THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 apply to this cover page.

ACTION REQUIRED BY enX SHAREHOLDERS:

1. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all your Shares, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was affected.
3. enX Shareholders are referred to page 2 of this Circular, which sets out the action required by them.

enX does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Shareholder to notify such enX Shareholder of the General Meeting, notice of which is contained in and forms part of, this Circular.

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enX
GROUP

ENX GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2001/029771/06)
JSE share code: ENX ISIN: ZAE000222253
("enX" or "the Company")

CIRCULAR TO ENX SHAREHOLDERS

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relating to:

- **the divestment by enX of its ownership interest in its Fleet Management and Logistics business;**

and incorporating:

- **a Notice of General Meeting; and**
- **a Form of Proxy *(grey)* for purposes of the General Meeting (for use by Certificated enX Shareholders and Dematerialised enX Shareholders who have selected Own-name Registration only).**

Financial Advisor

MACQUARIE

Sponsor

Standard Bank

Legal Advisor

ENSAFRICA

Independent Reporting Accountant and Auditors

Deloitte.

Date of issue: Friday, 1 November 2019

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of enX, whose address is set out in the "Corporate Information" section of this Circular from Friday, 1 November 2019 until Friday, 29 November 2019 (both days inclusive).

A copy of this Circular will also be available on enX's website at www.enxgroup.co.za/circulars/2019/efml_circular_2019.pdf from Friday, 1 November 2019.

CORPORATE INFORMATION

Directors

Steve Booysen *(Chairman)**#
Gary Neubert *(Chief Executive Officer)*
Jarrod Friedman *(Chief Financial Officer)*
Paul Baloyi#
Allan Joffe#
Lerato Molefe*#
Babalwa Ngonyama*#
Paul O'Flaherty#
Anthony Phillips*#

**Independent*
#Non-Executive

Financial Advisor

Macquarie Advisory and Capital Markets
South Africa Proprietary Limited
(Registration number 2003/014483/07)
The Place, South Building
1 Sandton Drive
Sandton
Johannesburg, 2196
(PO Box 783745, Sandown, 2146)

Legal Advisor

Edward Nathan Sonnenbergs Inc.
(ENSafrica)
(Registration number 2006/018200/21)
The MARC
Tower 1
129 Rivonia Road
Sandton
Johannesburg, 2196
(PO Box 783347, Sandton, 2146)

Independent Reporting Accountants and Auditors

Deloitte & Touche
(Practice Number 902276)
Deloitte Place, The Woodlands, 20 Woodlands Drive
Woodmead
Sandton
Johannesburg, 2193
(Private Bag X6, Gallo Manor, 2052)

Company Secretary and Registered Office of enX

Acorim Secretarial and Governance (represented by Natasha Petrides)
11 Gross Street
Tunney Industrial
Elandsfontein, 1600
(PostNet Suite X86, Private Bag X7
Aston Manor, 1630)

Registered Office of EFML Group

12 Corobrik Road
Meadowdale
1600
(PO Box 1050, Bedfordview, 2008)

Sponsor

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank
Johannesburg, 2196
(PO Box 61344, Marshalltown, 2107)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)

enX date of incorporation: 12 December 2001

Place of incorporation: Republic of South Africa

EIH date of incorporation: 14 June 2016

Place of incorporation: Republic of South Africa

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The definitions and interpretations commencing on page 5 apply to the table of contents.

ACTION REQUIRED BY ENX SHAREHOLDERS

The definitions and interpretations commencing on page 5 apply to this action required by enX Shareholders section.

General

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by enX Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Shares, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was affected.

This Circular contains information relating to the Transaction. You should carefully read through this Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting, which General Meeting will be held at 10:00 on Friday, 29 November 2019, 11 Gross Street, Tunney Industrial, Elandsfontein, 1600.

At the General Meeting, enX Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

DEMATERIALISED enX SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED enX SHAREHOLDERS

Voting at the General Meeting

Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and who should thereafter cast your vote in accordance with your instructions.

If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions as soon as possible.

If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions (if any) contained in the custody agreement concluded between you and your Broker or CSDP.

You must not complete the attached Form of Proxy *(grey)*.

Attendance and representation at the General Meeting

In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

- attend, speak and vote at the General Meeting; or
- send a proxy to represent you at the General Meeting.

Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

CERTIFICATED enX SHAREHOLDERS AND DEMATERIALISED enX SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED enX SHAREHOLDERS

Voting and attendance at the General Meeting

You may attend the General Meeting in person and may vote at the General Meeting.

Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy *(grey)* in accordance with the instructions contained therein and lodging it or posting it to the Transfer Secretaries or the Company Secretary, to be received by them, for administrative purposes to ensure an orderly arrangement of affairs on the day, by no later than 10:00 on Wednesday, 27 November 2019 or thereafter by handing such form to the Chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time.

ELECTRONIC PARTICIPATION

In terms of clause 20.10 of the MOI, the Company intends to offer enX Shareholders reasonable access to attend the General Meeting through electronic participation. Accordingly, for administrative purposes and to ensure an orderly arrangement of affairs on the day of the General Meeting, in relation to the necessary electronic participation, any enX Shareholder who wishes to participate in the General Meeting by way of electronic participation should notify the Transfer Secretaries in writing (including details as to how the enX Shareholder or its representative can be contacted), at the address detailed in the Corporate Information page, at least 5 (five) Business Days prior to the date of the General Meeting, namely before 10:00 on Friday, 22 November 2019, in order for the Transfer Secretaries to arrange for the enX Shareholder (and its representative) to provide reasonably satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act and for the Transfer Secretaries to provide the enX Shareholder (or its representative) with details as to how to access any electronic participation to be provided.

The costs of accessing any means of electronic participation provided by the Company will be borne by the enX Shareholder so accessing the electronic participation.

FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations 2011, promulgated under the Companies Act, as amended, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. This Circular does not constitute a prospectus or a prospectus equivalent document. enX Shareholders are advised to read this Circular with care. Any decision to approve the Transaction or any other response to the proposals should be made only on the basis of the information in this Circular.

Any enX Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 apply to these salient dates and times.

Salient dates and times	**2019**
Notice record date, being the date on which an enX Shareholder must be registered in the Register in order to be eligible to receive notice of the General Meeting on	Friday, 25 October
Circular incorporating the Notice of General Meeting and Form of Proxy *(grey)*, posted to enX Shareholders on	Friday, 1 November
Announcement of posting of Circular and notice convening the General Meeting released on SENS on	Friday, 1 November
Announcement of posting of Circular and notice convening the General Meeting published in the South African press on	Monday, 4 November
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 3 below) on	Tuesday, 19 November
General Meeting record date, being the date on which an enX Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 22 November
For administrative reasons to ensure an orderly arrangement of affairs on the day, Form of Proxy *(grey)* in respect of the General Meeting may be lodged at or received via post by the Transfer Secretaries or Company Secretary by no later than 10:00 on	Wednesday, 27 November
Form of Proxy *(grey)* in respect of the General Meeting to be handed to the Chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time at the General Meeting on	Friday, 29 November
General Meeting held at 10:00 on	Friday, 29 November
Results of the General Meeting published on SENS on	Friday, 29 November
Results of the General Meeting published in the South African press on	Monday, 2 December

Notes:

1. All dates and times indicated above are South African Standard Time.
2. The above dates and times are subject to amendment at the discretion of enX. Any such amendment will be released on SENS and published in the South African press.
3. enX Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, enX Shareholders who acquire Shares after close of trade on Tuesday, 19 November 2019 will not be eligible to attend, participate in and vote on any of the resolutions to be proposed at the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

"Banks Act"	Banks Act No. 94 of 1990;
"Base Price"	R1 295 million;
"Bidvest"	Bidvest Bank Limited, a public company duly incorporated and registered in accordance with the company laws of South Africa, with registration number 2000/006478/06;
"Bidvest Group"	The Bidvest Group Limited, a public company registered and incorporated in accordance with the company laws of South Africa, the issued shares of which are listed on the JSE, with registration number 1946/021180/06;
"Bidvest Loan"	the loan to be made by Bidvest to enX Corporation on the Closing in an amount equal to the Outstanding EFML Loan Amount, which loan shall be used by enX Corporation to settle all or a portion of the Outstanding EFML Loan Amount;
"Board" or **"Directors"**	the directors of enX from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the "Corporate Information" section of this Circular;
"Broker"	any person registered as a "broking member (equities)" in accordance with the provisions of the Financial Markets Act;
"Business Day"	any day, other than a Saturday, Sunday or public holiday in South Africa;
"Certificated enX Shareholders"	enX Shareholders who hold Certificated Shares;
"Certificated Shares"	Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other Documents of Title;
"Circular"	this bound document, dated Friday, 1 November 2019, including annexures and enclosures hereto;
"Closing"	means, where the suspensive conditions, as detailed under paragraph 4 below, are fulfilled or waived (as the case may be) before the 20th day of a month, the closing of the Transaction will take place on the first day of the month immediately succeeding that month, however, if the suspensive conditions are fulfilled or waived (as the case may be) after the 20th day of a month, then the closing of the Transaction will take place on the first day of the second month immediately succeeding that month;
"Companies Act"	the Companies Act, 2008 (Act No. 71 of 2008), as amended, of South Africa;
"CSDP"	a central securities depository participant registered in terms of the Financial Markets Act, as amended, with whom a beneficial holder of shares holds a dematerialised share account;
"Dematerialised enX Shareholders"	those enX Shareholders who hold Dematerialised Shares;
"Dematerialised Shares"	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;

"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to enX;
"EIE Business"	the business and activities of the EIE Group, comprising the distribution, rental and value added services for industrial and materials handling equipment: • in South Africa and other sub-Saharan African countries as the sole distributor of Toyota Forklifts, BT warehousing equipment and Konecranes heavy duty forklifts and container handling equipment; • in the United Kingdom and Ireland as the exclusive distributor of Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment;
"EIE Group"	Saficon, EIE Group Proprietary Limited, 600SA Holdings Proprietary Limited and Impact Forktrucks Limited;
"EIE Refinancing"	the repayment of the Outstanding EIE Loan Amount which will be funded by new borrowings to be advanced by lenders to Saficon;
"EIH"	Eqstra Investment Holdings Proprietary Limited, a private company registered and incorporated in accordance with the company laws of South Africa, with registration number 2016/229947/07, a wholly-owned subsidiary of enX;
"EIH Shares"	ordinary shares of no par value in the issued share capital of EIH;
"EFML" or **"EFML Business"** or **"Fleet Management and Logistics"**	the business and activities of the EFML Group, comprising integrated fleet management solutions and leasing, rentals and customised value-added services for both passenger and commercial vehicles in South Africa, Namibia, Botswana and Swaziland;
"EFML Group"	EIH together with the EFML Subsidiaries, "**EFML Company**" means each of them, and "**EFML Companies**" means each of EIH and the EFML Subsidiaries, taken as a whole;
"EFML Subsidiaries"	• Eqstra Fleet Services Proprietary Limited ("Eqstra Fleet"); • Eqstra Financial Services Proprietary Limited ("Eqstra Finance"); • enX Corporation; • Eqstra NH Equipment Property Limited ("Eqstra NH"); • Amasondo Fleet Services Proprietary Limited; • GPS Tracking Solutions Proprietary Limited; • Omatemba Fleet Services Proprietary Limited; • Eqstra (Swaziland) Proprietary Limited; • Eqstra Fleet Services Namibia Proprietary Limited; and • enX Fleet Management Botswana Proprietary Limited;
"enX" or **"the Company**	enX Group Limited, a public company duly incorporated and registered in accordance with the company laws of South Africa, the issued Shares of which are listed on the JSE with registration number 2001/029771/06;
"enX Group" or **"Group"**	enX and its Subsidiaries excluding, after the Closing, the EFML Group;
"enX Corporation"	enX Corporation Limited, a public unlisted company registered incorporated in accordance with the company laws of South Africa, with registration number 1984/007045/06;
"enX Corporation Loan"	an amount of R622 792 716.39 owing by enX to enX Corporation, as at the signature date of the Subscription Agreement;
"enX Corporation Shortfall"	the "*enX Corporation Shortfall*" referred to in paragraph 4.2.3 below;

"enX Inc. Division"	a division of enX Corporation which performs, *inter alia*, all of the corporate, information technology and treasury functions for the enX Group, which division functions autonomously from the EFML Business and which activities and functions are captured in a separate general ledger;
"enX Leasing"	enX Leasing Investments Proprietary Limited, a private company registered and incorporated in accordance with the company laws of South Africa, with registration number 2015/323818/07;
"enX Shareholders"	the registered holders of the Shares;
"EPS"	earnings per share;
"Eqstra"	Eqstra Holdings Limited unlisted, whose name subsequently changed to eXtract Group Limited, a public company incorporated and registered in South Africa, with registration number 1998/011672/06;
"Financial Markets Act"	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended;
"Form of Proxy"	for purposes of the General Meeting, the form of proxy *(grey)* for use only by Certificated enX Shareholders and Own-Name Registered Dematerialised enX Shareholders;
"Funds Flow Agreement"	the "*Funds Flow Agreement*" referred to in paragraph 4.2.5 below;
"General Meeting"	the General Meeting of enX Shareholders to be held at 10:00 on Friday, 29 November 2019 at 11 Gross Street, Tunney Industrial, Elandsfontein, 1600 convened in terms of the Notice of General Meeting enclosed and forming part of this Circular, together with any reconvened General Meeting held as a result of the adjournment or postponement of that General Meeting;
"IFRS"	the International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body as adopted or applied in South Africa;
"Income Tax Act"	Income Tax Act No. 58 of 1962;
"JSE"	JSE Limited, a public company duly incorporated and registered in accordance with the company laws of South Africa, with registration number 2005/022939/06, which is licensed as an exchange in terms of the Financial Markets Act;
"Last Practicable Date"	the last practicable date before finalisation of this Circular being Friday, 25 October 2019;
"Lenders"	each of Absa Bank Limited (acting through its Corporate and Investment Banking division), FirstRand Bank Limited (acting through its Rand Merchant Bank division), HSBC Bank PLC (acting through its Johannesburg branch), Nedbank Limited (acting through its Corporate and Investment Banking division) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division);
"Listings Requirements"	the Listings Requirements of the JSE;
"Lock Box Date"	31 August 2018, being the date on which the economic benefit in and to the EFML Business contractually passes to Bidvest notwithstanding that the Transaction is still subject to the fulfilment or waiver (as the case may be) of the suspensive conditions as more fully set out in paragraph 4.2.2 below;
"Lock Box Period"	the period from 1 September 2018 to Closing;
"MOI"	the memorandum of incorporation of enX;

"Notes"	the guaranteed unsecured registered notes issued by enX Corporation from time to time pursuant to the Note Programme and outstanding as at the Last Practicable Date, including, but not limited to, the Notes comprising the following series (each a "**Series of Notes**"): • "EQS06" of R113 333 333.34 (one hundred and thirteen million three hundred and thirty three thousand three hundred and thirty three rand and thirty four cents), which is due to be redeemed by enX Corporation on 9 April 2020; • "EQS10" of R70 000 000 (seventy million Rand), which is due to be redeemed by enX Corporation on 28 July 2022; • "EQS11U" of R3 000 000 (three million Rand), which is due to be redeemed by enX Corporation on 20 September 2020; • "ENX01" of R158 000 000 (one hundred and fifty eight million Rand), which is due to be redeemed by enX Corporation on 23 April 2021; • "ENX01S" of R102 000 000 (one hundred and two million Rand), which is due to be redeemed by enX Corporation on 23 April 2021; • "ENX02" of R96 000 000 (ninety six million Rand), which is due to be redeemed by enX Corporation on 10 September 2022; • "ENX03U" of R4 000 000 (four million Rand), which is due to be redeemed by enX Corporation on 10 September 2022; • "ENX04" of R225 000 000 (two hundred and twenty five million Rand), which is due to be redeemed on 1 March 2020, unless the redemption date is extended in accordance with its terms; • "ENX05" of R170 000 000 (seventy million Rand), which is due to be redeemed on 1 May 2020, unless the redemption date is extended in accordance with its terms; and • "ENX06" of R100 000 000 (one hundred million Rand), which is due to be redeemed on 12 June 2020;
"Note Programme"	the R4 000 000 000.00 (four billion Rand) medium term note programme of enX Corporation (as issuer) as more fully defined in the programme memorandum dated 7 May 2018 which can be viewed at: (https://www.enxgroup.co.za/wp-content/uploads/2018/05/Programme-Memorandum-enX-2018-Final.pdf);
"Noteholders"	the holders of all Notes as recorded in the applicable securities register;
"Notice of General Meeting"	the notice of the General Meeting of enX Shareholders, forming part of this Circular;
"Outstanding EFML Loan Amount"	the net amount outstanding on inter-divisional loan account between enX Inc. Division and the EFML Business in terms of which the enX Inc. Division advances amounts to the EFML Business from time to time to fund the EFML Business. This inter-divisional loan account, as at the Lock Box Date, had an outstanding balance of R1 839 967 190;
"Outstanding EIE Loan Amount"	the net amount outstanding on inter-company loan account between enX Corporation and Saficon in terms of which enX Inc. Division, on behalf of enX Corporation, advances amounts to Saficon from time to time to fund the EIE Business outside of the United Kingdom. This inter-company loan account, as at the Lock Box Date, had an outstanding balance of R1 532 824 365;
"Own Name Registration" or **"Own Name Registered"**	enX Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such enX Shareholder;

"Prudential Authority"	the Prudential Authority established in terms of the Financial Sector Regulation Act, 2017 in order to perform the duties and functions previously performed by the Registrar of Banks;
"Rand" or **"R"**	South African Rand;
"Register"	the register of Certificated enX Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised enX Shareholders maintained by the relevant CSDPs;
"Repurchase Agreement"	the written repurchase agreement entered into between the EIH and enX in terms of which, *inter alia*, EIH will repurchase all of the EIH Shares held and owned by enX, as at the Closing (and following implementation of the Transaction);
"Repurchase Shares"	the "*Repurchase Shares*" as defined in paragraph 4.2.4;
"Saficon"	Saficon Industrial Equipment Proprietary Limited, a private company registered and incorporated in accordance with the company laws of South Africa, with registration number 1970/002074/07;
"SENS"	The Stock Exchange News Service of the JSE;
"Shares" or **"enX Shares"**	ordinary shares of no par value in the issued share capital of enX, which are listed on the JSE;
"South Africa"	the Republic of South Africa;
"Strate"	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly incorporated and registered under the company laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
"Subsidiary"	a "subsidiary" as defined in the Listings Requirements;
"Subscription Agreement"	the written subscription agreement entered into between enX, EIH, enX Corporation, Bidvest and Bidvest Group on 12 July 2019 (as amended from time to time) in terms of which, *inter alia,* Bidvest will subscribe for the Subscription Shares;
"Subscription Shares"	199 980 (one hundred and ninety nine thousand nine hundred and eighty) EIH Shares in the authorised share capital of EIH, constituting 95.2% of the entire issued share capital of EIH;
"Tax"	includes, without limitation, any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature and whatever called (including stamp, securities transfer, documentary, registration or other like duty), together with any penalties, fines or interest imposed thereon, imposed, levied, collected, withheld or assessed by any person on any person in any jurisdiction and with respect to anything and the terms "**Taxes**" and "**Taxation**" and other cognate terms shall bear corresponding meanings;
"Transaction"	the subscription by Bidvest for the Subscription Shares as contemplated under the Subscription Agreement;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited, a private company duly incorporated and registered under company the laws of South Africa, with registration number 2004/003647/07, particulars of which appear in the "*Corporate Informatio*n" section of the Circular;

"VAT"	value-added tax, as levied in terms of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), as amended; and
"W&I Policy"	the non-recourse warranty and indemnity insurance policy to be taken out by Bidvest in terms of which third party underwriter/s indemnify Bidvest against any loss suffered by it as a result of any insured claim (other than in respect of an uninsured claim) arising under the Subscription Agreement.

