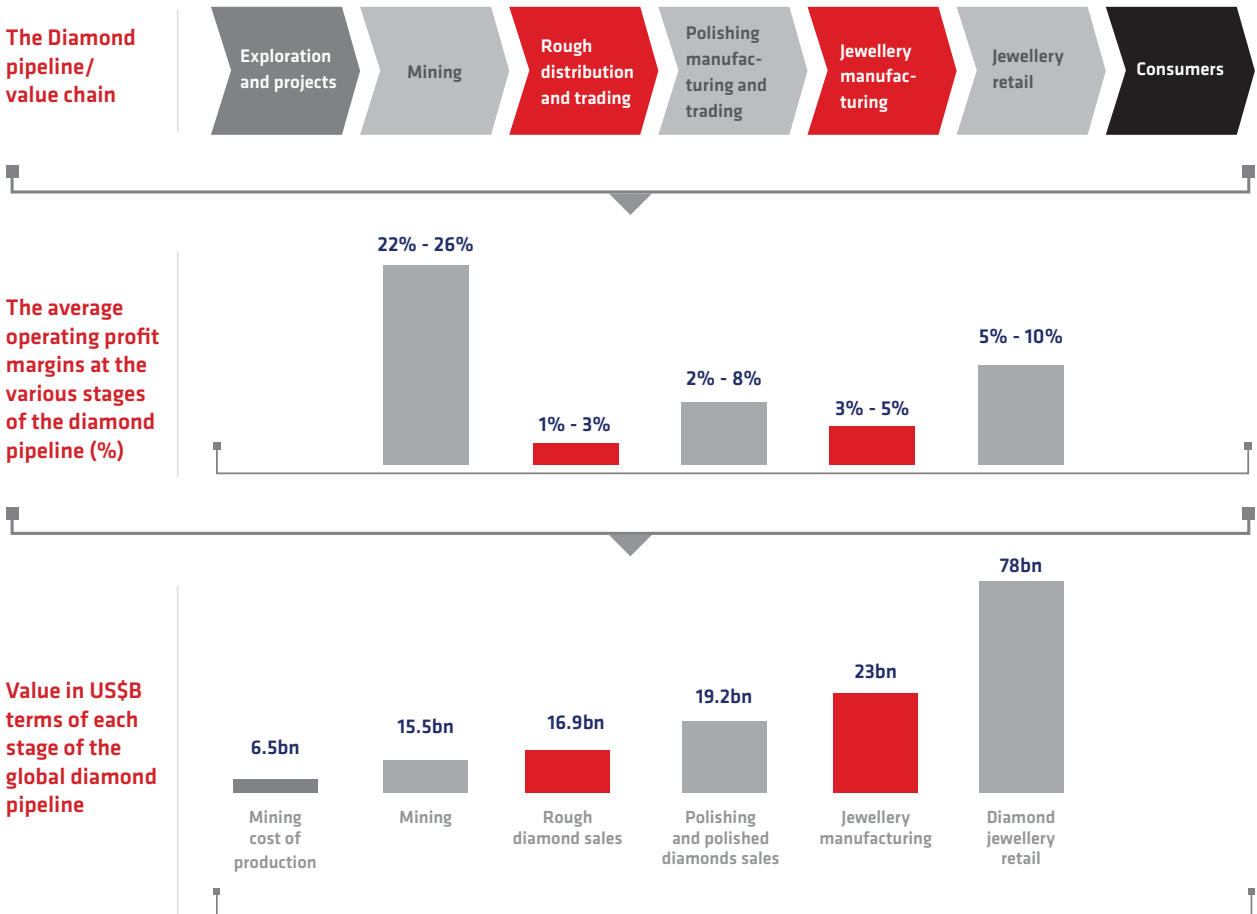
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involved in the production and processing of CoC certified diamonds. It therefore offers a choice for consumers who are seeking to purchase diamonds that are certified to be; conflict free, not implicated in human rights abuses, illegal or part of criminal practices, to buy from jewellers that comply with CoC principles. It will also enable companies that apply the CoC certification to extract greater economic benefit from its diamonds. It places the end consumer in a position to demand greater value distribution from the diamonds they purchase. From Trustco's perspective, the business shall leverage its

Namibian heritage and has adopted the CoC certification principles as the foundation that underpins its marketing platform from which a "luxury brand" will be launched, targeting the domestic as well as international markets.

