

ENX GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: ENX ISIN: ZAE000195723

("enX" or "the company")



ABRIDGED REVISED LISTING PARTICULARS AND POSTING OF CIRCULAR, REVISED LISTING PARTICULARS AND NOTICE OF GENERAL MEETING

1. Posting of circular, revised listing particulars and notice of general meeting

Shareholders are referred to the announcement released on SENS on 30 June 2016 and are advised that enX has, on Wednesday, 24 August 2016, posted:

- a circular to enX shareholders (the "**circular**") relating to:
 - the proposed acquisition by enX of 100% of the equity in Eqstra Investments Proprietary Limited ("**Eqstra NewCo**") that will own Eqstra Group Limited's ("**Eqstra**")'s Industrial Equipment division and Eqstra's Fleet Management and Logistics division (the "**IE and FML divisions**") and the recapitalisation of Eqstra for an aggregate consideration of approximately R7.8 billion, to be settled as follows:
 - the allotment and issue of 52 715 390 new enX shares at R21.00 per enX share (post the consolidation);
 - assuming approximately R5.2 billion of Eqstra group's debt obligations, of which R4.8 billion is currently within the IE and FML divisions;
 - the recapitalisation of Eqstra to the value of approximately R1.4 billion by way of enX:
 - subscribing for 101 400 000 new Eqstra ordinary shares at R1.00 per Eqstra ordinary share;
 - subscribing for R600 million of preference shares in MCC Contracts Proprietary Limited ("**MCC**");
 - advancing the enX loan of R700 million to MCC,
 - (the "**Eqstra transaction**");
 - a specific authority to issue new enX shares for up to R1.5 billion for cash, to enX shareholders and institutional investors (the "**specific issue**");
 - the consolidation of enX's shares in the ratio of 11 to 1 (the "**consolidation**"); and
 - an increase in the number of enX authorised shares (the "**authorised share increase**").
- a revised listing particulars in respect of enX, prepared on the assumption that the Eqstra transaction, the specific issue, the consolidation and authorised share increase will be implemented and, as a result, enX will issue new shares in excess of 50% of its current issued share capital for the purpose of the specific issue and to implement the Eqstra transaction (the "**revised listing particulars**").

The circular contains a notice convening a general meeting of enX shareholders to be held on Thursday, 22 September 2016 at the company's registered office (202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196) for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions required to approve, *inter alia*, the Eqstra transaction and specific issue (the "**enX general meeting**").

A copy of the circular and revised listing particulars will be available for inspection at the company's registered office (202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196) at any time during normal business hours until Thursday, 22 September 2016. The circular and revised listing particulars are also available in electronic format on enX's website at www.enxgroup.co.za.

2. Salient dates and times

The salient dates and times relating to the Eqstra transaction, specific issue, consolidation and authorised share increase are set out below.

2016	
Record date to receive circular (together with the notice convening the general meeting)	Friday, 19 August
Circular (together with the notice convening the general meeting) posted	Wednesday, 24 August

Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS	Wednesday, 24 August
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Thursday, 25 August
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 13 September
Voting record date	Friday, 16 September
Last day to lodge forms of proxy for the general meeting (by 10:00)	Tuesday, 20 September
General meeting held at 10:00	Thursday, 22 September
Results of the general meeting released on SENS	Thursday, 22 September
Special resolutions and CIPC documents relating to the consolidation and the authorised share increase submitted to CIPC on	Thursday, 22 September
Expected date special resolution relating to the consolidation and the authorised share increase filed by CIPC	Thursday, 6 October
Expected date capital raising opens	Monday, 10 October
Expected date the consolidation finalisation announcement is published on SENS	Tuesday, 11 October
Expected date capital raising closes	Thursday, 13 October
Expected last day to trade in existing enX shares prior to the consolidation	Tuesday, 18 October
Expected date trading in consolidated enX shares under new ISIN ZAE000222253 commences	Wednesday, 19 October
Expected date the price for fractional entitlements is announced on SENS	Thursday, 20 October
Expected record date for the consolidation at close of business on	Friday, 21 October
Expected date dematerialised shareholders will have their accounts at their CSDP or broker updated to reflect the consolidated enX shares	Monday, 24 October
Expected date of issue of new replacement share certificates to certificated shareholders, provided that the old share certificates have been lodged by 12:00 on Friday, 21 October 2016 (share certificates received after this time will be posted within 5 business days of receipt)	Monday, 24 October
Expected date on which the placement shares will be listed, allotted and issued to the subscribers	Monday, 31 October
Expected date on which the enX consideration shares will be listed, allotted and issued to Eqstra	Tuesday, 1 November