ENX GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2001/029771/06)
JSE share code: ENX ISIN: ZAE000222253
("enX" or "the Company")

Directors:

Steve Booysen *(Chairman)**#
Gary Neubert *(Chief Executive Officer)*
Jarrod Friedman *(Chief Financial Officer)*
Paul Baloyi#
Allan Joffe#
Lerato Molefe*#
Babalwa Ngonyama*#
Paul O'Flaherty#
Anthony Phillips*#

**Independent*
#Non-Executive

CIRCULAR TO ENX SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

enX Shareholders are referred to:

(a) the cautionary announcement released on SENS on Monday, 22 October 2018 (and subsequent renewals thereof) wherein enX Shareholders were advised that enX had completed a strategic review of its ownership interest in its Fleet Management and Logistics business and had commenced a process which may result in the divestment by enX of such business; and

(b) the announcement released on SENS on Monday, 15 July 2019 in terms of which enX Shareholders were advised that enX had concluded a Subscription Agreement with Bidvest which, once implemented, will result in the divestment its Fleet Management and Logistics business.

In terms of the Transaction:

- enX will cease to have any interest in the EFML Business after Closing;
- the economic benefit of the EFML Business will be deemed to have contractually passed from enX to Bidvest with effect from the Lock Box Date of 31 August 2018;
- enX will receive an equity value equal to the Base Price of R1 295 million multiplied by an escalation factor of 7% per annum for the duration of the Lock Box Period, less R10 million (being enX's portion of the one-off premium payable in respect of the W&I Policy), less an estimated aggregate amount of R89 million ("**Eqstra Lesotho Loan**") owing by enX Corporation to Eqstra Fleet Services (PVPS) Proprietary Limited and Eqstra Lesotho Proprietary Limited respectively ("**Eqstra Lesotho Companies**") and less certain other amounts categorised as leakage under the Subscription Agreement incurred during the Lock Box Period. Leakage is expected to comprise primarily of the amount of dividends paid by EFML Subsidiaries, management fees paid by EFML Subsidiaries to enX Inc. Division, costs incurred in the early redemption of the Notes, costs incurred in the early repayment of the amounts due to the Lenders and Transaction related costs. The total amount of Leakage will depend on the length of the Lock Box Period. At the Last Practicable Date, the aggregate Leakage amount is estimated to be approximately R45 million before taking into account any Tax impact as a result of the transactions giving rise to Leakage;
- Bidvest will refinance the Outstanding EFML Loan Amount on Closing; and
- Bidvest Group has, in the Subscription Agreement, contractually agreed to guarantee all of the obligations of Bidvest (being, primarily, Bidvest's obligation to pay the Subscription Price and refinance the Outstanding EFML Loan Amount), as part of the Transaction.

As at the Lock Box Date, the enterprise value of the Transaction amounted to approximately R3,1 billion.

By way of illustration enX expects net proceeds arising from the Transaction before tax and Transaction costs to be approximately R1 294,5 million comprised as follows:

Transaction Description	**R'm**
Gross proceeds[(1)]*	1 438,5
Less premium payable in respect of the W&I Policy	(10)
Less Eqstra Lesotho Loan[(2)]	(89)
Less estimated Leakage[(1)(2)]	(45)
Net Transaction proceeds	**1 294,5**

(1) Assumes that Closing takes place on 1 April 2020.

(2) Amounts reflect the best estimates of the Board at the Last Practicable Date, are for illustrative purposes only and are subject to change.

The purpose of this Circular is to:

- provide enX Shareholders with the relevant information relating to the Transaction so as to enable enX Shareholders to make an informed decision in respect of the resolutions set out in the Notice of the General Meeting; and
- convene the General Meeting in order to consider and, if deemed fit, approve the resolutions to be proposed at the General Meeting.

2. DESCRIPTION OF THE EFML BUSINESS

EFML provides a full fleet management solution for passenger and commercial vehicles, including leasing, maintenance, vehicle tracking and insurance. The business has a footprint that spans South Africa, Eswatini, Botswana and Namibia and is one of the leaders in the fleet management sector.

The EFML Business conducts its activities through the EFML Subsidiaries. The particular services provided by the EFML Business are set out below:

Fleet consulting

Fleet consulting services relating to – (i) establishing fleet goals and priorities; (ii) buying versus leasing versus reimbursement considerations; (iii) total cost of ownership analysis and benchmarking; and (iv) fleet policy formulation.

Fleet acquisition

Fleet acquisition services relating to – (i) fleet selection (i.e. vehicle make and model); (ii) commercial vehicle specification; (iii) accessories and aftermarket fitments; (iv) commercial vehicle build inspections; and (v) fleet branding.

Fleet services

Fleet services relating to – (i) operating and full maintenance rentals; (ii) short-term rentals; (iii) license and registration; (iv) roadside assistance; and (v) fines management.

Maintenance management

Maintenance and management services relating to – (i) service scheduling; (ii) preventative maintenance; (iii) breakdown management and support; (iv) commercial workshops; (v) pre-authorised cost management; and (vi) downtime management.

Fuel management

Fuel management services relating to – (i) fuel card issue and delivery; (ii) fuel card renewals; (iii) e-toll management; (iv) diesel rebates; and (v) on road refuelling.

Risk management

Risk management services relating to – (i) vehicle insurance solutions; (ii) accident/claims management; (iii) commercial panel shops; (iv) extended warranties; (v) service and maintenance plans; and (vi) car allowance solutions.

GPS tracking

GPS tracking services relating to – (i) GPS tracking fleet solutions; (ii) in vehicle camera solution; (iii) driver score cards; and (iv) driver behaviour management.

Fleet remarketing

Fleet remarketing services relating to – (i) vehicle condition inspections; (ii) commercial vehicle retail; (iii) passenger and light commercial vehicle wholesale; and (iv) national vehicle transfers.

3. RATIONALE FOR THE TRANSACTION

As announced on 22 October 2018, the Board had completed a strategic review of its ownership interest in its Fleet Management and Logistics business and concluded that it may be better suited under a different structure so as to optimise its value proposition.

The Board's decision was based primarily on the following factors:

1. The Board believed it may be challenging for enX to consistently raise the quantum of capital required by EFML to grow aggressively in the market.
2. It is unlikely, being a non-bank entity, that enX could raise funding at a price that would ensure that EFML remained sustainably competitive, especially as its competition includes South African banks.
3. enX and EFML do not own a sizeable motor vehicle distribution network and that such a network would be difficult for enX to acquire or build. Many of EFML's competitors do own such networks and may therefore be able to achieve higher procurement, maintenance and after-market disposal margins allowing for more pricing flexibility and reinvestment in their business.

The Board believes that Bidvest is well positioned on each of the above factors to provide EFML with value enhancing opportunities via access to a larger pool of capital at a lower cost and to an existing national motor vehicle distribution network.

Furthermore, the Board believes that the benefits of the Transaction that may accrue to enX and enX Shareholders are as follows:

1. A significant reduction in enX Group debt levels through (a) Bidvest refinancing and effectively assuming the Outstanding EFML Loan Amount and (b) by utilising a portion of the Transaction proceeds to reduce remaining enX Group debt.
2. Raising credit facilities dedicated to the South African EIE Business thereby creating the opportunity to reset the debt maturity profile of this business so that it is more aligned with the underlying cash flows. This is expected to mitigate overall enX Group refinancing risk.
3. Realising an asset at a valuation that is higher than the board believes is reflected in the enX share price.
4. The cash raised can be used to organically and acquisitively grow the UK forklift business which the board believes is an attractive business in which to deploy capital.
5. The cash raised can be used to support New Way, Centlube and Austro in their respective markets, which are currently experiencing economic headwinds.
6. The potential return of excess capital to enX Shareholders.
7. Cash not returned to enX Shareholders may be used to take advantage of as yet unknown well-priced growth opportunities.

4. TERMS OF THE TRANSACTION

4.1 Pre-Closing Reorganisation

Prior to the implementation of the Transaction, enX will implement a series of pre-transaction reorganisation steps ("**Pre-Closing Reorganisation**") as more fully contemplated in Annexure K to the Subscription Agreement and summarised below:

4.1.1 **Step 1:** enX Corporation will dispose of all of the treasury shares that it owns in enX to enX Leasing for cash.

4.1.2 **Step 2:** immediately after the implementation of **Step 1**, enX will delegate its obligation to repay the enX Corporation Loan to enX Leasing (and, as a result of such delegation, enX Leasing shall be indebted to enX Corporation) and immediately thereafter enX Corporation will declare a dividend on loan account to and in favour of enX Leasing in an amount equal to the enX Corporation Loan, which reciprocal loan obligations will be set-off and extinguished. Following the implementation of **Step 2**, enX will no longer be indebted to enX Corporation.

4.1.3 **Step 3**: immediately after the implementation of **Step 2**, enX Corporation will delegate all of its obligations to pay the amount it owes to each of enX Leasing, the Eqstra Lesotho Companies, the Eqstra Transformation Trust and certain liabilities unrelated to the Fleet Management and Logistics business i.e. non-EFML liabilities to enX in consideration for an amount equal to the aggregate of the aforesaid amounts ("**enX Group Loan**").

4.1.4 **Step 4:** immediately after the implementation of **Step 3**, enX Corporation will dispose of all of the assets owned by it and not used in connection with the Fleet Management and Logistics business (excluding the treasury shares under Step 1) ("**Non-EFML Assets**") to enX on loan account, at the market value thereof ("**Non-EFML Assets Loan**"), which Non-EFML Assets Loan will be partially set-off against the enX Group Loan. enX Corporation will remain indebted to enX for the balance of the enX Group Loan ("**enX Group Loan Balance**").

4.1.5 **Step 5:** immediately after the implementation of **Step 4**, enX will subscribe for ordinary shares in enX Corporation ("**enX Corp Subscription Shares**") for an aggregate subscription price equal to the enX Group Loan Balance ("**enX Corp Subscription Price**"), which enX Corp Subscription Price will be set-off against the enX Group Loan Balance.

4.1.6 **Step 6:** immediately after the implementation of **Step 5**, enX Leasing will subscribe for shares in each of enX Corporation, Eqstra Fleet, Eqstra Finance and Eqstra NH respectively for a subscription price equal to the amount owing by each of the aforesaid entities to enX Leasing on inter-company loan account, which subscription price will be set-off against each of the amounts owing by each of the aforesaid entities to enX Leasing in respect of the inter-company loan accounts.

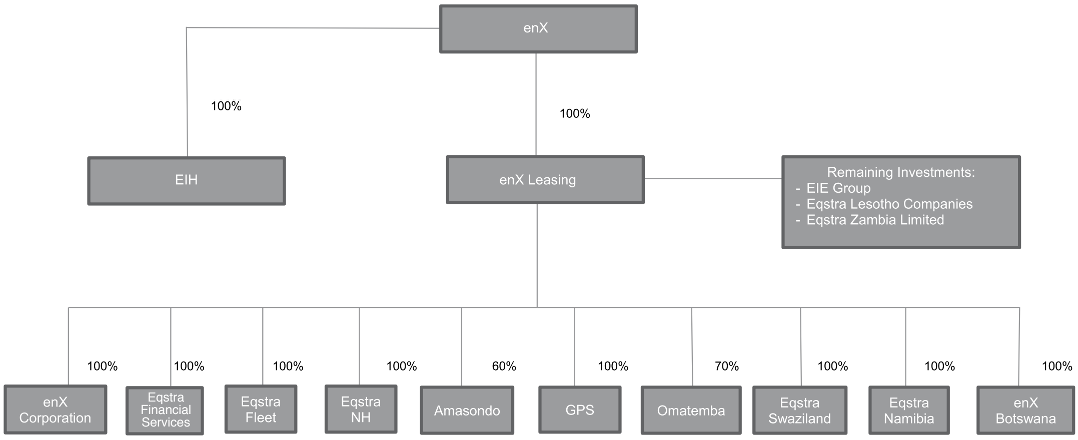
4.1.7 **Step 7:** immediately after the implementation of **Step 6**, enX Leasing will then, utilising the roll-over relief provisions in the Income Tax Act, transfer all of the shares it owns in the EFML Subsidiaries to EIH in consideration for EIH Shares.

4.1.8 **Step 8:** immediately after the implementation of **Step 7**, enX will dispose of the enX Corp Subscription Shares to EIH for an aggregate purchase price equal to the enX Corp Subscription Price, which purchase price will be discharged through the issue and allotment of EIH Shares to enX.

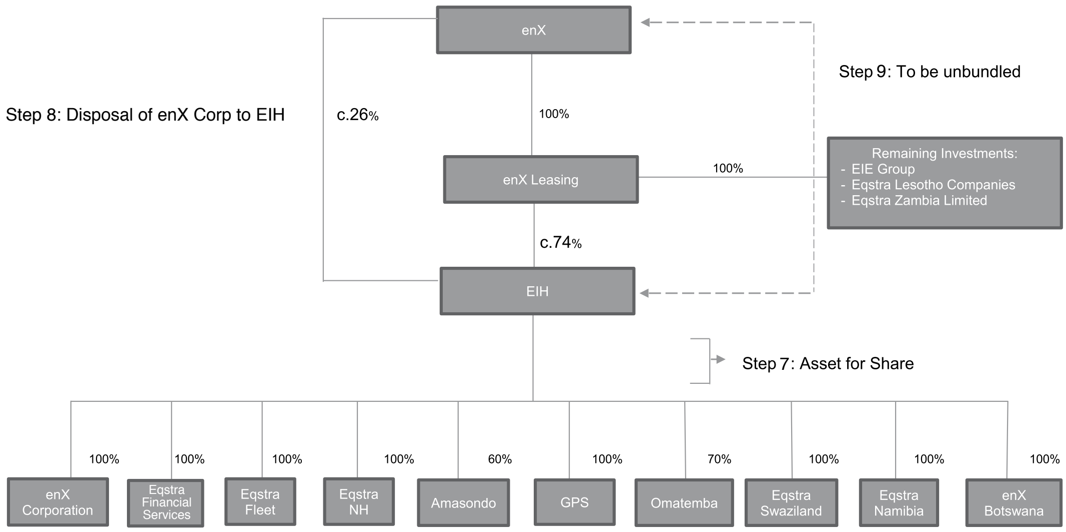
4.1.9 **Step 9:** immediately after the implementation of **Step 8**, enX Leasing will distribute all of its EIH Shares to enX, as a distribution *in specie*, utilising the "*unbundling transaction*" provisions in the Income Tax Act. Following the implementation of this **Step 9**, enX will hold 100% of the issued EIH Shares.

The structure of EIH, enX Leasing and the EFML Subsidiaries pre-and-post the implementation of the Pre-Closing Reorganisation is set out below:

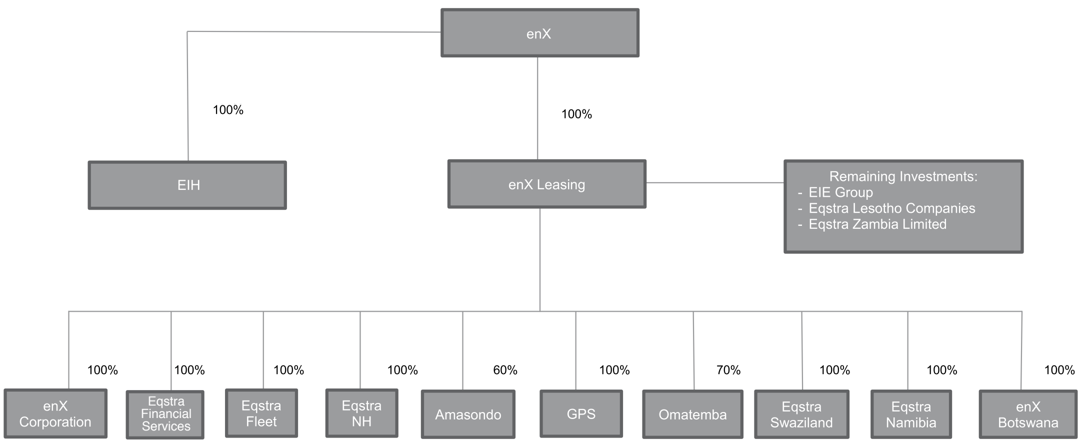
Pre-implementation of the Pre-Closing Reorganisation:



Post-implementation of the Pre-Closing Reorganisation but before the Unbundling (after implementation of Step 8):



Post-implementation of the Pre-Closing Reorganisation (after implementation of Step 9):



As can be seen from the above, the Pre-Closing Reorganisation is an internal reorganisation between various Subsidiaries of enX and, accordingly, does not constitute a transaction as contemplated in section 9 of the Listings Requirements by virtue of section 9.1(c)(iii) of the Listings Requirements.