A holistic view of the global diamond pipeline, as illustrated in the diagram below, suggests that only those companies that have the opportunity, capacity and ability to participate in each stage of the diamond pipeline will be able to guarantee the chain of custody to consumers.

THE GLOBAL DIAMOND PIPELINE

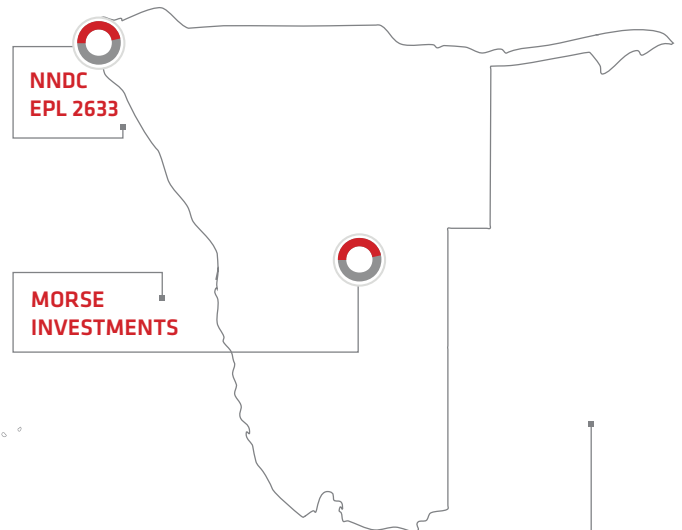
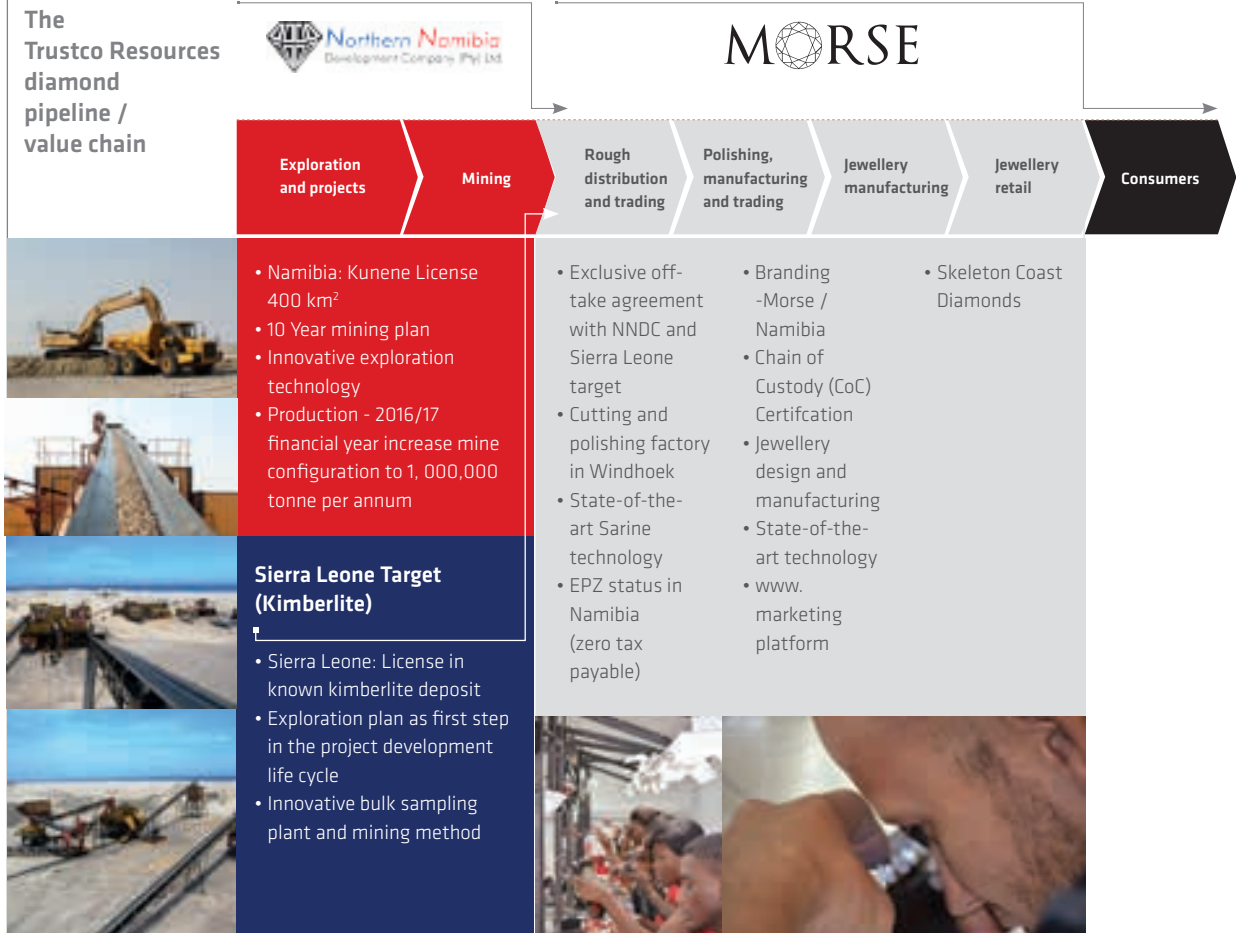