Notes:

1. All dates and times are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. Shareholders should note that as transactions in enX shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire enX shares after Tuesday, 13 September 2016 will not be eligible to vote at the general meeting.
4. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.

3. Overview of enX

enX is an industrial energy and supplies group that provides quality branded power and fuel and chemical products and in some segments, locally manufactured capital and consumable goods and support services, to a broad range of economic sectors in South Africa and sub-Saharan Africa. A key component of enX's business model is its offering of ongoing servicing and customer support, thereby adding value to the products sold.

enX has been listed in the JSE's "Industrial Engineering" sector, "Industrial Machinery" sub-sector since 2007. enX was formerly called Austro Group Limited which originated from the woodworking machinery business held by Austro Proprietary Limited, its sole asset at the time of listing in 2007. The group subsequently acquired its power, oil lubricant and chemical businesses. As a result of this expansion away from woodworking, the board elected to change the name of the group to enX to better reflect its new composition and strategic direction.

The enX group operates through the following business units:

- Power, which incorporates:
 - the Private Power Sales division, which designs, manufactures, supplies, installs and maintains commercial and industrial diesel generators;
 - the Power Product Distribution division, which distributes industrial engines, marine engines and components; and
 - the Temporary Power division, which rents out temporary power in the form of diesel generators;
- Fuel and Chemicals, which incorporates the production, marketing and distribution of oil lubricants and chemicals in sub-Saharan Africa; and
- Wood, which engages in the distribution of professional woodworking equipment, tooling and edging and the provision of associated services.

enX's material operating subsidiaries include New Way Power Proprietary Limited (incorporating Genmatics), Power O² Proprietary Limited, Austro Proprietary Limited, Centlube, West Africa International Proprietary Limited (“**WAI**”) and African Group Lubricants Proprietary Limited (“**AGL**”).

Pursuant to the WAI acquisition and the subsequent acquisition of the remaining shares in AGL such that AGL is now a wholly-owned subsidiary of enX, enX will increase its market share in the oil lubricants market in South Africa. In addition, the acquisition will increase enX's exposure to Sub-Saharan Africa and increase its proportion of United States Dollar denominated revenues. The chemicals distribution business of the WAI group brings a stable, defensive and cash generative business into enX in the speciality chemicals sector with strong and profitable market positions in targeted sectors. The business has an experienced management team and a well established distribution platform with which to introduce new products. It will also open up a new channel for acquisitive growth opportunities for the enX Group.

4. **Overview of Eqstra**

Eqstra listed on the main board of the JSE in 2008 after unbundling from Imperial Holdings Limited and operates in South Africa, the rest of Africa, the United Kingdom and Ireland, employing approximately 5 800 people. Eqstra comprises 3 decentralised divisions (Industrial Equipment, Fleet Management and Logistics and Contract Mining and Plant Rental). In terms of the Eqstra transaction, enX will acquire the IE and FML divisions of Eqstra and, following the Eqstra ordinary share subscription, enX will be constituted as a shareholder of reference in Eqstra, whose sole remaining operations will be the Contract Mining and Plant Rental division of Eqstra (the “**CMPR division**”).