4.2 **Salient terms of the Transaction**

4.2.1 **Subcription and the Bidvest Loan Amount**

Subject to the Subscription Agreement becoming unconditional and following implementation of the Pre-Closing Reorganisation, Bidvest will:

- subscribe for the Subscription Shares; and
- advance the Bidvest Loan.

After implementation of the aforesaid subscription, the share capital of EIH will be held as follows: Bidvest as to 95.2% and enX as to 4.8%.

4.2.2 **Suspensive Conditions**

In order for the Transaction to become unconditional, the Subscription Agreement contains a number of suspensive conditions that must be fulfilled or waived by no later than 31 March 2020 and summarised as follows:

- the competition authorities in South Africa, Botswana, Namibia and Eswatini approving the Transaction;
- enX Shareholders approving the Transaction in terms of Listings Requirements, as a category 1 transaction;
- enX (as the sole shareholder of EIH) approving the issue of the Subscription Shares to Bidvest in terms of section 41(3) of the Companies Act;
- the Prudential Authority approving the Transaction as required in terms of section 52 of the Banks Act;
- the Board passing the necessary resolutions required to terminate the Note Programme with effect from the date on which each Series of Notes has been redeemed;
- the Noteholders approving the necessary amendments required to provide for the early redemption of the Notes;
- an agreement is concluded between enX Corporation and the guarantors under the Note Programme for the release of the guarantors under the Note Programme and such agreement becomes unconditional in accordance with its terms;
- all of the transaction agreements required to give effect to the Pre-Closing Reorganisation are concluded and become unconditional in accordance with their terms;
- the Funds Flow Agreement is concluded and becomes unconditional in accordance with its terms;
- enX delivers to Bidvest a signed copy of the financing agreement(s) to be concluded between Saficon and the new lenders in respect of the EIE Refinancing;
- the counterparties to any material agreements concluded in respect of the EFML Business consenting to the change of control that will occur as a result of the implementation of the Transaction;
- the W&I Policy being issued on terms satisfactory to enX and Bidvest;
- the Repurchase Agreement is concluded and becomes unconditional in accordance with its terms; and
- the Lenders confirm the release of all guarantees given by the applicable guarantors under the current financing arrangements in respect of the EFML Business' and EIH Business' interest-bearing debt.

Prior to the Closing, Bidvest is entitled to cancel the Transaction if the profit after tax in respect of the EFML Business during the 12-month period ending: (i) 31 August 2019; or (ii) 29 February 2020, falls below an amount equal to R90 000 000 (which amount is calculated to accommodate Leakage (as described above) as well as any other material one-off items of expenditure).

4.2.3 **Debt Repayment**

Historically, enX Corporation, through the enX Inc. Division, acted as the treasury divsion for enX's South African leasing businesses, comprising the EFML Business and the South African EIE Business. The South African EIE Business is primarily conducted through Saficon. As a consequence of performing such treasury function, enX Corporation incurred interest-bearing debt through borrowings from the Lenders and through the issue of the Notes, which debt was used to fund the EFML Business and the South African EIE Business.

As part of the Transaction, enX has agreed to settle (or procure the settlement of) enX Corporation's interest-bearing debt owing to the Lenders and Noteholders on the Closing ("**Debt Repayment**") as follows:

- Bidvest has agreed to refinance and settle the Outstanding EFML Loan Amount up to a maximum amount of R2 200 million by advancing of the Bidvest Loan to enX Corporation, which enX Corporation will, in turn, use to settle the Lenders and/or the Noteholders; and
- Saficon will repay and settle the Outstanding EIE Loan Amount through the proceeds of the EIE Refinancing, which enX Corporation will, in turn, use to settle the Lenders and/or the Noteholders;

Any shortfall owing by enX Corporation to the Lenders and Noteholders ("**enX Corporation Shortfall**") from the aforementioned funds and cash on hand at Closing will be provided by enX (via EIH) to enX Corporation, which enX Corporation will, in turn, use to settle the balance (if any) of the outstanding amount owing to the Lenders and/or the Noteholders. To illustrate how the funding to settle the interest bearing debt owing by enX Corporation to the Lenders and Noteholders will be raised, the following table is provided as if the settlement took place on 31 August 2019:

Description	**Amount (R'm)[1]**
Amounts due to the Noteholders	1 041
Amounts due to the Lenders	2 877
Accrued interest	15
Total amounts to be repaid	**3 933**
Repayment of the outstanding EFML loan amount[(2)]	2 046
Repayment of the outstanding EIE loan amount[(2)]	1 747
Cash balances	140
enX Corporation Shortfall[(3)]	–
Total sources of funding	**3 933**

Notes:

(1) The amounts reflected in the above table are based on the assumption that settlement took place on 31 August 2019.

(2) Given the nature of the Outstanding EFML Loan Amount and the Outstanding EIE Loan Amount, these loans fluctuate on a daily basis.

(3) As at 31 August 2019 the enX Corporation Shortfall amounted to nil. This amount may however be greater than nil on Closing which scenario has been provided for in the Subscription Agreement.

enX has, in the Subscription Agreement, contractually agreed, in favour of enX Corporation, to guarantee repayment of the Outstanding EIE Loan Amount, as part of the Transaction.

4.2.4 **Repurchase**

Following implementation of the Transaction and the Debt Repayment, EIH will, in terms of the Repurchase Agreement, repurchase all of the EIH Shares held by enX ("**Repurchase Shares**") and settle all other amounts due to enX on loan account (which is expected to be no more than the enX Corporation Shortfall, if any) utilising the proceeds received from Bidvest under the Subscription Agreement.

Following implementation of the aforesaid repurchase, EIH will become a wholly-owned subsidiary of Bidvest.

4.2.5 **Funds Flow Agreement**

In order to facilitate settlement of the Subscription Price, the Outstanding EFML Loan Amount, the Outstanding EIE Loan Amount, amounts due to the Lenders and Noteholders, the repurchase price payable for the Repurchase Shares, and the enX Corporation Shortfall (if any), enX, Bidvest, Nedbank Limited (acting through its Corporate and Investment Banking Division), Saficon, enX Corporation and the settlement agent for the Noteholders will, prior to the Closing, enter into a funds flow agreement in terms of which, *inter alia,* on the Closing ("**Funds Flow Agreement**"):

- Saficon will draw-down on the credit facilities in respect of the EIE Refinancing and procure that an amount equal to the Outstanding EIE Loan Amount is paid to the escrow agent into the designated escrow account; and
- To the extent necessary, Saficon will further draw-down on its new credit facilities in an amount equal to the enX Corporation Shortfall and advance such funds to enX who will in turn pay the enX Corporation Shortfall (if any) to the escrow agent into the designated escrow account.

Upon receipt by the escrow agent of the aforesaid amounts, the escrow agent will procure the settlement of the:

- Subscription Price owing to EIH by paying the Subscription Price to EIH (on behalf of Bidvest);
- Outstanding EFML Loan Amount and the Outstanding EIE Loan Amount by paying this amount to enX Corporation;
- advancing the enX Corporation Shortfall to enX Corporation, if necessary;
- amounts due to the Lenders and redeeming the Notes in full;
- amounts due to enX on loan account (which is expected to be no more than the enX Corporation Shortfall, if any); and
- repurchase price owing by EIH to enX for all of the Repurchase Shares by paying the repurchase price to enX (on behalf of EIH).

4.2.6 **Other salient terms**

The Transaction is subject to interim period undertakings and warranties and indemnities (including tax indemnities), which are normal for transactions of this nature. The W&I Policy will provide for limited recourse to enX in respect of the majority of warranty claims. It has been agreed, in terms of the Subscription Agreement, that enX will be liable for a pre-agreed set of uninsured warranties and indemnities for a period of three years after the Closing and enX's maximum liability in respect of such uninsured warranties and indemnities shall not exceed the Base Price.

enX has undertaken in favour of Bidvest that for a period of three years after the Closing the enX Group will not compete with the EFML Business (the EIE Business being specifically excluded from the restraint).

4.3 **Utilisation of the Transaction Proceeds**

The Board expects that the proceeds received by enX and enX Leasing from the Repurchase Agreement may be applied in combination as follows:

(1) up to R350 million towards the reduction of interest-bearing debt;
(2) as yet unidentified acquisitions, which are likely to form part of UK Forklift Business;
(3) a potential return of capital to enX Shareholders, which may take the form of a special dividend and/or share repurchase. The mechanism, timing and amounts have not yet been determined; and
(4) for general corporate purposes.

4.4 **Classification of the Transaction**

The Transaction is a category 1 transaction in accordance with the Listings Requirements and is therefore subject to enX Shareholder approval (by way of an ordinary resolution) as detailed in the Notice of the General Meeting.

5. ENX OVERVIEW

5.1 Overview

enX is a diversified industrial group that, before the Transaction is concluded, provides quality branded industrial, petrochemical, and fleet management and logistics products and services.

enX is currently organised into the three business segments as follows:

- enX Equipment ("**Equipment**"):
  - Industrial Equipment ("**EIE**") provides distribution, rental and value added services for industrial and materials handling equipment in South Africa, other African countries and the United Kingdom and Ireland ("**UK**"). EIE in South Africa is the market leader in materials handling and the sole distributor of Toyota Forklifts, BT warehousing equipment, Konecranes heavy duty forklifts and container handling equipment, Terberg Terminal Tractors, Hawker batteries and chargers, Hako Industrial cleaning equipment and Fassi truck mounted cranes in sub-Saharan Africa. Its UK operation, Impact**,** is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK.
  - Power comprises New Way Power which manufactures, installs and maintains diesel generators as well as provides temporary power through Genmatics. The business also distributes a range of industrial and marine engines and components through Power O^2 which is the sole distributor of John Deere and Mitsubishi industrial engines in South Africa.
  - Wood trades through Austro, which distributes professional woodworking equipment, tooling, adhesives and the provision of associated services such as blade sharpening and equipment maintenance. It is the sole distributor of Biesse equipment and Leitz tooling in South Africa.
- enX Fleet ("**EFML**"):
  - Please refer to paragraph 2 above for a detailed description of the EFML. enX would divest of the EFML Business entirely should the Pre-Closing Reorganisation, the Transaction and Repurchase Agreement be implemented.
  - enX will retain the Fleet Management and Logistics' Lesotho and Zambia businesses which are both in the process of being wound down.
- enX Petrochemicals ("**Petrochemicals**"):
  - Centlube and African Group Lubricants ("**AGL**") produce and market oil lubricants and greases in South Africa and sub-Saharan Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation) and Houghton International's Advanced Fluids Solutions and Services.
  - West African International ("**WAI**") distribute plastics, polymers, rubber and specialty chemicals into Southern African. They are the sole agents and distributors of ExxonMobil chemicals in South Africa.

enX was founded in 2007, operates in fourteen countries and has over 2 500 employees of which EFML contributes approximately 550.

5.2 Prospects and outlook

EIE will continue to seek growth in its southern African share of the forklift market in line with both its own and Toyota's aspirations and improve its operational efficiencies through the use of technology. In South Africa EIE has expanded its product range by introducing CT Power, a more affordable Toyota forklift product, owned by Toyota Material Handling Group, and Sinoboom, an aerial platform product. In addition to the companies acquired in the prior year, EIE will further look to expand its UK market share through the acquisition of complementary forklift businesses and strengthen its long-term partnership with Mitsubishi, the supplier of Cat Lift Trucks. This expansion strategy could include European countries in the longer term. EIE has also positioned itself to offer products that have lower price points, namely Hangcha and Heli, which allow it to cover more segments of the UK market.

The Power business is currently at breakeven operating profitability. Management is committed to improving this business' return on invested capital which may be achieved through a combination of improved profitability and a smaller asset base. The Power business is particularly sensitive to empowerment ownership, and the Board is considering implementing an empowerment transaction to improve its competitive position.

The Lubricants business has mostly completed the rollout of the ExxonMobil blending contract. It is focused now on growing its distribution and contract manufacturing volumes. The Board continues to hold the view that local blending has strengthened the businesses strategic positioning in respect of product cost, our relationship with ExxonMobil, alignment with the government's local procurement policies, working capital management and general business flexibility This transition however has proven to be extremely challenging. This has led to material inventory impairments and contraction in gross margins. In addition, retrenchment and other restructuring costs have had to be incurred to improve production efficiencies. A new management team was introduced in late 2018 and is addressing these issues. The board plans to use a portion of the proceeds of the Transaction to recapitalise and reduce debt in this business.

The Chemicals business continues to trade profitably albeit at levels below those achieved in FY2018. It will focus on growing volumes in selected polymer, natural rubber, performance polyethylene and speciality chemicals. The business will also seek new distributorships to increases volumes through its existing infrastructure.

The Board is in the process of assessing the carrying values of the Petrochemical businesses and their ability to generate an appropriate return of capital now that the major operational transitions have been completed.

As enX works to close the Transaction, enX expects EFML to continue growing its leasing book and after-tax earnings. Encouraging progress was made in the first half with regard to improving customer retention rates and winning new business.

6. FINANCIAL INFORMATION

6.1 Historical financial information of EFML

Extracts of the aggregated historical financial information of EFML for the six months ended 28 February 2019, 12 months ended 31 August 2018 and 10 months ended 31 August 2017, since the acquisition of EFML Subsidiaries by enX, are annexed hereto as **Annexure 1**.

Copies of the aforementioned historical financial information of EFML will also be available for inspection as described in paragraph 17 of this Circular.

6.2 Material changes and litigation statement in respect of the EFML Group Companies

There have been no material changes in the financial or trading position of the EFML Group since the publication of interim financial information for the six months ended 28 February 2019, until the Last Practicable Date.

Furthermore, there are no legal or arbitration proceedings which may have, or have had in the past 12 months, a material effect on the financial position of the EFML Group. Neither enX nor any member of the EFML Group is aware of any other such proceedings that are pending or threatened.

6.3 *Pro forma* financial information of enX

The *pro forma* financial effects of the Transaction set out below are the responsibility of the Directors of enX. The consolidated *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of enX has been prepared and in terms of enX's accounting policies, except for the adoption of IFRS9 and IFRS15 as detailed below in the *pro forma* financial information. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present enX's financial position, changes in equity, results of operations or cash flows post the implementation of the Transaction.

The *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* condensed statement of comprehensive income and the consolidated *pro forma* statement of financial position set out in **Annexure 3**, together with the assumptions upon which the financial effects are based and described in the notes thereto.

The report of the independent reporting accountant in respect of the *pro forma* financial statements referred to in paragraph above, appears in **Annexure 4** to this Circular.

The table below sets out the *pro forma* financial effects of the Transaction, based on the interim financial information of enX for the six months ended 28 February 2019 and, on the assumption, for calculating the net asset value per share and net tangible asset value per share, that the Transaction was effected on 28 February 2019. In respect of the earnings per share and headline earnings per share it is assumed that the Transaction was effected 1 September 2018.

	Before (cents)	*Pro forma* after the Transaction (cents)	Change (%)
EPS	71.2	149.2	110
Headline EPS	71.2	149.3	110
Diluted EPS	70.2	147.3	110
Diluted headline EPS	70.3	147.3	110
Net asset value per share	1 608.9	1 733.3	8
Net tangible asset value per share	1 186.2	1 478.8	25
Weighted average number of shares in issue (excl. treasury shares)	178 939 229	178 939 229	–
Closing number of shares in issue (excl. treasury shares)	181 317 725	181 317 725	–

Notes and assumptions:

1. The "Before" column has been extracted from the published results of enX for the six months ended 28 February 2019.
2. The "*Pro forma* post the Transaction" column has been detailed as per the notes and assumptions to the *pro forma* financial information of enX set out in **Annexure 3**, following the disposal of EFML Companies by enX.

7. INFORMATION RELATING TO ENX

7.1 Share capital

The authorised and issued share capital of enX, as at the Last Practicable Date, before and after the Transaction, are set out below:

Before the Transaction	Number of Shares	R'000
Authorised		
Ordinary Shares of no par value	1 000 000 000	–
Issued		
Ordinary Shares of no par value	182 312 650	

After the Transaction	Number of Shares	R'000
Authorised		
Ordinary Shares of no par value	1 000 000 000	–
Issued		
Ordinary Shares of no par value	182 312 650	

As at the Last Practicable Date, the Company had 1 948 884 treasury Shares in issue.

7.2 Major enX Shareholders and interests

As far as enX is aware, as at the Last Practicable Date, the following persons are beneficially interested, directly or indirectly, in 5% or more of the Shares in issue:

Shareholder	Number of Shares held	% of Shares held
Beaufort Cay Investments Limited	35 951 677	19.72
PSG Asset Management	19 743 821	10.83
Legae Peresec	15 053 259	8.26
Prudential Investment Managers Proprietary Limited	12 946 755	7.10
Samvenice Proprietary Limited	12 785 271	7.01
CoroCapital Opportunities Partnership	11 493 288	6.30
Inhlanhla Ventures Proprietary Limited	10 538 897	5.78
Old Mutual Group	10 084 347	5.53
Total	**128 597 315**	**70.53**

enX has had no controlling shareholder in the five years prior to the Last Practicable Date.