Source: Tacy 2015, Diamond Pipeline

Apart from the CoC, a vertical integrated strategy could attain greater returns, when it is implemented successfully. The combination of two diamond mining assets (NNDC in Namibia and Target Co in Sierra Leone), plus the diamond beneficiation and jewellery manufacturing facilities of

Morse, offer a unique opportunity for Trustco to deploy an integrated business model and maximize value from each diamond across the whole diamond value chain - mine to market - as illustrated in the diagram.

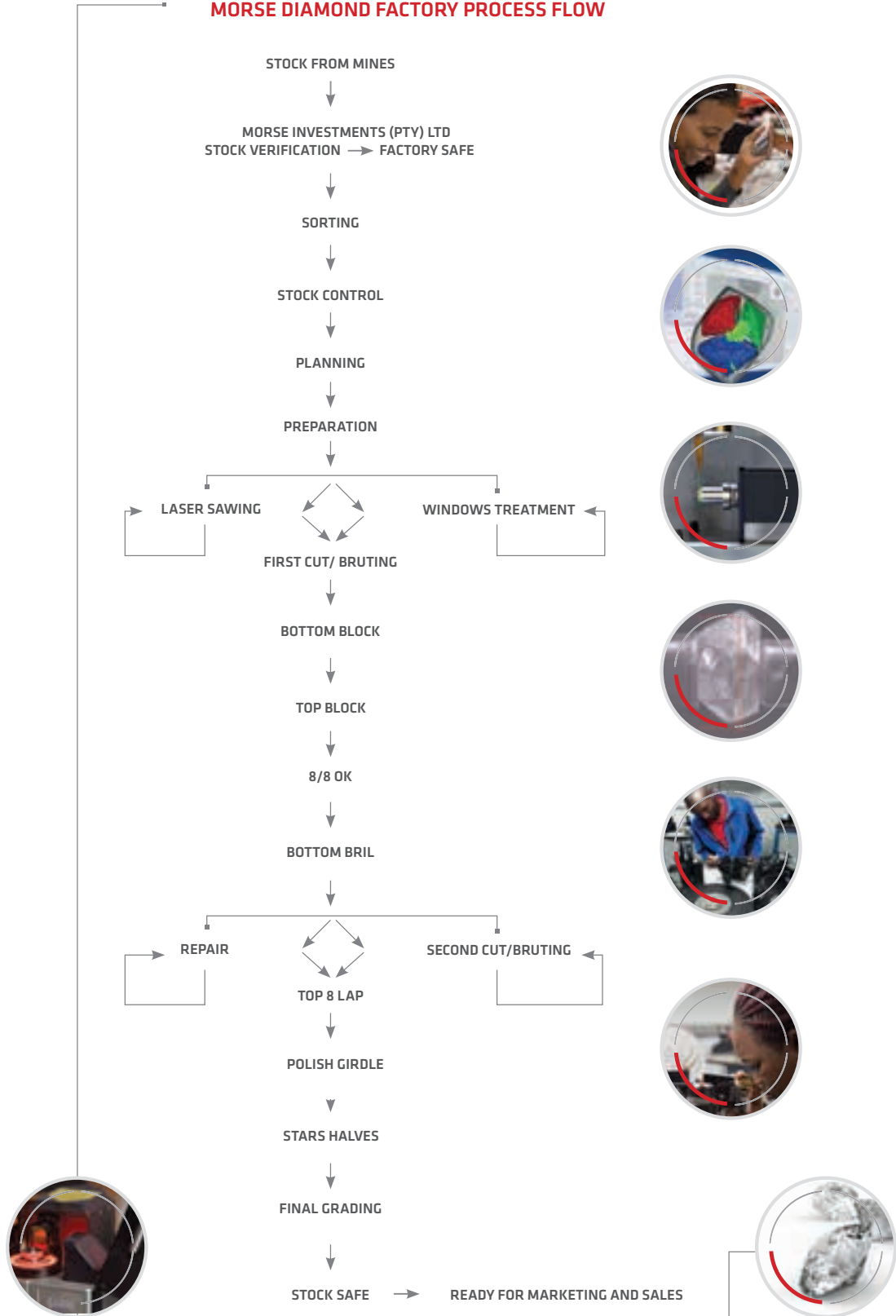
TRUSTCO RESOURCES - AN INTEGRATED BUSINESS MODEL - MAXIMUM VALUE ACROSS THE DIAMOND PIPELINE



INVESTMENTS

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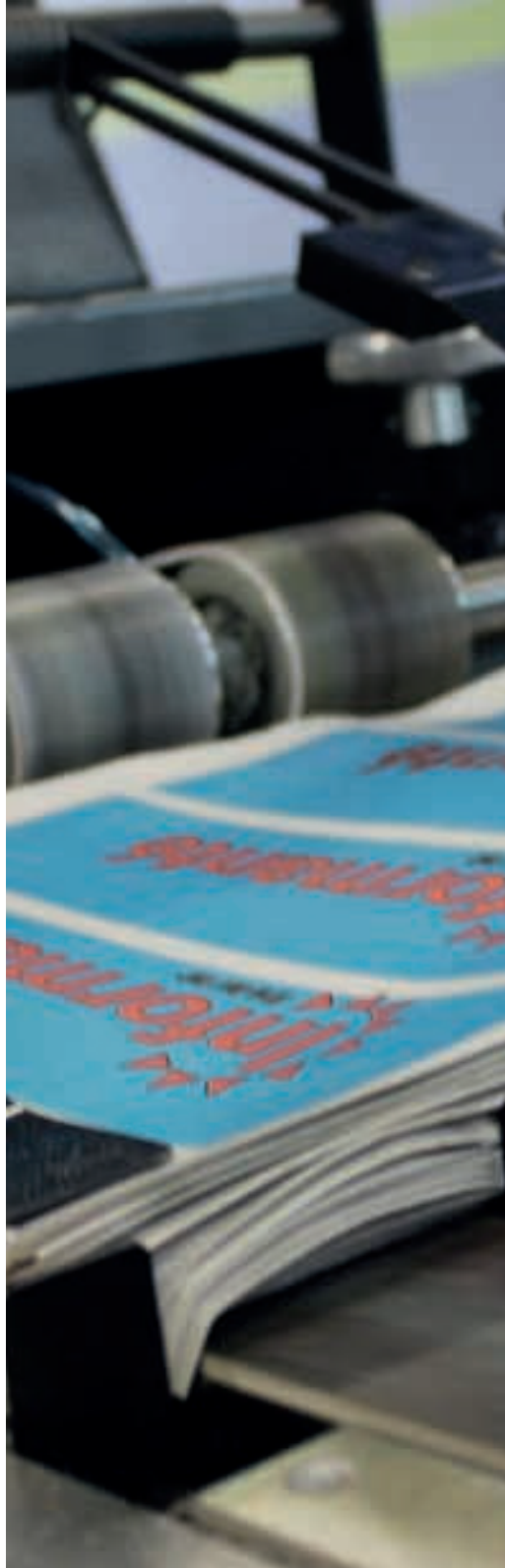
MORSE DIAMOND FACTORY PROCESS FLOW





