
POSTING OF CIRCULAR, NOTICE OF A GENERAL MEETING OF SHAREHOLDERS, FINANCIAL EFFECTS AND FURTHER CAUTIONARY ANNOUNCEMENT

1. Introduction

Shareholders are referred to the announcement released on SENS on 16 March 2015, and the further cautionary announcement released on SENS on 30 April 2015, relating to a specific issue of shares for cash which will facilitate the introduction of an additional 25.01% BBBEE participation in enX.

2. Subscription price

2.1 In terms of the subscription and relationship agreement entered into by enX, CapLev Proprietary Limited (“CapLev”) and CapLev’s wholly-owned subsidiary, Samvenice Trading 1 Proprietary Limited (“CapLev Newco”) on 9 March 2015 (the “agreement”), CapLev Newco will subscribe for 140 637 983 ordinary shares (representing, after this issue, approximately 25,01% of enX’s entire issued share capital) (the “subscription shares”) at a subscription price of R1.50 per subscription share (the “transaction” or the “specific issue”). To the extent that the conditions precedent remained unfulfilled after 31 March 2015, the agreement provides that the subscription price payable for the subscription shares shall automatically increase by R0.01 per subscription share for each month or part thereof that such conditions precedent remain unfulfilled.

2.2 Notwithstanding that the conditions precedent to the transaction remain unfulfilled, the parties to the agreement have agreed that the subscription price in terms of the transaction will be R1.52 per subscription share and shall not be subject to further increase. Accordingly, the subscription price shall be an aggregate amount of R213 769 734.16, representing a 30% discount measured against the 30-day VWAP as at the last practicable date prior to the finalisation of the circular referred to in paragraph 4 below.

3. Pro forma financial effects

Set out below are the *pro forma* financial effects of the transaction on enX’s net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, diluted earnings per share and diluted headline earnings per share (the “*pro forma financial effects*”). The *pro forma* financial effects are the responsibility of the directors of enX and have been prepared for illustrative purposes only, to provide information on how the transaction may have impacted on the historical financial results of enX for the six months ended 28 February 2015. Due to its nature, the *pro forma* financial effects may not be a fair reflection of enX’s financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

	<i>Before the specific issue</i>	<i>After the specific issue</i>	<i>% change</i>
Net asset value per share (cents)	104.19	116.01	11.3%
Net tangible asset value per share (cents)	70.53	90.77	28.7%
Earnings per share (cents)	(1.35)	(0.33)	75.52%
Diluted earnings per share (cents)	(1.35)	(0.33)	75.52%
Headline earnings per share (cents)	2.33	2.43	4.26%
Diluted headline earnings per share (cents)	2.33	2.43	4.26%

Notes and assumptions:

- (a) The figures set out in the “Before the specific issue” column have been extracted from the published interim results of enX for the six months ended 28 February 2015.
- (b) The figures set out in the “After the specific issue” column above reflect the *pro forma* effects on the published interim results of enX resulting from the specific issue.
- (c) Subject to note (d) below, it is the company’s intention to apply the net amount received from the specific issue for acquisition purposes and not in the ordinary course of its business. Until applied, funds will be held in an interest-bearing account.
- (d) The following adjustments have been applied and are reflected in the *pro forma* financial effects:
 - Transaction costs of R778 076 have been allocated to the stated capital in accordance with IAS 32.
 - Interest received has been calculated at a pre-tax rate of 5.25% p.a.
 - R27 949 854 of funds received will be used to repay bridge finance used to fund working capital that supports the distribution of Mobil lubricants for ExxonMobil Petroleum and Chemical BVBA’s Automotive and Industrial line of business in South Africa, Lesotho and Swaziland, as well as in respect of certain Strategic Global Accounts in selected Sub-Saharan African countries, by Centlube Proprietary Limited (the “**Mobil distributorship**”).
 - The transaction has been assumed to have taken place at a fair market value regardless of the subscription price being at a discount to the current enX traded share price and the indemnity provided by enX in terms of the transaction. As a consequence no discount or option expense has been recognised as may have been required in terms of IFRS 2. This assumption is supported by an independent expert’s opinion included in the circular referred to in paragraph 4 below.

4. Circular to enX shareholders

4.1 Shareholders are advised that the company has, on Monday, 15 June 2015, posted a circular to shareholders (the “**circular**”) relating to:

- 4.1.1 the specific issue;
- 4.1.2 the granting by enX of a limited indemnity in terms of which enX indemnifies and holds each shareholder of CapLev harmless from and against certain claims made in terms of CapLev Newco’s funding arrangements with the Industrial Development Corporation of South Africa Limited, with the aggregate liability of enX in terms of such indemnity not exceeding R15 000 000; and
- 4.1.3 the amendment of the memorandum of incorporation of the company,

and containing a notice convening a general meeting of enX shareholders to be held at 10:00 on Tuesday, 14 July 2015 at the registered office of enX, being 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 the transactions detailed in this paragraph 4.1.

4.2 The circular is also available in electronic format on the company’s website at www.enxgroup.co.za.

5. Further cautionary announcement

Shareholders of enX are advised that, following the release of the *pro forma* financial effects, caution is no longer required to be exercised when dealing in the company’s shares, in relation to the transaction. Shareholders are, however, referred to the announcement released on SENS on 15 May 2015, in terms of which they were advised that the company has entered into negotiations regarding a potential acquisition, unrelated to the transaction. As such negotiations are continuing, shareholders are advised to continue exercising caution when dealing in the company’s securities until a further announcement is made.

15 June 2015

Corporate advisor and sponsor



Reporting accountants



Independent expert



Legal advisor