7.3 Material changes

The Company is in the process of finalising its results for the year ended 31 August 2019 and is currently considering these results in terms of the Trading Statement requirements as set out in the Listings Requirements. These results will include any material changes in the financial or trading position of the enX Group since the publication of the interim financial results for the six months ended 28 February 2019, including the impact of the information referred to in 5.2 (Prospects and Outlook) of this Circular. enX will release its financial results for the 12 months ended 31 August 2019 on or about 25 November 2019, prior to the General Meeting taking place.

7.4 Material contracts

7.4.1 As at the date of this Circular and other than in the ordinary course of business and as disclosed in paragraph 4 of this Circular, enX and its Subsidiaries have not entered into any material contracts, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on:

(a) within the two years prior to the date this Circular; or

(b) at any time and which containing an obligation or settlement that is material to enX or its Subsidiaries.

7.4.2 As at the date of this Circular and other than in the ordinary course of business and as disclosed in paragraph 4 of this Circular, EMFL and its subsidiaries have not entered into any material contracts, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on:

(a) within the two years prior to the date this Circular; or

(b) at any time and which containing an obligation or settlement that is material to enX or its Subsidiaries.

8. INFORMATION RELATING TO THE DIRECTORS

8.1 Directors' interests in the issued shares of enX

The table below sets out the direct and indirect beneficial interests of the Directors (and their associates), including any Directors who may have resigned during the last 18 months, in enX's issued shares, as at the Last Practicable Date:

	Direct beneficial shareholding	**Indirect beneficial shareholding**	**Total shareholding**	**% shareholding**
Current Directors				
PC Baloyi(1)	–	5 753 372	5 753 372	3.16
PS O'Flaherty(2)	–	3 196 318	3 196 318	1.75
A Joffe(3)	110 000	1 366 442	1 476 442	0.81
JS Friedman	463 162	196 764	659 926	0.36
GD Neubert(4)	233 014	245 433	478 447	0.26
	806 176	**10 758 329**	**11 564 505**	**6.34**
Directors who have resigned during the previous 18 months				
SB Joffe(5)(6)	1 379 442	641 666	2 021 108	1.11
IM Lipworth(7)	80 357	–	80 357	0.04
	1 459 799	**641 666**	**2 183 822**	**2.15**

Notes:

(1) Shares held indirectly by virtue of a 45% shareholding in Samvenice Proprietary Limited.

(2) Shares held indirectly by virtue of a 25% shareholding in Samvenice Proprietary Limited.

(3) Allan Joffe, is a shareholder in CoroCapital Proprietary Limited which is the general partner of the CoroCapital Opportunities Partnership, which is a shareholder in enX. Allan Joffe's indirect-beneficial interest in the enX shares held by the CoroCapital Special Opportunities Partnership is 1 366 442 shares.

(4) Includes 245 433 enX shares indirectly beneficially held pursuant to the enX Forfeitable Share Scheme.

(5) 500 000 shares are held indirectly via SB Joffe's family trust and includes 141 666 enX shares held pursuant to the enX Forfeitable Share Scheme.

(6) SB Joffe resigned as a director on 19 July 2019. His employment notice period terminates on 31 December 2019.

(7) IM Lipworth resigned 31 August 2018.

There have been no dealings in Shares for the period beginning 1 March 2019 and ending on the Last Practicable Date by the Directors, including former Directors who have resigned during the 18 months prior to the Last Practicable Date.

8.2 Directors' remuneration

The remuneration of the Directors will not be varied as a result of the Transaction. The table below provides an analysis of the emoluments of the executive Directors for the six months ended 28 February 2019:

	Salary R'000	Bonus R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
Steven Joffe[(a)]	3 041	–	–	–	3 041
Jarrod Friedman[(b)]	1 500	–	–	–	1 500
	4 541	**–**	**–**	**–**	**4 541**

The table below provides an analysis of the non-executive Directors' remuneration for the six months ended 28 February 2019:

	Retainer R'000	Committee fees R'000	Total R'000
Steve Booysen*	86	445	531
Paul Baloyi	86	423	509
Allan Joffe^	86	197	283
Lerato Molefe*	86	177	263
Mpho Makwana*[(c)]	679	–	679
Paul O'Flaherty	86	194	280
Anthony Phillips*	86	166	252
Nopasika Lila*[(d)]	86	166	252
	1 281	**1 768**	**3 049**

** Independent.*

^ Fees accrued to CoroCapital Proprietary Limited.

(a) Early retired on 19 July 2019.
(b) Resigned on 30 September 2019, with a six-month notice period.
(c) Resigned on 24 July 2019.
(d) Resigned on 12 July 2019.

8.3 Directors' Interests in the Transaction

None of the Directors nor any former director of enX who have resigned as directors of enX during the past 18 months have any interest in the Transaction as contemplated in this Circular nor in any other transaction by enX that was effected during the current or immediately preceding financial year, which remains in any material respect outstanding or unperformed.

8.4 Continuation of Directors

enX has a Board and management team with a broad range of skills and significant experience in the industries in which they have operated to support enX's ongoing operations. Other than the EFML executive team, who will continue with EFML, there will be no change in the enX senior management team as a direct result of the implementation of the Transaction. The Board and its sub-committees will however, following the implementation of the Transaction and in the ordinary course, continue to consider the optimal size of the Board and the enX senior management team. This assessment may result in a reduction of personnel to better align with the activity levels of the post-Transaction enX. The Board remains committed to the recommendations set out in the King IV Code of Corporate Governance in respect of the composition of the Board.

8.5 Contracts of employment of Executive Directors

Contracts of employment with Executive Directors of enX were concluded on terms and conditions that are standard for such appointments and contain normal terms of employment. The contracts of employment are available for inspection as described in paragraph 17 of this Circular. There are no service contracts in place in respect of Non-Executive Directors of enX.

9. WORKING CAPITAL STATEMENT

Having considered the effects of the Transaction and on the assumption that the Transaction takes place on 1 April 2020, the Directors are of the opinion that:

- enX and the enX Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of approval of this Circular;
- the consolidated assets of the enX Group, fairly valued, will be in excess of the consolidated liabilities of the enX Group for a period of 12 months after the date of approval of this Circular;
- the share capital and reserves of enX and the enX Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the Circular; and
- the working capital of enX and the enX Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of this Circular.

10. LITIGATION STATEMENT

The Directors are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may have or have over the previous 12 months had a material effect on the financial position of the enX Group or the EFML Group.

11. TRANSACTION EXPENSES

The estimated costs of preparing and distributing this Circular, holding the General Meeting, implementing the Transaction, including the fees payable to professional Advisors, are approximately R16,5 million, excluding VAT, and include the following:

		R'000
Financial Advisor	Macquarie Advisory and Capital Markets South Africa	10 000
Legal Advisor	ENSafrica	4 500
Sponsor	The Standard Bank of South Africa Limited	450
Independent Reporting Accountants and Auditors	Deloitte and Touche	1 300
JSE documentation and ruling fees	JSE	79
Transfer secretary fees	Computershare Investor Services Proprietary Limited	20
Printing and publication costs	Ince	100
Total		**16 449**

The estimated total costs of the early redemption the Notes and amounts due to the Lenders by enX Corporation is approximately R3.3 million.

12. GENERAL MEETING AND VOTING

The General Meeting of Shareholders will be held at 10:00 on Friday, 29 November 2019 at 11 Gross Street, Tunney Industrial, Elandsfontein, 1600 to consider and, if deemed fit, to pass, with or without modification, the requisite resolution(s) required to give effect to the Transaction.

A notice convening the General Meeting is attached hereto and forms part of this Circular and contains the resolutions to be considered at the General Meeting. Full details of the action required by enX Shareholders are set out in the "*Action required by enX Shareholders*" section of this Circular.

The ordinary resolution for the approval of the Transaction in terms of the Listings Requirements, set out in the Notice of General Meeting, is subject to the approval of more than 50% of the votes cast by the enX Shareholders, present in person or represented by proxy at the General Meeting and who are entitled to vote.

The ordinary resolution for the approval of the Directors' authority to do all such things, sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to the resolutions set out in the Notice of General Meeting, is subject to the approval of more than 50% of the votes cast by the enX Shareholders, present in person or represented by proxy at the General Meeting and who are entitled to vote.

13. DIRECTORS' RECOMMENDATION

The Directors have considered the terms and conditions of the Transaction and have considered the resolutions set out in the Notice of General Meeting and are of the opinion that they are in the interests of enX Shareholders.

The Directors recommend that enX Shareholders vote in favour of the resolutions to be proposed at the General Meeting.

The Directors, in their personal capacities, intend to vote the Shares beneficially owned by them in favour of the resolutions to be proposed at the General Meeting.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are listed in the "*Corporate Information*" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

15. ADVISORS' CONSENTS

Each of the Advisors, whose name appears in the "*Corporate information*" section of this Circular, has consented in writing to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

16. IRREVOCABLE UNDERTAKINGS

enX Shareholders holding 70 769 133 enX Shares, representing approximately 38.81% of enX issued share capital have irrevocably undertaken in favour of the Transaction. Such irrevocable undertakings have been furnished by the following enX Shareholders:

Name	Number of enX Shares	Percentage holding (%)
Beaufort Cay Investments Limited	35 951 677	19.72
Samenice Proprietary Limited	12 785 271	7.01
Corocap Proprietary Limited as the General Partner of the CoroCapital Opportunities Partnership	11 493 288	6.30
Inhlanhla Ventures Proprietary Limited	10 538 897	5.78
	70 769 133	**38.81**

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by enX Shareholders during normal business hours at the registered office of enX from Friday, 1 November 2019 until Friday, 29 November 2019 (both days inclusive):

- the MOI of enX and the memoranda of incorporation of its major subsidiaries;
- the historical financial information of EFML for the six months ended 28 February 2019, the 12 months ended 31 August 2018 and the 10 months ended 31 August 2017, as reproduced in **Annexure 1**;
- the independent reporting accountants reports on the historical financial information of EFML;
- the *pro forma* financial information of enX, as reproduced in **Annexure 3**;
- the independent reporting accountants report on the *pro forma* financial information of enX;
- the written consents from each of the advisors referred to in paragraph 15;
- the Subscription Agreement (as amended) and the Repurchase Agreement;
- the employment contracts of the Executive Directors;
- the material agreements as contained in **Annexure 5**; and
- a copy of this Circular and all annexures hereto.

Signed at Johannesburg on Friday, 1 November 2019 on behalf of the Board in terms of power of attorney granted by Directors.

Gary Neubert
Chief Executive Officer

Jarrod Friedman
Chief Financial Officer

HISTORICAL FINANCIAL INFORMATION OF EFML FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019, 12 MONTHS ENDED 31 AUGUST 2018 AND 10 MONTHS ENDED 31 AUGUST 2017

The definitions and interpretations commencing on page 5 of this Circular apply to this **Annexure 1**.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the JSE Listings Requirements as well as the Companies Act.

The Historical Financial Information is prepared by and is the responsibility of the enX Board.

The historical EFML Group information disclosed below for the 2018 and 2017 financial years will not agree to the Fleet segment as per the segmental analysis disclosed in the Group audited financial statements. The segmental analysis discloses an adjusted EBITDA and adjusted PBT number, which add back management fees, IFRS2 costs and the release of a provision relating to the Quest system. In addition, the EFML Group numbers in the historical information below do not include all the entities in the Fleet segment per the Group audited financial statement, only the entities forming part of the Transaction.

COMMENTARY

BACKGROUND

EFML provides a full fleet management solution for passenger and commercial vehicles, including leasing, maintenance, vehicle tracking and insurance. The business has a footprint that spans South Africa, Eswatini, Botswana and Namibia and is one of the leaders in the fleet management sector.

The EFML Business conducts its activities through the EFML Subsidiaries. The particular services provided by the EFML Business are set out below:

Fleet consulting

Fleet consulting services relating to – (i) establishing fleet goals and priorities; (ii) buying versus leasing versus reimbursement considerations; (iii) total cost of ownership analysis and benchmarking; and (iv) fleet policy formulation.

Fleet acquisition

Fleet acquisition services relating to – (i) fleet selection (i.e. vehicle make and model); (ii) commercial vehicle specification; (iii) accessories and aftermarket fitments; (iv) commercial vehicle build inspections; and (v) fleet branding.

Fleet services

Fleet services relating to – (i) operating and full maintenance rentals; (ii) short term rentals; (iii) license and registration; (iv) roadside assistance; and (v) fines management.

Maintenance management

Maintenance and management services relating to – (i) service scheduling; (ii) preventative maintenance; (iii) breakdown management and support; (iv) commercial workshops; (v) pre-authorised cost management; and (vi) downtime management.

Fuel management

Fuel management services relating to – (i) fuel card issue and delivery; (ii) fuel card renewals; (iii) e-toll management; (iv) diesel rebates; and (v) on road refuelling.

Risk management

Risk management services relating to – (i) vehicle insurance solutions; (ii) accident/claims management; (iii) commercial panel shops; (iv) extended warranties; (v) service and maintenance plans; and (vi) car allowance solutions.

GPS tracking

GPS tracking services relating to – (i) GPS tracking fleet solutions; (ii) in vehicle camera solution; (iii) driver score cards; and (iv) driver behaviour management.

Fleet remarketing

Fleet remarketing services relating to – (i) vehicle condition inspections; (ii) commercial vehicle retail; (iii) passenger and light commercial vehicle wholesale; and (iv) national vehicle transfers.

Directors' Responsibility for the Historical Combined Financial Information

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for the material departures from IFRS noted in the basis of preparation note 1.1 below, and in the manner required by the South African Companies Act, No 71 of 2008 ("the Companies Act").

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The annual financial statements of the company are prepared on the going-concern basis. The directors have reviewed the company's cash flow forecast for the periods ended 28 February 2020 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements have been prepared under the supervision of JS Friedman CA(SA).

Statement of financial position as at

	Notes	Reviewed 28 February 2019 R'000	Audited 31 August 2018 R'000	Reviewed 31 August 2017 R'000
ASSETS				
Non-current assets		2 925 423	2 730 107	2 645 222
Property, plant and equipment	3	59 207	53 436	57 395
Leasing assets	4	2 747 836	2 575 350	2 560 287
Intangible assets	5	16 967	14 309	8 391
Other investments and loans	6	13 379	15 139	14 480
Deferred taxation	7	3 516	4 434	4 090
Amounts owing by group companies	8	84 518	67 439	579
Current assets		315 951	301 605	332 912
Trade and other receivables	9	244 403	227 057	252 788
Inventories	10	20 417	13 918	27 630
Taxation receivable		3 960	2 125	19 490
Bank and cash balances	11	47 171	58 505	33 004
Total assets		**3 241 374**	**3 031 712**	**2 978 134**
EQUITY AND LIABILITIES				
Capital and reserves		974 762	900 720	763 651
Stated capital	12	548 880	548 880	548 880
Other reserves	13	7 780	8 245	2 200
Accumulated profits		398 736	323 407	196 363
Equity attributable to owners of the parent		955 396	880 532	747 443
Non-controlling interests		19 366	20 188	16 208
Non-current liabilities		1 952 106	1 816 072	1 877 825
Amounts owing to group companies	8	1 673 703	1 556 911	1 622 493
Non-current financial liabilities	29	2 305	2 568	–
Deferred taxation	7	276 098	256 593	255 332
Current liabilities		314 506	314 920	336 658
Trade, other payables and provisions	14	296 913	299 520	327 526
Taxation payable		17 593	15 400	9 132
Total equity and liabilities		**3 241 374**	**3 031 712**	**2 978 134**

Statement of profit and loss and other comprehensive income for the periods ended

	Notes	Reviewed for the 6 months ended 28 February 2019 R'000	Audited for the year ended 31 August 2018 R'000	Reviewed for the 10 months ended 31 August 2017 R'000
Revenue	15	965 019	2 105 932	1 642 392
Net operating expenses	16	(527 020)	(1 267 874)	(906 520)
Profit from operations before depreciation and amortisation		437 999	838 058	735 872
Depreciation and amortisation	16	(240 169)	(476 434)	(460 732)
Profit/(loss) on disposal of property, plant and equipment	16	51	(25)	55
Share-based payment expense	16	(593)	(5 409)	(2 012)
Foreign exchange losses	16	(21)	(666)	(11)
Profit before interest and taxation		197 267	355 524	273 172
Net finance costs	17	(94 823)	(183 658)	(145 004)
Interest received		3 579	4 709	6 103
Interest paid		(98 402)	(188 367)	(151 107)
Profit before taxation		102 444	171 866	128 168
Taxation	18	(24 483)	(38 489)	(48 984)
Profit after taxation		**77 961**	**133 377**	**79 184**
Attributable to:				
Equity holders of the parent		76 348	129 047	73 560
Non-controlling interests		1 613	4 330	5 624
Profit after taxation		**77 961**	**133 377**	**79 184**
Other comprehensive income net of taxation:				
Profit after taxation		77 961	133 377	79 184
Items that may be reclassified subsequently to profit or loss:				
– Foreign currency translation reserve		(1 290)	3 204	188
Total comprehensive income		**76 671**	**136 581**	**79 372**
Attributable to:				
Equity holders of the parent		75 058	132 251	73 748
Non-controlling interests		1 613	4 330	5 624
Total comprehensive income		**76 671**	**136 581**	**79 372**

Headline earnings reconciliation

	Notes	Reviewed for the 6 months ended 28 February 2019 R'000	Audited for the year ended 31 August 2018 R'000	Reviewed for the 10 months ended 31 August 2017 R'000
Net profit after taxation attributable to equity holders of the parent		**76 348**	**129 047**	**73 560**
Adjusted for:				
(Profit)/loss on disposal of property, plant and equipment		(51)	25	(55)
Taxation effect on adjustments		14	(7)	15
Headline earnings attributable to ordinary shareholders		**76 311**	**129 065**	**73 520**
Adjusted for:				
IFRS 2 charges		593	5 409	2 012
Taxation effect on adjustments		(166)	(1 515)	(563)
Adjusted headline earnings attributable to ordinary shareholders		**76 738**	**132 959**	**74 969**

Statement of changes in equity for the periods ended

	Stated capital R'000	Other reserves R'000	Accumulated profits R'000	Equity attributable to equity holders of the parent R'000	Non-controlling interests R'000	Total equity R'000
Balances as at 1 November 2016						
Acquisition of business	548 880	–	191 228	740 108	13 169	753 277
Total comprehensive income for the period	–	188	73 560	73 748	5 624	79 372
Share-based payment expense	–	2 012	–	2 012	–	2 012
Dividends paid to related parties	–	–	(68 425)	(68 425)	–	(68 425)
Dividends paid to minority shareholders	–	–	–	–	(2 585)	(2 585)
Balances as at 31 August 2017	548 880	2 200	196 363	747 443	16 208	763 651
Total comprehensive income for the year	**–**	**3 204**	**129 047**	**132 251**	**4 330**	**136 581**
Share-based payment expense	**–**	**2 841**	**–**	**2 841**	**–**	**2 841**
Dividends paid to related parties	**–**	**–**	**(2 003)**	**(2 003)**	**–**	**(2 003)**
Dividends paid to minority shareholders	**–**	**–**	**–**	**–**	**(350)**	**(350)**
Balances as at 31 August 2018	**548 880**	**8 245**	**323 407**	**880 532**	**20 188**	**900 720**
Total comprehensive income for the period	**–**	**(1 290)**	**76 348**	**75 058**	**1 613**	**76 671**
Adjustment to the opening balance arising from the initial application of IFRS 15	**–**	**–**	**12 775**	**12 775**	**–**	**12 775**
Share based payment expense	**–**	**825**	**–**	**825**	**–**	**825**
Dividends paid to related parties	**–**	**–**	**(13 794)**	**(13 794)**	**–**	**(13 794)**
Dividends paid to minority shareholders	**–**	**–**	**–**	**–**	**(2 435)**	**(2 435)**
Balances as at 28 February 2019	**548 880**	**7 780**	**398 736**	**955 396**	**19 366**	**974 762**

The Group has applied IFRS 15 in accordance with the modified retrospective approach with the date of initial application being 1 September 2018; and has applied the new accounting to all contracts that were in existence at 1 September 2018. The impact on 1 September 2018 has been disclosed above.