INVESTMENTS

CONTINUED



Informanté at press

STRATEGIC MEDIA SERVICES

The strategic media services division encompasses a newspaper publication and a fully-fledged television department, which provide strategic support to the operating segments within the group, whilst simultaneously aiding the group in the attainment of its strategic objectives.

Newspaper

Informanté is the most competitive newspaper in media communication in Namibia and disseminates news to all corners of the country, including remote areas, through multiple media platforms. It boasts an independent editorial policy and is regarded as an influential contributor to Namibia's top ranking in Africa in the World Press Freedom Index.

The newspaper specialises in investigative journalism and educational information that impacts on daily lives. It is the core platform of the group's marketing strategy to enhance the products of various businesses of the group and contribute to the development by facilitating the creation of wealth and economic prosperity via an efficient news gathering production.

The newspaper solidified its foundation into the next generation of media development when it acquired the sole printing rights from its printer for the individual numbering of newspapers, the first for Namibian and African web-printing, which enables it to zone and individualise news content. Individualised newspapers through unique numbering, QR-codes and bar codes in use at retail outlets will increase advertising value by extending the shelf-life of *Informanté* copies for periods exceeding the content. Through individual QR codes the newspaper will seamlessly merge paper technology with the various e-platforms as it becomes available and create tailor made products for the various Trustco segments that can be promoted and introduced on all media platforms. The printing technology will be able to bring audio from paper through to the QR technology that is available and would mean that *Informanté* technically will be able to broadcast messages that are embedded in the codes.

Informanté remains the most popular source of information with its prevalent social media output and its Facebook page boasts 180 000 likes as at May 2016.

In March 2016, the newspaper was awarded the silver arrow award at the PMR awards for its leadership and achievement for doing the most in the media industry over the past 12 months to stimulate economic growth and development for Namibia during 2015. The award was the third for the newspaper by PMR in the last decade. The newspaper clings to its traditional mandate to inform, interpret and entertain its readers as attested by its slogan, "firm but fair".

Television

The television unit consists of a multi-skilled team that continuously strives to deliver television productions par excellence for the group and its operational units. Apart from filming in-house daily events and documenting Trustco's history on video, the unit, in co-operation with the marketing department, contributes to keeping the Trustco brand visual via television and various social media platforms.

TRUSTCO AIR SERVICES

With its base situated in the heart of Windhoek, Namibia's capital, Trustco Air Services (TAS) is a unique private charter company which specialises in flexible, luxury charter flights for both business and leisure customers to their destination of choice. It is distinguished from other charter businesses by being the most diversified and exclusive in the Namibian charter market. Operating new generation aircraft with highly qualified crew, TAS ensures that the journeys of its customers to their destinations are in luxurious comfort, safe and a memorable flight experience. The group's sustainable growth and expansion strategy is echoed in the strategy of TAS.



TAS fleet and experienced pilots