

Review of Investments

Trencor benefitted during the year under review from investments in operations that focus on the provision, management and integration of equipment and services to facilitate the movement of goods by customers. These operations are engaged in owning, leasing, managing and trading of marine cargo containers worldwide.

TEXTAINER

(The amounts presented in this Textainer review are in accordance with US GAAP.)

Textainer Group Holdings Limited is, through its subsidiaries, primarily engaged in owning, leasing, managing and trading standard dry freight, special dry freight, tank and refrigerated marine cargo containers to global transportation and other enterprises. Textainer has a primary listing on the New York Stock Exchange (NYSE: TGH) and an inward secondary listing on the JSE (JSE: TXT). From 1 January 2018 Textainer was accounted for by Trencor as an investment measured at fair value through profit or loss. At 31 December 2019, Trencor held 5,3% of the issued TXT shares in Textainer (2018: 47,5% of TGH shares).

Further information regarding Textainer and its businesses can be accessed on its website at www.textainer.com.

Salient information

	2019	2018
Financial (US\$ million)		
Lease rental income		
Owned fleet	517,9	501,4
Managed fleet	101,9	111,3
Income before income tax and non-controlling interest	58,5	56,3
Net income attributable to common shareholders	56,7	50,4
Operational		
Average fleet utilisation %	97,4	98,1
Fleet under management (TEU'000s) at 31 December	3 501	3 355
Owned	2 990	2 646
Managed	511	709

TAC

(The amounts presented in this TAC review are in accordance with US GAAP.)

Effective 31 December 2019, TAC unconditionally disposed of Leased Assets Pool Company Limited ("LAPCO"), its wholly-owned subsidiary engaged in the container owning and leasing industry, to Textainer Limited, a wholly-owned subsidiary of Textainer, for US\$65,5 million. As a result, TAC is no longer invested in marine cargo containers and at 31 December 2019 TAC was invested solely in cash.

The results of TAC are converted from US GAAP into IFRS for consolidation into the results of Trencor. It is anticipated that going forward the results under both accounting conventions will be identical, given the limited activities of TAC.

Salient information

	2019	2018
Financial (US\$ million)		
Leasing income	23,9	26,5
Net (loss)/income	(45,6)	0,6

Included in the net loss figure for 2019 is an impairment to the container fleet of US\$44,9 million as a result of LAPCO being classified as a discontinued operation and its assets transferred to held for sale at fair value less cost to sell.