Statement of cash flows for the periods ended

	Notes	Reviewed 28 February 2019 R'000	Audited 31 August 2018 R'000	Reviewed 31 August 2017 R'000
Cash flows from operating activities		**487 900**	**1 010 326**	**635 427**
Cash generated from operations	19	591 365	1 207 861	848 998
Interest received	20	3 579	4 709	6 103
Interest paid	20	(98 402)	(188 367)	(151 107)
Taxation paid	21	(8 642)	(13 877)	(68 567)
Cash flows from investing activities		**(581 829)**	**(863 344)**	**(606 644)**
Additions to property, plant and equipment		(2 286)	(4 849)	(2 440)
Additions to leasing assets		(572 805)	(848 897)	(605 743)
Additions to intangible assets		(6 573)	(11 499)	(4 651)
Proceeds on disposal of property, plant and equipment and intangibles	22	118	–	6 638
Net movement in other loans and investments		(283)	1 901	(448)
Cash flows from financing activities		**83 225**	**(122 561)**	**(149 452)**
Net movement in group loans		99 454	(120 208)	(78 441)
Dividends paid		(13 794)	(2 003)	(68 425)
Payments on transactions with non-controlling interests		(2 435)	(350)	(2 586)
Net (decrease)/increase in cash and cash equivalents		**(10 704)**	**24 421**	**(120 669)**
Effects of exchange rate changes on cash and cash equivalents		(630)	1 080	361
Cash and cash equivalents at beginning of period		58 505	33 004	–
Adjustment for cash acquired		–	–	153 312
Cash and cash equivalents at end of period		**47 171**	**58 505**	**33 004**
Cash and cash equivalents consist of:				
Bank and cash balances		**47 171**	**58 505**	**33 004**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of historical combined financial information

The historical combined financial information, being the subject matter of the Proposed Transaction ("**Subject Companies**") recorded historical information, has been prepared in accordance with section 8.1 to 8.13 of the JSE Listings Requirements.

The basis of preparation describes how the financial information has been prepared in accordance with IFRS, except for the material departures from IFRS noted below.

IFRS does not provide for the preparation of historical combined financial information, and accordingly in preparing the historical combined financial information certain accounting conventions commonly used in the preparation of historical combined financial information for inclusion in circulars have been applied and accordingly there have been material departures from IFRS, which are discussed in more detail below. In all other respects, IFRS has been applied.

Historical combined financial information

The historical combined financial information of the subject matter for the six months ended 28 February 2019, 12 month period ended 31 August 2018 and the 10 month ended 31 August 2017 ("**the Reporting Period**") will be prepared by aggregating the historical financial information relating to the statutory entities and divisions that will be disposed of and is not directly comparable to previously published segmental information.

The statutory entities and divisions that will be disposed of comprise of the following:

- Eqstra Fleet Services Proprietary Limited;
- Eqstra Financial Services Proprietary Limited;
- enX Corporation;
- Eqstra NH Equipment Property Limited;
- Amasondo Fleet Services Proprietary Limited;
- GPS Tracking Solutions Proprietary Limited;
- Omatemba Fleet Services Proprietary Limited;
- Eqstra (Swaziland) Proprietary Limited;
- Eqstra Fleet Services Namibia Proprietary Limited; and
- enX Fleet Management Botswana Proprietary Limited.

This historical combined financial information has previously been reported as part of the annual financial statements of enX for the Reporting Period, which was prepared in accordance with IFRS. The principle of control in IFRS 10 Consolidated financial statements ("**IFRS 10**") is not applicable to the subject matter as a result of the historical legal structure.

The historical combined financial information is therefore aggregated information prepared using the principles of consolidation under IFRS 10 as if control of the entities within the subject matter existed. This includes elimination of investments in subsidiaries and share capital of subsidiaries within the subject matter where control existed and the elimination of intercompany transactions and balances within the subject matter.

The historical combined financial information will be prepared with the objective of presenting the results and net assets of the subject matter for the Reporting Period. The subject matter has, for the periods presented, been under the control of enX. Consequently, this historical combined financial information may not necessarily be indicative of the financial performance that would have been achieved, had the subject matter operated independently for the Reporting Period. Furthermore, it may not be indicative of the financial results in future periods.

Share capital and retained income

The Subject Matter does not constitute a separate legal entity, and therefore, it is not meaningful to disclose a historical analysis of share capital. The total equity attributable to owners of the Subject

Matter as disclosed in the historical combined financial information, represents the cumulative investment of enX in the Subject Companies.

Earnings per share, diluted earnings per share and headline earnings per share

As indicated above, it is not considered meaningful to disclose a historical analysis of share capital, therefore, it is not meaningful to disclose a historical analysis of various earnings per share metrics.

IAS 24 – *Related Party Disclosures*

Transactions and balances owing to other divisions and subsidiaries of enX have been disclosed as related parties.

Intercompany transactions and funding

All transactions between the entities forming part of the subject matter and the rest of the enX group of companies, which have historically been eliminated in the consolidated financial statements of enX, have now been presented either as amounts owing to or receivable from group companies as though they were with an external related party. These transactions are presented in note 28.

1.2 Standards and interpretations not yet effective

At the date of authorisation of the financial statements of the company for the period ended 28 February 2019, the following Standards and Interpretations were in issue but not yet effective:

Standards and interpretations	Annual periods beginning on or after
IFRS 16: *Leases*	1 January 2019
IFRIC 23: *Uncertainty Over Income Tax Treatment*	1 January 2019

IFRS 16: *Leases*

A project is in progress to assess the impact of IFRS 16 which is only applicable from the year beginning 1 September 2019. The estimated impact will be discussed in the 31 August 2019 annual financial statements, being the year prior to adoption of this standard.

The group has chosen to apply the 'simplified approach' on adoption of IFRS 16 that includes certain relief related to the measurement of the right-of-use asset and the lease liability at 1 September 2018, rather than full retrospective application. Furthermore, the 'simplified approach' does not require a restatement of comparatives. The only more material assets which the group leases and which are currently treated as operating leases relate to land and buildings and plant.

1.3 Property, plant, equipment and leasing assets

Property, plant and equipment and leasing assets are stated at historical cost, less accumulated depreciation and impairment losses.

Property, plant and equipment and leasing assets are initially recognised at cost. Transaction costs are included in the initial measurement.

Subsequent costs are recognised to the extent that it is probable that the future economic benefits which are associated with them will flow to the entity and the cost can be measured reliably.

Items of property, plant and equipment and leasing assets are depreciated to their residual values, on a component basis (where applicable), on a straight-line basis over their estimated useful lives, commencing from the date they are available for use. The depreciation is calculated and charged to the statement of comprehensive income over the following periods:

Item	Average useful life
Plant and equipment	3 –10 years
Office equipment	3 – 5 years
Computer equipment	3 years
Motor vehicles	3 –10 years
Leasehold improvements	Lesser of useful life or period of lease
Buildings	Up to 20 years
Leasing assets	3 – 10 years

Residual values are re-assessed each year together with the useful life of assets.

Assets held under finance leases are depreciated over their expected useful lives on the shorter of the same basis as owned assets or the relevant lease.

Carrying amounts of property, plant and equipment and leasing assets are reduced to their recoverable amounts where these are lower than the carrying amounts. The expected future cash flows attributable to such assets are considered in determining the recoverable amounts. If the recoverable amount is lower than the carrying amount, it is impaired in the statement of comprehensive income.

1.4 Intangible assets other than goodwill

Intangible assets that are acquired by the company and which have finite useful lives are measured at cost less accumulated amortisation and impairment losses. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. The assessments that the useful lives are indefinite are assessed at least annually.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specification to which it relates. All other expenditure is recognised in profit or loss.

Intangible assets with finite useful lives are amortised on a straight-line basis in the statement of comprehensive income over their estimated useful lives. Amortisation is disclosed as part of depreciation and amortisation on the statement of comprehensive income. The estimated useful lives for the current period are as follows:

Item	Useful life
Computer software	3 – 10 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

At the end of each reporting period, or when deemed necessary, the carrying amount is compared to the recoverable amount and as such is tested for any indication of impairment. Where there is an impairment, this will be recorded against the carrying value.

1.5 Inventories

Inventory comprises vehicles, spares and accessories.

Inventories are stated at the lower of cost and net realisable value. Cost is determined as follows:

Vehicles	Specific cost
Spares and accessories	Weighted average cost

Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The amount of any write-down of inventories to net realisable value and all losses of inventories are charged to the statement of comprehensive income in the period the write-down or loss is incurred. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as an increase in the amount of inventories through the statement of comprehensive income in the period in which the reversal occurs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

1.6 Financial instruments

Classification

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument based on the business model and the contractual cashflows associated with the instrument.

Trade receivables, loans and other receivables

Trade receivables, loans and other receivables are measured at amortised cost using the effective interest rate method and reduced by the expected credit losses (“ECL”). The group has applied the simplified model determining the lifetime expected credit losses as there is no significant financing component. ECL have been considered in detail as part of the impairment of financial assets. Other receivables include prepayments, value added tax, deposits, sundry debtors, claims and recoverables. The group has made use of a provision matrix to determine the ECL and the details have been considered in the trade and other receivables note.

Financial instruments are carried at amortised cost and where the effect of the time value of money is not considered to be material, discounting is not applied as the carrying value approximates the fair value.

Impairment of financial assets

An assessment is made at each reporting date whether there is any objective evidence that trade, loans and other receivables are impaired. The group applies the simplified approach to calculate the ECL of trade receivables and contract assets. The rates used in the provision matrix are based on days past due and debt written off.

For all other financial assets classified at amortised cost as well as issued loan commitments, the general approach has been applied to calculate the ECL. The ECL is calculated by considering the consequences and probabilities of possible defaults only for the next twelve months.

Trade and loans payable

Trade payables are initially recognised at fair value and are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost which approximates fair value. Cash and cash equivalents comprise cash balances, call deposits and restricted cash which is expected to be available for use within 12 months from the reporting date.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method.

At subsequent measurement, interest-bearing borrowings are measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on the accrual basis in the statement of comprehensive income using the effective interest rate method, and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Where interest-bearing loans have interest rate swaps changing the interest rate from fixed to variable or vice versa, these are treated as hedged items and carried at fair value. Gains and losses arising from changes in fair value are included in the statement of comprehensive income.

Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are recognised at fair value through profit or loss. These instruments are analysed between current and non-current assets and liabilities, depending on when they are expected to mature. If an instrument is expected to mature with in one year from the reporting date it is considered to be current, if the terms of an instruments resulting in the instrument maturing in more than one year from the reporting date it will be recognised as non-current.

Fair value movements are recognised immediately in the statement of comprehensive income.

Fair value calculations

Listed investments which are held at fair value are valued based on regulated exchange-quoted ruling bid prices at the close of business on the last trading day on or before the reporting date. Fair values for unquoted equity instruments are estimated using applicable fair value models. If a quoted bid price is not available for dated instruments, the fair value is determined using pricing models or discounted cash flow techniques. Refer to the “other investments and loans note” and the “derivative financial instruments note” for additional details. Any unquoted equity instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at amortised cost.

All other financial assets and liabilities fair values are calculated by present valuing the best estimate of the future cash flows using the risk-free rate of interest plus an appropriate risk premium.

Derecognition

A financial asset is derecognised when its contractual rights to the cash flow from the financial asset expire, or if it transfers the asset together with its contractual rights to receive the cash flows of the financial assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.7 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor:

Operating leases

Income is recognised in the statement of comprehensive income over the period of the lease term on the effective interest rate basis.

Assets leased under operating leases are included under the appropriate category of asset in the statement of financial position. They are depreciated over the contractual lease term to their applicable residual value.

The company as lessee:

Finance leases

Assets held under finance leases are capitalised as assets at the lower of fair value or the present value of the minimum lease payments at the inception of the lease. The capitalised amount is depreciated over the asset's useful life. Lease payments are allocated between capital payments and finance expenses using the effective interest rate method.

The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total lease commitments and the fair value of the assets acquired, are charged to the statement of comprehensive income over the term of the relevant lease.

Operating leases

Operating lease costs are recognised in the statement of comprehensive income over the lease term on the straight-line basis. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is charged to the statement of comprehensive income in the period in which termination takes place.

1.8 Revenue recognition

The group has adopted IFRS 15 from 1 September 2018. Information about the group's accounting policies relating to contracts with customers and the effect of initially applying IFRS 15 is described in Note 2.1.

Sale of capital goods

Revenue comprises the net invoiced amount of goods supplied and services rendered to customers, excluding value-added tax. Revenue from the sale of capital goods includes the sale of the vehicles (new or used). The performance obligation required to recognise the revenue from the sale of capital goods is the capital goods need to be delivered to the customer. When the good have been delivered to the customer the control has passed and the revenue can be recognised at that point in time. The transaction price is based on the cost of the good sold increased by a margin.

Leasing rental

Revenue from leasing rentals is recognised over the period of the agreement to the extent of the value of the vehicle provided.

The performance obligations that need to be met include the provision of a vehicle being leased to the customer over an agreed contract period and the administration of the contract during the contract period.

The leasing of the vehicles is performed over time; therefore, the revenue is recognised over time as the customer consumes the benefit of the vehicle based on the input method. The consideration recognised monthly is based on a fixed monthly amount for the financing of the vehicle over the contract term and a fixed monthly amount for the admin fees. The admin fees are for clerical performance within the month of billing and therefore the admin fee is recognised at point in time. The admin fee is a separately billed component and is easily determined. The monthly rental of the vehicle is based on the asset value, over the period of the contract, using the contract interest rate, down to a residual value set through the rates methodology and is therefore easily determined.

Vehicle maintenance plans

Revenue from vehicle maintenance plans is recognised over the period of the agreement to the extent of the value of parts and services provided.

The performance obligations that need to be met in line with the vehicle maintenance plan include the maintenance services to be provided to the customer over the agreed contract period and the administration of the contract during the contract period.

The provision of the vehicle services are performed over time, therefore the revenue is recognised over time as the customer consumes the benefit of the maintenance based on the input method using the terms of the agreement and the expected costs associated with the maintenance. The admin fees are billed upfront for initiation of the contract and therefore recognised at point in time.

Value added products

Revenue for value added product services are based on master agreements that are in place with all customers which speak to the principles of the services provided. Contracts are approved by both parties and the parties are committed to perform.

The performance obligations that need to be met in order to recognise the revenue is, the value added product services need to be provided to the customer over the agreed contract period and the administration of the contract must be monitored during the contract period

The billing if the value added products is determined by the cost being rebilled with a margin, the admin fee is a separately billed component and is easily determined based on the clerical performance within the month.

The billing is for services which have already been consumed by the customer and therefore is recognised at point in time. The admin fees are billed monthly, for clerical performance within the month of billing and therefore the admin fee is recognised at point in time.

1.9 Finance costs

Borrowing costs are recognised as an expense charged to the statement of comprehensive income in the period in which they are incurred, except to the extent in which interest paid meets the criteria for capitalisation against a qualifying asset, in which case it is capitalised as part of the cost of the asset.

1.10 Taxation

Current taxation

The charge for current taxation is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Taxation is calculated using rates that have been enacted or substantively enacted at the statement of financial position date. To the extent that the current taxation is unpaid, a liability is recognised and if a refund is due at the year-end an asset is raised.