- **Industrial Equipment division**

The Industrial Equipment division of Eqstra (the “**IE division**”) provides distribution, rental and value added services for industrial and materials handling equipment in South Africa, various African countries and the United Kingdom. It remains the market leader in the Southern African forklift segment, with the largest infrastructure of its kind in the region.

The division has exclusive distribution rights in Southern Africa for Toyota Forklift, BT Warehousing equipment, Flexi Narrow Aisle forklifts, Konecranes (SMV) heavy duty forklifts and container handling equipment, Broderson carry-deck cranes, Terberg terminal tractors, Fassi truck-mounted cranes, Link-Belt mobile cranes, Hoppecke batteries and chargers, Hako industrial cleaning equipment, JCB Industrial Equipment, Fini air compressors and Same Deutz-Fahr (SDF) tractors and combine harvesters.

The range of services includes long and short term rentals, service and maintenance contracts, sales of new and used equipment and parts, fleet management, operator driver training, load testing and battery bay management. The IE division operates from 7 branches, 5 depots and many dealerships in Southern Africa with representation in Angola, Botswana, Mozambique, Malawi, Madagascar, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

The UK industrial equipment business, Impact Fork Truck Limited (Impact) is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK and Ireland.

- **The Fleet Management and Logistics division**

The Fleet Management and Logistics division of Eqstra (the “**FML division**”) provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is in South Africa and sub-Saharan Africa. The FML division's commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops.

The FML division is partnering with some of the largest work fleets across the country. It leverages its innovation and investment in technology to deliver great service, measurable value and process consistency. Its ultimate objective is to ensure its customers maximise their return on investment through improved efficiencies and value-added services.

By renting assets and providing non-capital intensive services, the division generates a high-margin, annuity-type revenue stream.

- **The CMPR division**

The CMPR, also known as MCC, is an established provider of opencast contract mining services including drilling, blasting, load hauling and rehabilitation. The CMPR division has one of the largest opencast contract mining equipment fleets in South Africa. The plant rental and leasing component of the business provides customised short and long term renting and leasing of heavy earth moving equipment within the mining sector.

The division, through its various projects, has a diversified exposure to commodities, including platinum, chrome, diamonds, limestone and coal.

The CMPR division's footprint includes South Africa and also extends beyond South Africa into Namibia, Botswana, Lesotho, Swaziland and Mozambique.

5. **Prospects and strategy**

Post the completion of the Eqstra transaction, the enX businesses will be arranged and managed under three clusters. In addition enX will hold a strategic investment in Eqstra (which will be renamed eXtract Group Limited) which will own the CMPR division. An overview of the three clusters and the growth strategy of each cluster and that of the CMPR division is set out below:

- Industrial Equipment, which will comprise the IE division and enX's existing power and wood businesses:
 - The IE division (South Africa) will seek to maintain its share of the local forklift market. The tactics to be employed by the team are centred on partnerships with key suppliers to ensure high quality products are available to customers at good prices and on competitive terms. In addition, the local operations will seek to grow revenues from maintenance and services, as customers delay future purchases of capital equipment.
 - The IE division (United Kingdom) will seek to expand its market share significantly. The key driver for this growth is intended to be the acquisition of a complementary forklift business and a long term a partnership with a multinational forklift manufacturer.
 - The Power business will seek to generate new sources of power related revenues. It will also consolidate its operations as capital equipment purchases have slowed post the load shedding and slowdown in the economy experienced in 2015. To this end, the business will focus on efficiencies and cost savings.
 - The Wood business will seek to grow consumable and service revenues, which are more annuity based in nature and typically at a higher gross margin than equipment sales. Whilst the sale of wood equipment has been buoyant, this component of revenue is considered cyclical.
- Fleet Management comprising the FML division:

The FML division will be focused on growing revenues derived from complementary services to the fleet offering. Such services are capital light and typically at a higher gross margin. Capital will also be made available to this division to pursue new customer contracts. In addition, the FML division expects efficiencies following the roll out of its cutting edge IT operating system, Quest.
- Fuel and Chemicals comprising oil lubricants and the chemicals distribution business of recently acquired WAI:
 - The lubricants business will focus on growing its distribution and contract manufacturing volumes as well as seek new product opportunities through its key suppliers' partnerships. The integration of AGL will present opportunities to rationalise costs and improve efficiencies.
 - The chemicals business will focus on growing market share in selected and niche chemicals where decent gross margins can be extracted. This is typically forthcoming from chemicals that are technically superior and/or have a particular brand association. The business will also seek complementary bolt-on acquisitions whereby it can generate greater volumes over its existing distribution channels.
- Strategic investment into the CMPR division:

Eqstra will focus on improving the efficiencies of the mines on which they currently operate as well as looking for new projects that will diversify Eqstra's geographic and commodity exposure. Over the next 24 months,

management will continue to realise best value for the impaired excess and idle assets, the majority of the proceeds of which will most likely be applied to repay debt. Longer term Eqstra will position itself as a mining services entity and look to grow by acquisition.

The broader industrial focus of enX post implementation of the Eqstra transaction may result in the addition of new clusters should the valuation and growth prospects of such business prove to be attractive.

6. enX shares

At the date of the revised listing particulars:

- there are 1 000 000 000 authorised enX ordinary shares of no par value;
- there are 600 184 057 issued enX shares of no par value; and
- there are no shares held in treasury.

Pursuant to the consolidation:

- there will be 90 909 090 authorised enX ordinary shares of no par value;
- there will be 54 562 187 issued enX ordinary shares of no par value; and
- there will be no shares held in treasury.

Pursuant to the Eqstra transaction, the authorised share increase and the placement

- there will be 1 000 000 000 authorised enX ordinary shares of no par value;
- there will be 178 706 149 issued enX ordinary shares of no par value; and
- the company may hold a certain number of treasury shares which can only be determined once the Eqstra transaction has been implemented. The treasury shares may be acquired by the company when it acquires Eqstra NewCo by virtue of the fact that Eqstra Corporation Limited currently holds Eqstra shares in treasury.

7. Directors of enX

Pursuant to the implementation of the Eqstra transaction, Jannie Serfontein, the current chief executive officer of Eqstra will be appointed as chief executive officer of enX and Paul Mansour, currently the chief executive officer of enX, will be appointed as executive deputy chairman of enX. Louis Von Zeuner and Steve Booysen will be appointed as independent non-executive directors of enX, subject to the approval of shareholders at the general meeting to be held on 22 September 2016. The board is committed to transformation and diversity. The board recognises that the appointment of the new directors proposes will dilute the demographic diversity of the board. Accordingly, the board intends to prioritise the appointment of two additional directors within 6 months after the Eqstra transaction has been implemented. Both of the directors to be appointed will be black and at least one of the directors will be female. The board will further seek to fill any future vacancies in a manner which strengthens the demographic diversity and skills base of the board.

Set out below are the names and business addresses of the enX directors after the implementation of the Eqstra transaction.

Director	Business address
Steven Joffe# (Chairman)	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Paul Mansour (Deputy executive chairman)	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Jannie Serfontein (Chief executive officer)	61 Maple Street, Pomona, Kempton Park, Johannesburg, 1619
Irwin Lipworth (Financial director)	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Mpho Makwana (Lead independent)*	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Paul Baloyi #	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Louis Von Zeuner*	61 Maple Street, Pomona, Kempton Park, Johannesburg, 1619
Steve Booysen*	17 Pencarrow Lane, Cornwall Hill Estate, Irene, Centurion, Pretoria, 0157
Nopasika Lila*	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196
Tony Phillips*	10 Frederick Cooper Drive, Ffactoria, Krugersdorp, 1739
Paul O'Flaherty#	202D 11 Crescent Drive, Melrose Arch, Johannesburg, 2196

Non-executive director

* Independent non-executive director

24 August 2016

Corporate advisor, bookrunner and sponsor

Legal advisor to enX

Independent reporting accountants

JAVACAPITAL



Deloitte.