Deferred tax

Deferred taxation is calculated at the taxation rates enacted or substantially enacted at statement of financial position date and are expected to apply when the related deferred taxation asset is realised or deferred liability is settled and is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred taxation is raised on all temporary differences, other than the initial recognition of goodwill, and of assets or liabilities in transactions other than business combinations which at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred taxation is provided for on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group is able to and intends to settle its current tax assets and liabilities on a net basis.

1.11 Provisions

Provisions are recognised at the present value of the estimated costs required to settle the obligation and these include royalty and warranty provisions.

1.12 Impairment of assets

The carrying amount of the assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is an indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount is estimated at least annually for all goodwill and intangible assets with an indefinite useful life. The recoverable amount of an asset is calculated as the higher of its fair value in use or its fair value less cost to sell.

In assessing the value-in-use, the expected future cash flows from the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

Where the recoverable amount of an individual asset cannot be determined, the recoverable amount of the CGUs to which the asset belongs is determined. An impairment loss on a CGUs will be allocated first to goodwill and then to the other assets in the CGUs unit on a proportionate basis.

A previously recognised impairment loss is reversed if the recoverable amount of the asset increases as a result of a change in the estimate used to determine the recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss in respect of goodwill is not reversed.

1.13 Employee benefits

Medical aid obligation

Medical aid costs are charged to the statement of comprehensive income in the period in which the employees render their services to the company. Differences between contributions payable and contributions actually paid are shown as either pre-payments or accruals in the statement of financial position. There are no post-retirement benefit obligations for former employees.

Post-retirement benefits

Contributions are made to independently administered defined contribution pension and provident funds. Current contributions are charged to the statement of comprehensive income against income as incurred. Obligation ceases once the amounts due for the period have been settled.

Employees' leave entitlement

Employees' entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the annual leave liability at the statement of financial position date.

Bonus obligations

The expected cost of bonus payments is charged to the statement of comprehensive income when there is a legal or constructive obligation to make such payments as a result of past performance.

1.14 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in South African Rand, which is the company's presentation and functional currency.

Foreign currency transactions

Transactions denominated in foreign currencies are translated at the rates of exchange ruling on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Gains or losses arising on translations are credited to, or charged against, the statement of comprehensive income.

Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are financial instruments whose value changes in response to an underlying variable, require little or no initial investment and are settled in the future.

Derivative financial assets and financial liabilities are analysed between current and non-current assets and liabilities, depending on when they are expected to mature.

Fair value movements are recognised immediately in the statement of comprehensive income.

1.15 Share-based payments

The company participates in the following group share-related incentive plans:

Cash settled share-based payment plan

The share appreciation rights plan is accounted for as a cash-settled share-based payment plan. The plan is recognised at the fair value of the obligations due, in the statement of financial position, over the vesting period up to and including settlement date with a corresponding charge to the statement of comprehensive income. The liability is re-measured at each reporting date, using the Black-Scholes model to reflect the revised value of the notional enX shares at reporting date, adjusted for changes in assumptions including management's estimate of the number of notional enX shares that will ultimately vest. Changes in the fair value are recognised through the statement of comprehensive income.

Equity-settled share-based payment plan

The Forfeitable Share Plan (FSP) is equity-settled.

Equity-settled share-based payments are measured at fair value at the date of grant using the Binomial Model. The fair value determined at the grant date of the equity-settled share-based payment is charged through the statement of comprehensive income on the straight-line basis over the vesting period. The charge takes into account the best estimate of the number of shares that are expected to vest. Non-market conditions such as time-based vesting conditions and non-market performance conditions are included in the assumptions for the number of options that are expected to vest.

The shares awarded under the FSP are issued or purchased in the open market and held in an escrow account. These escrow shares are treated as treasury shares. At each reporting date, the entity revises its estimates on the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, through the statement of comprehensive income.

1.16 Management judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income or expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. This forms the basis of making the judgements on carrying values of assets or liabilities that are not otherwise readily apparent. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgements made by management

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments as follows:

Asset lives and residual values

Property, plant and equipment and leasing assets are depreciated over their useful life taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed at the reporting date and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Allowances for doubtful debts

Management applies judgement based on past experience with individual debtors which are overdue and as well as expected future changes in collections. Accordingly allowances are raised for doubtful debtors. Accounts are written off when they are delinquent or after having been handed over to legal counsel.

Revenue recognition

Revenue from vehicle maintenance plans is based on an actuarial calculation and the revenue is recognised on expected profits under the input model. This model is the best estimate of the revenue to be recognised.

2. ADOPTION OF NEW ACCOUNTING POLICY

The group has adopted IFRS 9 and IFRS 15 in the current year and the modified retrospective approach, permitted in terms of these standards, was utilised.

2.1 Impact of application of IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 *Revenue from Contracts with Customers* replaces IAS 18 and introduces a 5-step approach to revenue recognition. Details of the new requirements as well as their impact on the Group's consolidated financial statements are described below.

The Group has applied IFRS 15 in accordance with the modified retrospective approach with the date of initial application being 1 September 2018; and has applied the new accounting to all contracts that were in existence at 1 September 2018, which resulted in an adjustment to the opening retained income.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in IFRS 15 to describe such balances.

The Group's accounting policies for its revenue streams are disclosed in detail in note 1 above. The amount of adjustment for each financial statement line item affected by the application of IFRS 15 is illustrated below.

Impact on profit (loss) for the period ended 28 February 2019

Revenue	**R'000**
Decrease due to change in the timing	(4 771)
Increase due to decrease in trade, other payables and provisions	24 183
Increase in income tax expense	(5 435)
Increase in profit for the period	**13 977**

Impact on assets, liabilities and equity as at 1 September 2018

R'000	**As previously reported**	**IFRS 15 adjustments**	**As restated**
Total effect on assets	**3 031 712**	**–**	**3 031 712**
Retained earnings	**323 407**	**12 775**	**336 182**
Total effect on equity	**880 532**	**12 775**	**893 307**
Trade, other payables and provisions	299 520	(17 724)	281 796
Deferred Tax	256 593	4 968	261 561
Total effect on liabilities	**3 031 712**	**(12 775)**	**3 018 937**

The adjustment to deferred revenue relates to the reclassification of a balance sheet item that was previously recognised as part of deferred revenue and that has been reclassified as a contract liability.

2.2 IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement,* bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Detailed consideration has been given over the past year to the possible impact that IFRS 9 could have on financial statements of the group for the year ending 31 August 2019 and reporting periods thereafter. The changes in the classification and measurement of financial assets introduced by the new standard will not have a material impact on the consolidated statement of financial position and consolidated statement of profit, loss and other comprehensive income disclosed for the 2018 or the 2019 financial years in view of the accounting policies adopted by the group.

The most relevant change to the group is the requirement to use an expected loss model instead of the incurred loss model, which is currently being used, when assessing the recoverability of trade and other receivables. Based on the expected loss model contained in IFRS 9, there will not be any significant change in the provision for doubtful debts at 1 September 2018. Retrospective adoption of the standard has not been elected by the group.

The group applied IFRS 9 prospectively, with an initial application date of 1 September 2018. The group has not restated the comparative information, due to the adoption of the modified retrospective approach. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings.

There was no change in the expected credit losses recognised through the adoption of IFRS 9.

2.2.a. ***Classification and measurement of financial assets and financial liabilities***

IFRS 9 requires that financial assets that are within the scope of IFRS 9 are to be measured at amortised cost or fair value based on the group's business model for managing the financial assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the group's business model was made as of the date of initial application, 1 September 2018, the business models in place have been demonstrated per financial instrument in the table below. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of IFRS 9 have not had a significant impact to the group. There are no changes in classification and measurement for the group's financial assets and liabilities.

2.2.b. ***Impairment of financial assets***

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model (ECL) as opposed to an incurred credit loss model under IAS 39. IFRS 9 requires the group to account for an allowance for ECL as well as for changes in those ECL for all debt instruments not held at fair value through profit or loss and contract assets.

The group applies the simplified approach to calculate the ECL of trade receivables and contract assets. The provision rates are based on days past due and debt written off. The provision matrix is based on the group's historical observed default rates which have been applied. The provision matrix has been included in the trade and other receivables note. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

There were no financial assets or financial liabilities which the group had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the group has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the group has elected to designate as at FVTPL at the date of initial application of IFRS 9.

IFRS 9 introduces new measurement categories for financial assets and financial liabilities. The following table and the accompanying notes explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the group's financial assets and financial liabilities as at 1 September 2018. There has been no change in the measurement categories on the groups financial instruments as illustrated in the table below.

The impact of adopting IFRS 9 on the carrying amounts of financial assets at 1 September 2018 relates solely to the new impairment requirements.

R'000	Classification under IAS 39	Classification under IFRS 9	Business Model under IFRS 9	Carrying value amount under IAS 39	Carrying value amount under IFRS 9
Financial assets					
Trade and other receivables	Loans and receivables at amortised costs	Amortised cost	Hold to collect	244 403	244 403
Investments	Financial assets at fair value through profit and loss	Fair value through profit and loss	Evaluation on a fair value basis	13 379	13 379
Loans to related parties	Loans and receivables at amortised costs	Amortised cost	Hold to collect	84 518	84 518
Cash and cash equivalents	Loans and receivables at amortised costs	Amortised cost	Hold to collect	47 171	47 171
Total financial assets				**389 471**	**389 471**
Financial liabilities					
Loan from related parties	Other financial liabilities at amortised cost	Amortised cost		1 673 703	1 673 703
Non-current financial liabilities	Other financial liabilities at amortised cost	Amortised cost		2 305	2 305
Trade and other payables	Other financial liabilities at amortised cost	Amortised cost		296 913	296 913
Total financial liabilities				**1 972 921**	**1 972 921**

Under the 'hold to collect' business model financial assets are held to collect their contractual cash flows, rather than with a view to selling the assets to generate cash flows. Under the 'manage and evaluate on a fair value basis' business model financial assets are business models which are managed, and performance evaluated on a fair value basis.

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
3. **PROPERTY, PLANT AND EQUIPMENT**					
As at 28 February 2019					
Cost	45 334	28 795	5 395	35 347	114 871
Accumulated depreciation and impairments	(34 535)	(11 769)	(4 546)	(4 814)	(55 664)
Net carrying value	10 799	17 026	849	30 533	59 207
Movement summary					
Carrying value at the beginning of the period	11 649	10 427	881	30 479	53 436
Additions	1 675	–	139	472	2 286
Disposals	(67)	–	–	–	(67)
Depreciation – included in operating expenses	(2 434)	(1 721)	(171)	(442)	(4 768)
Transfer between categories	(24)	–	–	24	–
Transfer (to)/from leasing assets	–	8 335	–	–	8 335
Currency adjustments	–	(15)	–	–	(15)
Carrying value as at 28 February 2019	10 799	17 026	849	30 533	59 207
As at 31 August 2018					
Cost	44 351	18 838	5 255	34 875	103 319
Accumulated depreciation and impairments	(32 702)	(8 411)	(4 374)	(4 396)	(49 883)
Net carrying value	11 649	10 427	881	30 479	53 436
Movement summary					
Carrying value at the beginning of the year	12 477	13 017	131	31 770	57 395
Additions	3 598	353	898	–	4 849
Disposals	(25)	–	–	–	(25)
Depreciation – included in operating expenses	(4 401)	(2 849)	(148)	(1 291)	(8 689)
Transfer to leasing assets	–	(146)	–	–	(146)
Currency adjustments	–	52	–	–	52
Carrying value as at 31 August 2018	11 649	10 427	881	30 479	53 436
As at 31 August 2017					
Cost	42 346	19 232	4 414	35 350	101 342
Accumulated depreciation and impairments	(29 869)	(6 215)	(4 283)	(3 580)	(43 947)
Net carrying value	12 477	13 017	131	31 770	57 395

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
Movement summary					
Acquired through business combinations (note 29)	14 870	18 747	271	32 409	66 297
Additions	1 815	157	34	434	2 440
Disposals	–	–	(39)	(6 196)	(6 235)
Depreciation – included in operating expenses	(4 208)	(3 589)	(135)	(915)	(8 847)
Transfer to leasing assets	–	(2 296)	–	–	(2 296)
Transfer to inventory	–	–	–	6 038–	6 038
Currency adjustments	–	(2)	–	–	(2)
Carrying value as at 31 August 2017	12 477	13 017	131	31 770	57 395

A register of property, plant and equipment is available for inspection at the registered office of the company.

The management assumptions around useful lives and residual values are disclosed in the accounting policy notes (refer to note 1.4 Property, plant and equipment and note 1.19 Significant management judgements and estimates.)

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
4. **LEASING ASSETS**			
Cost	4 235 623	4 097 070	4 174 532
Accumulated depreciation	(1 487 787)	(1 521 720)	(1 614 245)
Net carrying value	2 747 836	2 575 350	2 560 287
Movement summary			
Carrying value at the beginning of the period	2 575 350	2 560 287	–
Acquired through business combinations	–	–	2 661 278
Additions	572 805	848 897	605 743
Depreciation	(231 486)	(462 164)	(445 566)
Transfer to inventories	(159 878)	(374 199)	(263 519)
Transfer (to)/from property, plant and equipment	(8 335)	146	2 296
Currency adjustments	(620)	2 383	55
Carrying value at the end of the period	2 747 836	2 575 350	2 560 287

5. **INTANGIBLE ASSETS**

	Computer software R'000	Total R'000
As at 28 February 2019		
Cost	71 015	71 015
Accumulated amortisation and impairment	(54 048)	(54 048)
Net carrying value	16 967	16 967
Estimated useful life of the intangibles	3 – 10 years	
Movement summary		
Carrying value at the beginning of the period	14 309	14 309
Additions	6 573	6 573
Amortisation for the period	(3 915)	(3 915)
Carrying value at the end of the period	16 967	16 967
As at 31 August 2018		
Cost	64 442	64 442
Accumulated amortisation and impairment	(50 133)	(50 133)
Net carrying value	14 309	14 309
Estimated useful life of the intangibles	3 – 10 years	
Movement summary		
Carrying value at the beginning of the year	8 391	8 391
Additions	11 499	11 499
Amortisation for the year	(5 581)	(5 581)
Carrying value at the end of the year	14 309	14 309
As at 31 August 2017		
Cost	52 943	52 943
Accumulated amortisation and impairment	(44 552)	(44 552)
Net carrying value	8 391	8 391
Estimated useful life of the intangibles	3 – 10 years	
Movement summary		
Acquired through business combinations	10 407	10 407
Additions	4 651	4 651
Disposals	(348)	(348)
Amortisation for the period	(6 319)	(6 319)
Carrying value at the end of the period	8 391	8 391

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
6. **OTHER INVESTMENTS AND LOANS**			
Investments			
Unlisted investments at fair value	12 577	13 373	12 271
Loans			
Finance lease receivables (refer to note 8)	802	1 766	2 209
Total carrying value	13 379	15 139	14 480
Movement summary			
Balance at the beginning of the period	15 139	14 480	–
Acquired through business combinations	–	–	14 217
Fair value adjustments through profit and loss	(795)	1 102	280
Other movements	(965)	(443)	(17)
Balance at the end of the period	13 379	15 139	14 480
Disclosed as:			
– Non-current assets	13 379	15 139	14 480
– Current assets	–	–	–
	13 379	15 139	14 480
The above are categorised as follows:			
– Loans and receivables	802	1 766	2 209
– Fair value through profit and loss	12 577	13 373	12 271
	13 379	15 139	14 480
Maturity analysis			
Maturing after one year but within five years	13 379	15 139	14 480

The carrying amounts of other investments and loans approximate their fair value.

The other investments and loans are level 3 financial instruments. Level 3 instruments are valued using various business related inputs which are not based on observable market data. Please refer to note 26, Financial Instruments for additional details.

	2019 R'000	2018 R'000	2017 R'000
7. **DEFERRED TAXATION**			
The balance consists of:			
Property, plant and equipment	(4 616)	(2 676)	(3 406)
Leasing assets	(297 637)	(291 833)	(292 894)
Intangible assets	(27 201)	(21 264)	(19 230)
Inventory	(2 909)	(162)	861
Trade and other receivables	7 628	6 087	6 586
Trade, other payables and provisions	49 521	59 412	59 043
Other	(2 280)	(2 768)	(3 647)
Estimated tax losses	4 912	1 045	1 445
Total carrying amount	(272 582)	(252 159)	(251 242)
Movement summary			
Balance at the beginning of the period	(252 159)	(251 242)	–
Acquired through business combinations	–	–	(249 762)
Deferred tax recognised in equity	(4 968)	15 462	(5 445)
Currency adjustments	(93)	204	132
Temporary differences for the period	(15 362)	(16 583)	3 833
Balance at the end of the period	(272 582)	(252 159)	(251 242)
Disclosed as:			
Deferred taxation – non-current asset	3 516	4 434	4 090
Deferred taxation – non-current liability	(276 098)	(256 593)	(255 332)
	(272 582)	(252 159)	(251 242)
Tax losses			
Taxation losses available for set off against future profits	17 543	3 732	5 161
Deferred tax assets recognised in respect of such taxation losses	4 912	1 045	1 445

Deferred taxation assets are raised only to the extent that their recoverability is probable. Deferred taxation assets relating to the carry-forward of unused taxation losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused taxation losses can be utilised.

Management has projected that future taxable income will be in excess of these tax losses based on budgets approved by the board of directors.

The Group has applied IFRS 15 in accordance with the modified retrospective approach with the date of initial application being 1 September 2018; and has applied the new accounting to all contracts that were in existence at 1 September 2018. The impact on 1 September 2018 has been disclosed in the movement schedule above, this is included in the trade, other payables and provisions balance.

		28 February 2019 R'000	31 August 2018 R'000	31 August 2017 R'000
8.	**AMOUNTS OWING BY/(TO) GROUP COMPANIES**			
	Due by group companies			
	Long term			
	enX Corporation Limited (Head Office)	71 964	54 625	–
	Eqstra Zambia Limited	579	579	579
	enX Leasing Investments Proprietary Limited	4	–	–
	enX Group Ltd	11 971	12 235	–
	Total amounts due by group companies	**84 518**	**67 439**	**579**
	Due to group companies			
	enX Inc Division	1 592 249	1 475 395	1 540 986
	Eqsta Financial Services	–	9	–
	Eqstra Flexi Fleet Proprietary Limited	–	53	53
	enX Leasing Investments Proprietary Limited	81 454	81 454	81 454
	Total amounts due to group companies	**1 673 703**	**1 556 911**	**1 622 493**
	Effective interest rates			
	Loans	10.00%	10.00%	10.00%

The loans are unsecured, have no fixed repayment terms and bear interest at a market related interest rate of 10% p.a. (2017 and 2018: 10%) and as a result the carrying amounts are considered to approximate fair value.

Loans with group entities are level 3 financial instruments. Level 3 financial instruments are valued using various business-related inputs which are not based on observable market data. Please refer to note 26, Financial Instruments for additional details.

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
9. **TRADE AND OTHER RECEIVABLES**			
Gross trade receivables	172 231	160 243	193 970
Impairment allowance raised against trade receivables	(29 137)	(23 330)	(44 824)
Net trade receivables	143 094	136 913	149 146
Prepayments	12 318	9 449	4 495
Value added taxation	7 391	5 332	7 509
Finance lease receivables	457	1 109	1 288
Sundry debtors, claims, recoverables and other receivables	73 507	66 656	82 050
Deposits	7 636	7 598	8 300
Total carrying amount	**244 403**	**227 057**	**252 788**
Disclosed as:			
Trade and other receivables – current	244 403	227 057	252 788

Trade receivables are stated at cost less impairment allowances which is considered to approximate their fair value due to their short-term maturity. The long-term portion is stated at amortised cost.

Movement in impairment allowance raised against receivables			
Balance at the beginning of the period	23 330	44 824	–
Acquired as part of business combinations	–	–	47 064
Impairment allowance raised during the period	6 489	(5 624)	18 617
Impairment allowance utilised during the period	(582)	(16 502)	(21 098)
Currency adjustment	(100)	632	241
Balance at the end of the period	**29 137**	**23 330**	**44 824**

Basis of raising impairment allowances against receivables

The recoverability of trade and other receivables is continuously reviewed on an individual basis. Credit limits are continuously monitored through payment history checks and industry information.

When all reasonable measures have been taken in recovering a receivable amount and when reasonable doubt exists as to the recoverability of any such individual receivable amount, a corresponding allowance for impairment is raised.

Allowances for impairment raised against receivables are reversed when a receivable amount is either written-off as a bad debt or when an amount previously provided against is received.

Related credit exposure and enhancements

Maximum exposure to credit losses of trade and other receivables	**150 730**	**144 511**	**157 446**

Further information regarding credit risk and credit risk management is detailed in note 26.

FINANCE LEASE RECEIVABLES

	Less than one year R'000	One to five years R'000	Total R'000
28 February 2019			
Minimum lease receivables	498	878	1 376
Unearned finance income	(40)	(76)	(117)
Present value of minimum lease receivables	**457**	**802**	**1 259**
Effective interest rates (%)			9.4%
31 August 2018			
Minimum lease receivables	1 201	1 920	3 121
Unearned finance income	(92)	(154)	(246)
Present value of minimum lease receivables	**1 109**	**1 766**	**2 875**
Effective interest rates (%)			8.6%
31 August 2017			
Minimum lease receivables	1 490	2 462	3 952
Unearned finance income	(202)	(254)	(456)
Present value of minimum lease receivables	**1 288**	**2 208**	**3 496**
Effective interest rates (%)			13.1%

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
10. **INVENTORIES**			
New vehicles	8 122	11 536	12 201
Used vehicles	12 329	1 134	16 170
Work in progress	567	932	57
Consumables	5 555	5 686	4 615
Gross inventories	26 573	19 288	33 043
Impairment allowance raised against inventories	(6 156)	(5 370)	(5 413)
Total carrying amount	**20 417**	**13 918**	**27 630**
Movement in impairment allowance raised against inventories			
Balance at the beginning of the period	5 370	5 413	–
Acquired through business combinations	–	–	4 010
Impairment provisions raised during the period	786	(43)	1 753
Impairment provisions utilised during the period	–	–	(350)
Balance at the end of the period	**6 156**	**5 370**	**5 413**
Inventories are valued at the lower of cost and net realisable value.			
Amounts recognised as an expense in the period	161 052	383 142	250 060

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
11. BANK AND CASH BALANCES			
Cash on hand	341	334	231
Bank accounts	46 830	58 171	32 773
	47 171	**58 505**	**33 004**
Disclosed as:			
Bank and cash balances – current asset	47 171	58 505	33 004
	47 171	**58 505**	**33 004**

	2019 R'000	2018 R'000	2017 R'000
12. STATED CAPITAL	**548 880**	**548 880**	**548 880**

12.1 Equity compensation benefits

Forfeitable share plan (FSP) scheme

The FSP scheme allows certain senior employees to receive shares should certain conditions be fulfilled.

	Date of issue	Period to expire from date of issue	IFRS 2 classification
enX Group Limited	14 December 2016	3 years	Equity settled
enX Group Limited	1 June 2018	3 years	Equity settled

The value of the FSP has been calculated using the Binomial model based on the following assumptions:	December 2016 scheme
– Expected dividend yield (%)	–
– Fair value of the FSP on grant date	17.90

	2019 R'000	2018 R'000	2017 R'000
Share-based payment expense recognised			
FSP scheme	825	2 841	2 012
Shares available for allocation to incentive schemes and movement during the year			
FSP scheme	**476**	**476**	**476**
Share appreciation rights at beginning of the period	476	476	–
Share appreciation rights granted during the period	–	–	476
Share appreciation rights forfeited during the period	–	–	–

The expected volatility was determined using volatility of the enX share since 1 September 2016.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of enX at vesting date.

The calculation of the share-based payment expense requires management to exercise a degree of judgement.

	2019 R'000	2018 R'000	2017 R'000
13. **OTHER RESERVES**			
Foreign currency translation reserve	2 102	3 392	188
Share-based payment reserve	5 678	4 853	2 012
	7 780	**8 245**	**2 200**
Movement summary			
Balance at the beginning of the period	8 245	2 200	–
Foreign currency translation reserve	(1 290)	3 204	188
Share-based payment expense	825	2 841	2 012
Balance at the end of the period	**7 780**	**8 245**	**2 200**

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
14. **TRADE, OTHER PAYABLES AND PROVISIONS**			
Trade payables	29 794	22 628	40 931
Accruals	186 837	219 710	227 319
Value added taxation	10 009	1 262	6 248
Employee-related accruals	16 032	36 702	28 870
Provisions	–	272	256
Deferred income	22 991	4 367	882
Sundry and other payables	31 250	14 579	23 020
	296 913	**299 520**	**327 526**

The directors consider the carrying amount of trade and other payables to approximate their fair value.

The average credit period is between 30 and 60 days. No interest is charged on trade payables for the first 1 to 60 days from the date of invoice.

The group has financial risk policies in place to ensure that all payables are paid within the credit time frame.

The Group has applied IFRS 15 in accordance with the modified retrospective approach with the date of initial application being 1 September 2018; and has applied the new accounting to all contracts that were in existence at 1 September 2018. The impact on 1 September 2018 has been included in the numbers disclosed above.

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
Provisions			
Balance at the beginning of the period	272	256	–
Acquired through business combinations	–	–	124
Provision raised	(266)	(25)	130
Provision utilised	–	41	(24)
Currency adjustment	(6)	–	26
Balance at the end of the period	**–**	**272**	**256**

	R'000	R'000	R'000
15. **REVENUE**			
Leasing rentals	**494 733**	**987 337**	**848 411**
– South Africa	461 035	912 616	771 444
– Rest of Africa	33 698	74 721	76 967
Vehicle maintenance plans	**206 713**	**496 773**	**336 344**
– South Africa	188 232	462 286	310 414
– Rest of Africa	18 481	34 487	25 930
Value added products	**72 298**	**165 655**	**148 943**
– South Africa	61 544	148 108	132 767
– Rest of Africa	10 754	17 547	16 176
Sale of goods	**191 275**	**456 167**	**307 923**
– South Africa	179 945	431 293	289 089
– Rest of Africa	11 330	24 874	18 834
Other income	**–**	**–**	**771**
– South Africa	–	–	771
– Rest of Africa	–	–	–
	965 019	**2 105 932**	**1 642 392**

For details with regarding to the revenue streams refer to the accounting policy note 1.8 "Revenue recognition".

	2019 R'000	2018 R'000	2017 R'000
16. **OPERATING PROFIT**			
Operating profit is stated after taking the following into account:			
Net operating expenses includes:			
Cost of sales	162 623	383 347	256 329
Staff costs	119 804	247 031	186 897
Other income	–	(1 102)	(280)
Operating expenses	244 593	638 598	463 574
	527 020	**1 267 874**	**906 520**
Operating profit is stated after taking the following items into account:			
Foreign exchange losses			
Unrealised forex losses	–	850	–
Realised forex losses	21	(184)	11
	21	**666**	**11**
Operating lease and rental charges			
Premises	6 341	11 678	7 633
Computer and office equipment	7 620	14 296	8 475
	13 961	**25 974**	**16 108**
(Profit)/loss on sale of non-current assets			
(Profit)/loss on disposal of property, plant and equipment	(51)	25	55
Other			
Consulting fees	2 778	5 196	–
Audit fees – audit services	2 270	4 526	1 899
Share-based payment charge	593	5 409	2 012
Employee costs			
Executive directors	2 110	7 727	12 925
Other staff	117 694	239 304	173 972
	119 804	**247 031**	**186 897**
Defined contribution retirement plan costs (included in staff costs) – provident fund	6 199	11 553	9 560
Defined contribution retirement plan costs (included in staff costs) – pension fund	7 183	13 353	9 560
	13 382	**24 906**	**19 120**

Defined contribution plan

All contributions on behalf of employees are charged to the statement of comprehensive income as they are made.

The group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds.

	2019 R'000	2018 R'000	2017 R'000
Depreciation and amortisation			
Intangible assets	3 915	5 581	6 319
Property, plant and equipment	4 768	8 689	8 847
Leasing assets	231 486	462 164	445 566
Depreciation and amortisation	**240 169**	**476 434**	**460 732**

	Feb 2019 R'000	Aug 2018 R'000	Aug 2017 R'000
17. NET FINANCE COSTS			
Interest received			
Interest received on deposits with banks and loan receivables	3 316	3 579	4 990
Other	263	1 130	1 113
	3 579	**4 709**	**6 103**
Interest paid			
Interest paid to banks and on loans payable	98 044	187 645	150 112
Other	358	722	995
	98 402	**188 367**	**151 107**
Net finance costs	**94 823**	**183 658**	**145 004**

	2019 R'000	2018 R'000	2017 R'000
18. TAXATION			
South African normal taxation			
Current year	9 051	13 505	30 531
Prior year	(2 922)	(50)	11 047
South African deferred taxation			
Current year	11 938	17 602	446
Prior year	3 120	(1 355)	–
	21 187	**29 702**	**42 024**
Foreign normal taxation			
Current year	2 618	8 451	10 606
Prior year	342	–	633
Foreign deferred taxation			
Current year	336	336	(4 279)
Prior year	–	–	–
	3 296	**8 787**	**6 960**
	24 483	**38 489**	**48 984**
Reconciliation of rate of taxation			
Accounting profit before taxation	102 444	171 866	128 168
Taxation at South African normal taxation rate (28%)	28 684	48 122	35 887
Tax effect of adjustments to taxable income			
Permanent differences:			
– Other non-deductible expenses	655	748	785
– Utilisation of assessed loss	(5 489)	(8 589)	422
– Foreign taxes	(60)	439	340
– Prior year	(540)	(1 405)	11 680
Currency adjustment	1 233	(826)	(130)
Taxation per statement of comprehensive income	**24 483**	**38 489**	**48 984**

	R'000	R'000	R'000
19. **CASH GENERATED FROM OPERATIONS**			
Profit before taxation	102 444	171 866	128 168
Adjusted for:			
– Interest received	(3 579)	(4 709)	(6 103)
– Interest paid	98 402	188 367	151 107
– Fair value adjustments on investments	796	(1 102)	(280)
– Depreciation and amortisation	240 171	476 496	460 732
– (Profit)/loss on disposal of property, plant and equipment	(51)	25	(55)
– Share based payment expense – non-cash	825	2 841	2 012
– Adjustment for IFRS 15	(19 412)	–	–
Cash generated from operations before working capital movements	419 596	833 784	735 581
Changes in working capital	171 769	374 077	113 417
Decrease in inventories	154 847	388 603	269 187
(Increase)/decrease in trade and other receivables	(22 090)	14 829	(84 793)
Increase/(decrease) in trade and other payables	39 012	29 355	(70 977
	591 365	**1 207 861**	**848 998**

	2019 R'000	2018 R'000	2017 R'000
20. **INTEREST PAID**			
Interest paid			
Total interest paid (refer to note 17)	(98 402)	(188 367)	(151 107)
Total interest paid (in cash)	(98 402)	(188 367)	(151 107)
Interest received			
Total interest received (refer to note 17)	3 579	4 709	6 103
Total interest received (in cash)	3 579	4 709	6 103
Total net interest paid in cash	**(94 823)**	**(183 658)**	**(145 004)**

	2019 R'000	2018 R'000	2017 R'000
21. **TAXATION PAID**			
Net taxation (payable)/receivable at beginning of period	(13 275)	10 358	–
Taxation payable arising on business combination	–	–	(10 668)
Current tax charged to the statement of comprehensive income	(9 089)	(21 906)	(52 817)
Currency adjustment	89	(143)	(169)
Transfer from enX Corporation Ltd (Head Office)	–	(15 461)	5 445
Net taxation payable/(receivable) at end of period	13 633	13 275	(10 358)
	(8 642)	**(13 877)**	**(68 567)**

	2019 R'000	2018 R'000	2017 R'000
22. **PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES**			
Book value of assets disposed	67	25	6 583
Profit/(loss) on disposal of plant and equipment	51	(25)	55
Proceeds on disposal of property, plant and equipment and intangibles	**118**	**–**	**6 638**

23. COMMITMENTS

Operating leases: receivable

The minimum future lease payments receivable under non-cancellable operating leases are as follows:

28 February 2019	More than five years R'000	One to five years R'000	Less than one year R'000	Total R'000
Vehicles	157 335	1 751 830	1 007 513	2 916 678
	157 335	**1 751 830**	**1 007 513**	**2 916 678**
31 August 2018				
Vehicles	44 423	1 833 060	972 232	2 849 715
	44 423	**1 833 060**	**972 232**	**2 849 715**
31 August 2017				
Vehicles	44 784	1 917 243	969 125	2 931 152
	44 784	**1 917 243**	**969 125**	**2 931 152**

The length of these vehicle leases range from 48 months to 60 months.

24. RETIREMENT BENEFITS

Defined contribution plan

All contributions on behalf of employees are charged to the statement of comprehensive income as they are made.

The group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds. Contributions to defined benefit plans are detailed in note 16.

25. CONTINGENT LIABILITIES AND GUARANTEES

There are not considered to be any contingent liabilities at 28 February 2019 and 31 August 2018 (2017: nil).

26. FINANCIAL INSTRUMENTS

Financial risk factors

The company's treasury activities are aligned to the company's decentralised business model and to enX Group's asset and liability committee's ("**ALCO**") strategies. ALCO is an enX Group board subcommittee responsible for implementing best practice asset and liability risk management with its main objectives being the management of liquidity, interest rate, price and foreign exchange risk. ALCO meets every quarter and follows a comprehensive risk management process. The treasury implements the ALCO risk management policies and directives and provides financial risk management services to the various divisional businesses, co-ordinates access to domestic and international financial markets for bank as well as debt capital market funding and monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks.

These risks include market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The day-to-day management of foreign exchange risk and credit risk is performed on a decentralised basis by the various business units within the guidelines approved by the board of directors of enX Group.

The company's objectives, policies and processes for measuring and managing these risks are detailed below.

The company seeks to minimise the effects of these risks by matching assets and liabilities as far as possible or by using derivative financial instruments to hedge these risk exposures. The adherence to the use of derivative instruments and exposure limits is reviewed on a continuous basis and results are reported to the group's audit and risk committee.

The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The company enters into financial instruments to manage and reduce the possible adverse impact on earnings of changes in interest rates and foreign exchange rates.

Market risk

This is the risk that changes in the general market conditions, such as foreign exchange rates, interest rates and credit risk may adversely impact on the company's earnings, assets, liabilities and capital. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and credit risk.

Currency risk

This is the risk of losses arising from the effects of adverse movements in exchange rates on net foreign currency asset or liability positions.

The policy of the company is to maintain a fully covered foreign exchange risk position in respect of foreign currency commitments with a few exceptions authorised by ALCO. Spare parts are settled in the spot market and where specific South African Exchange Control authorisation has been acquired, up to 75% of forecasted annual purchases can be covered. The day-to-day management of foreign exchange risk is performed on a decentralised basis by the various business units within the company's hedging policies and guidelines. Trade-related import exposures are managed through the use of natural hedges arising from foreign assets as well as forward exchange contracts.

The company has no uncovered foreign currency exposure and all foreign currency denominated assets and liabilities are hedged through foreign exchange contracts. Fair value is calculated as the difference between the contracted value and the value to maturity at the period end. The sensitivity of profits to changes in exchange rates is a result of foreign exchange gains/losses on translation of foreign denominated trade receivables and financial assets and liabilities at fair value through the statement of comprehensive income that are offset by equivalent gains/losses in currency derivatives. As the company does not transact with any material foreign receivables or payables, there is no material foreign currency exposure.

Interest rate risk

This is the risk that fluctuations in interest rates may adversely impact on the company's earnings, assets, liabilities and capital.

The company is exposed to interest rate risk as it borrows and places funds at both fixed and floating rates. The risk is managed by matching fixed and floating rate assets and liabilities wherever possible and achieve a repricing profile in line with ALCO directives through the use of interest rate derivatives. The company analyses the impact on profit and loss of defined interest rate shifts – taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

The company's financial services division, having access to local money markets, provides the subsidiaries with the benefits of bulk financing and depositing. The interest rate profile of total borrowings is reflected in note 10.

The company's remaining periods and notional principal amounts of the outstanding interest rate derivative contracts are:

	28 February 2019 R'000	31 August 2018 R'000	31 August 2017 R'000
Pay floating receive fixed			
One to five years	**–**	**–**	–
Fair value of interest rate swaps			
– Liability	**–**	**–**	–

The impact of a 1% change in interest rates will have not a material impact on profit and loss as the fixed rate loans are covered with interest rate swops and the income streams are linked to the prime interest rate.

Collateral

No financial assets were re-pledged during the period under review for collateral purposes.

Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the company.

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the company obtains appropriate collateral to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary boards.

The carrying amount of financial assets represents the maximum credit exposure. None of the financial instruments below were held as collateral for any security provided. The credit quality of all derivative financial assets is sound. None are overdue or impaired and the company does not hold any collateral on derivatives.

The risk of a single non-related party customer exceeding 5% of total company revenue is limited. There is one customer that individually accounts for more than 5% of company revenue.

It is company policy to deposit short-term cash with reputable financial institutions with high credit ratings assigned by international credit-rating agencies.

Trade accounts receivable

Trade receivables that are neither past due nor impaired

Trade accounts receivable consist mainly of a large, widespread customer base. The company monitors the financial position of its customers on an ongoing basis. Creditworthiness of trade debtors is assessed when credit is first extended and is reviewed regularly thereafter. The granting of credit is controlled by the application of account limits. Where considered appropriate, use is made of credit guarantee insurance.

	28 February 2019 R'000	31 August 2018 R'000	31 August 2017 R'000
Trade receivables that are neither past due nor impaired	**112 802**	**96 799**	**80 817**

Based on past experience, the company believes that no impairment is necessary in respect of trade receivables not past due as the amount relates to customers that have a good track record with the company, and there has been no objective evidence to the contrary.

The credit quality of all derivative financial assets is sound. None are overdue or impaired and the company does not hold any collateral on derivatives. The company has no exposure to counterparty credit risk on derivative assets in 2019 (2018 and 2017: RNil).

Past due trade receivables not impaired

Included in trade receivables are debtors which are past the original expected collection date (past due) at the reporting date and no provision has been made as there has not been a significant change in credit quality and the amounts are still considered recoverable. A summarised age analysis of past debtors is set out below.

	28 February 2019 R'000	31 August 2018 R'000	31 August 2017 R'000
Less than 1 month past due	**24 700**	**35 301**	39 988
Between 1 – 3 months past due	**34 729**	**28 143**	73 165
	59 429	**63 444**	113 153

The overdue debtor ageing profile above is typical of the industry in which certain of our businesses operate. No significant collateral was held by the company as security and other enhancements over the financial assets during the period.

Allowance for doubtful debts for loans and receivables

Before the financial instruments can be impaired, they are evaluated for the possibility of any recovery as well as the length of time at which the debt has been long outstanding. Provision is made for bad debts on trade accounts receivable. Management does not consider that there is any material credit risk exposure not already covered by credit guarantee or a bad debt provision.

	28 February 2019 R'000	31 August 2018 R'000	31 August 2017 R'000
Analysis of allowance for doubtful debts			
Balance at beginning of the period	23 330	44 824	–
Acquired through business combinations	–	–	47 064
Amounts written off during the period	(582)	(16 502)	(21 098)
Amounts recovered during period			
Increase in allowance recognised in the statement of comprehensive income	6 489	(5 624)	18 617
Currency adjustment	(100)	632	241
Balance at end of period	**29 137**	**23 330**	**44 824**

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium an long-term funding and liquidity management requirements. The company manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised borrowings are reflected in note 10. The company aims to cover at least its net debt requirements through long-term borrowing facilities.

Standard payment terms for the majority of trade payables is the end of the month following the month in which the goods are received or services are performed. To avoid incurring interest on late payments, financial risk management policies and procedures are entrenched to ensure the timeous matching of orders placed with goods received notes or services acceptances and invoices.

Maturity profile of contractual cash flows (including interest) of financial instruments are as follows:

	Carrying amount (Fair value) R'000	Contractual cash flow R'000	Less than one year R'000	One to five years R'000
28 February 2019				
Financial assets				
Investments and loans	**13 379**	**13 379**	**–**	**13 379**
Amounts owing by group companies	**84 518**	**84 518**	**–**	**84 518**
Trade receivables	**244 403**	**244 403**	**244 403**	**–**
Cash and cash equivalents	**47 171**	**47 171**	**47 171**	**–**
	389 471	**389 471**	**291 574**	**97 897**
Financial liabilities				
Amounts owing to group companies	**1 673 703**	**1 673 703**	**–**	**1 673 703**
Trade and other payables	**296 913**	**296 913**	**296 913**	**–**
	1 970 616	**1 970 616**	**296 913**	**1 673 703**
Percentage profile (%)			**15**	**85**
31 August 2018				
Financial assets				
Investments and loans	**15 139**	**15 139**	**–**	**15 139**
Amounts owing by group companies	**67 439**	**67 439**	**–**	**67 439**
Trade receivables	**227 057**	**227 057**	**227 057**	**–**
Cash and cash equivalents	**58 505**	**58 505**	**58 505**	**–**
	368 140	**368 140**	**285 562**	**82 578**
Financial liabilities				
Amounts owing to group companies	**1 556 911**	**1 556 911**	**–**	**1 556 911**
Trade and other payables	**299 520**	**299 520**	**299 520**	**–**
	1 856 431	**1 856 431**	**299 520**	**1 556 911**
Percentage profile (%)			**16**	**84**
31 August 2017				
Financial assets				
Investments and loans	14 480	14 480	–	14 480
Amounts owing by group companies	579	579	–	579
Trade receivables	252 788	252 788	252 788	–
Cash and cash equivalents	33 004	33 004	33 004	–
	300 851	300 851	285 792	15 059
Percentage profile (%)			95	5
Financial liabilities				
Amounts owing to group companies	1 622 493	1 622 493	–	1 622 493
Trade and other payables	327 526	327 526	327 526	–
	1 950 019	1 950 019	327 526	1 622 493
Percentage profile (%)			17	83

Fair values

The directors consider that the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value due to the short-term maturities of these assets and liabilities.

The fair values of listed investments represent the market value of quoted investments and other traded instruments. For non-listed investments and other non-traded financial assets fair value is calculated using discounted cash flows with market assumptions, unless carrying value is considered to approximate fair value.

The fair values of financial liabilities is determined by reference to quoted market prices for similar issues, where applicable, otherwise the carrying value approximates the fair value.

There were no defaults or breaches in terms of interest-bearing borrowings during both reporting periods.

There were no reclassifications of financial assets or financial liabilities that occurred during the period. There were no financial assets or liabilities that qualified for derecognition during the period.

Fair value hierarchy disclosures

28 February 2019	**Financial assets/ liabilities at fair value R'000**	**Financial assets/ liabilities at amortised cost R'000**
Financial assets		
Financial assets at fair value with profit or loss		
– Investments	**12 577**	**–**
Total financial assets	**12 577**	**–**
Total financial liabilities	**–**	**–**
31 August 2018		
Financial assets		
Financial assets at fair value with profit or loss		
– Investments	**13 373**	**–**
Total financial assets	**13 373**	**–**
Total financial liabilities	**–**	**–**
31 August 2017	**Financial assets/ liabilities at fair value R'000**	**Financial assets/ liabilities at fair value R'000**
Financial assets		
Financial assets at fair value with profit or loss		
– Investments	12 271	–
Total financial assets	**12 271**	**–**
Financial liabilities		
Financial liabilities designated at fair value through profit and loss		
– Derivative financial liabilities	–	–
Total financial liabilities	**–**	**–**

Valuation narration disclosures

Level 1 – valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This category includes highly liquid active listed equities.

Level 2 – valuations based on observable and unobservable inputs include:

Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as:

– quoted price for similar assets or liabilities in an active market;

– quoted price for identical or similar assets or liabilities in inactive markets;

– valuation model using observable inputs; and

– valuation model using inputs derived from/corroborated by observable market data.

Level 3 – valuations based unobservable inputs include:

Level 3 financial instruments are valued using various business-related inputs which are not based on observable market data.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal mix of liquidity and low cost of capital and to be able to finance future growth.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital includes share capital and borrowings.

27. SEGMENTAL INFORMATION

Operating segments have been identified using the approach as required by IFRS 8 (Operating Segments) in terms of which segment classification is determined according to the basis on which management presents and reviews operating results to the board quarterly.

There is only one operating segment in enX Corporation which operates in the fleet management and logistic sector, hence no separate segment report has been disclosed.

28. RELATED PARTY TRANSACTIONS

Fellow subsidiaries and key management are considered to be related parties. During the period the Fleet business, in the ordinary course of business, entered into sale and purchase transactions with related parties.

These transactions occurred under terms that are no less favourable than those arranged with third parties and can be substantiated.

Interest of directors in contracts

The directors have confirmed that they were not interested in any transaction of any significance with the company or any of the enX Group subsidiaries. Accordingly, a conflict of interest with regard to directors' interest in contracts does not exist.

Key management personnel

Key management personnel are directors and those executives having authority and responsibility for planning, directing and controlling the activities of the company. The company has many different operations, retail outlets and service centres where the company staff may be transacting. Often these transactions are minor and are difficult to monitor. Key management have to report any transactions with the company in excess of R100 000.

Key management personnel remuneration comprises:

	28 February 2019 R'000	31 August 2018 R'000	31 August 2017 R'000
Short-term employee benefits	8 131	27 231	40 261
Long-term employee benefits	271	691	1 369
Share based payments recognised as an expense	1 074	7 969	4 621
	9 476	35 891	46 251
Number of key management personnel	**4**	**5**	**5**

Directors' remuneration	**Salary R'000**	**Incentive R'000**	**Retirement benefits R'000**	**Other benefits R'000**	**Total R'000**
2019					
Paid by enX Corporation Limited					
PM Mansour	**1 751**	**–**	**–**	**–**	**1 751**
JV Carr	**1 692**	**–**	**271**	**147**	**2 110**
SB Joffe	**3 041**	**–**	**–**	**–**	**3 041**
JS Friedman[(a)]	**1 500**	**–**	**–**	**–**	**1 500**
	7 984	**–**	**271**	**147**	**8 402**

(a) Appointed 1 August 2018.

Directors' remuneration	**Salary R'000**	**Incentive R'000**	**Retirement benefits R'000**	**Other benefits R'000**	**Total R'000**
2018					
Paid by enX Corporation Limited					
PM Mansour[(a)]	**4 040**	**806**	**–**	**5 400**	**10 246**
IM Lipworth[(b)]	**2 984**	**–**	**–**	**41**	**3 025**
JV Carr	**2 965**	**3 740**	**470**	**552**	**7 727**
JL Serfontein[(c)]	**1 985**	**–**	**221**	**118**	**2 324**
SB Joffe[(d)]	**2 950**	**1 401**	**–**	**–**	**4 351**
JS Friedman[(e)]	**250**	**–**	**–**	**–**	**250**
	15 174	**5 947**	**691**	**6 111**	**27 923**

(a) P Mansour, the previous Executive Deputy Chairman, resigned effective 31 December 2017 and was appointed Chief Investment Officer and received a settlement payment for loss of office.
(b) Resigned effective 1 August 2018.
(c) Resigned effective 31 December 2017.
(d) Appointed 18 March 2018.
(e) Appointed 1 August 2018.

Directors' remuneration	**Salary R'000**	**Incentive R'000**	**Retirement benefits R'000**	**Other benefits R'000**	**Total R'000**
2017					
Paid by enX Corporation Limited					
PM Mansour***	2 549	3 823	–	–	6 372
IM Lipworth***	1 438	2 250	–	–	3 688
JV Carr	3 335	8 211	520	859	12 925
JL Serfontein	4 794	8 424	747	1 051	15 016
HM Lindeque**	712	427	102	2 388	3 629
	12 828	**23 135**	**1 369**	**4 298**	**41 630**
Paid by enX Group					
PM Mansour	1 899	–	–	–	1 899
IM Lipworth	1 375	–	–	–	1 375
	3 274	**–**	**–**	**–**	**3 274**

The board of directors has deemed that the prescribed officers of the company are limited to the directors.
The above directors qualify for share incentives as per the enX group scheme.
*** Resigned as a director on 28 November 2016.*
**** Appointed as a director on 16 January 2017.*

Participation in enX FSP scheme

Name	Grant date	Shares committed to plan	Vesting date
IM Lipworth	December 2016	80 357	September 2018
JV Carr	December 2016	245 682	December 2019
SB Joffe	August 2018	300 000	August 2021

Participation in enX SAR's scheme

Name	Grant date	Shares committed to plan	Vesting date
S Joffe	June 2018	424 995	June 2021
JV Carr	February 2017	414 906	December 2019
JV Carr	June 2018	215 386	June 2021
PD Mansour	February 2017	749 710	December 2019

28. RELATED PARTY BALANCES

Amounts due by/(to) group companies: Refer note 8	**2019 R'000**	**2018 R'000**	**2017 R'000**
Amounts included in trade and other receivables relating to group companies			
enX Inc. Division	–	–	4
Saficon Industrial Equipment Proprietary Limited	2 493	4 801	226
Eqstra Zambia Limited	19	64	431
EIE Group Proprietary Limited	192	134	20
New Way Power Proprietary Limited	30	6	–
Centlube Proprietary Limited	2	9	74
African Group Lubricants Proprietary Limited	123	–	–
Austro Proprietary Limited	–	315	–
Eqstra Lesotho Proprietary Limited	–	–	5
	2 859	**5 329**	760
Amounts included in trade and other payables relating to group companies			
enX Inc. Division	2 606	1 465	128
Saficon Industrial Equipment Proprietary Limited	319	279	196
EIE Group Proprietary Limited	86	58	88
Centlube Proprietary Limited	–	105	284
Ingwe Lubricants Proprietary Limited	–	117	–
enX Leasing Investments Proprietary Limited	–	–	11 754
	3 011	**2 024**	12 450

	2019 R 000	2018 R 000	2017 R 000
Related party transactions			
Revenue (group companies)			
EIE Group Proprietary Limited	657	1 575	4 193
600 SA Holdings Proprietary Limited	126	299	1 144
Saficon Industrial Equipment Proprietary Limited	10 313	20 045	43 129
Centlube Proprietary Limited	–	–	1 618
Austro Proprietary Limited	49	–	–
New Way Power Proprietary Limited	857	–	–
	12 002	**21 919**	50 084
Management fee paid (group companies)			
enX Inc. Division	8 245	15 739	25 978
	8 245	**15 739**	25 978
Interest paid (group companies)			
enX Inc. Division	95 726	185 480	144 664
enX Fleet Management Botswana Proprietary Limited	–	–	1 292
Dividend paid (group companies)			
enX Leasing Investments Proprietary Limited	13 794	2 003	68 425
	13 794	**2 003**	68 425

29. EMPLOYEE BENEFITS

Management participation in share-related incentive plan

In order to align the interests of management with those of shareholders, share-related incentives were awarded to certain key members of the management team. These incentives entitle the recipients to a cash settlement upon vesting, the quantum of which is to be referenced off any appreciation in the company's share price in excess of the strike price over the period between the commencement date and the determination date in respect of a notional holding of 1 797 290 in 2019 and 2018 (2017: 385 694) enX shares. These share-related incentives were granted at various strike prices and vesting dates. The 2016 incentive schemes vests two years after it has been awarded, after which it vests over three years in equal parts. The new incentive scheme issued in 2018 vests after three years from issuance, allowing participants an additional two years to exercise from vesting date.

Share appreciation rights (SAR) schemes

	Date of issue	Period to expire from date of issue	IFRS 2 classification
enX Group Limited	June 2018	3 years	Cash settled
enX Group Limited	December 2016	3 years	Cash settled

	2018 scheme	2017 scheme
Expected volatility (%)	28.84	27.39
Expected dividend yield (%)	–	–
Expected forfeiture rate (%)	–	–
Exercise price of share appreciation rights	R12,34	R16,62

	Valuation 2019 R'000	Valuation 2018 R'000	Valuation 2017 R'000
IFRS 2 share-related incentive valuation			
Balance at the beginning of the period	2 568	–	–
Expense recognised during the financial period	(263)	2 568	–
Balance at the end of the year	**2 305**	**2 568**	–
Disclosed as:			
Non-current financial liabilities	2 305	2 568	–
Other payables – current	–	–	–
	2 305	**2 568**	–

Share-related incentives are valued using the Black-Scholes model. The 30-day volume weighted average price ("**VWAP**") of the enX share as at 28 February 2019 and a risk-free rate of 7.03% (2018: 7.93%; 2017: 7.37%) were used to value the share incentive at year-end.

The share-related incentive is a level 2 fair value item in terms of fair value hierarchy. There were no transfers between level 1 and level 2 of the fair value hierarchy.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of enX and the probability of meeting the non-market vesting conditions relating to profitability targets over the vesting period at vesting date.

The calculation of the share-based payment expense requires management to exercise a degree of judgement.

30. POST-REPORTING DATE EVENTS

enX Shareholders are referred to the announcement released on SENS on Monday, 15 July 2019 in terms of which enX Shareholders were advised that enX had concluded a Subscription Agreement with Bidvest which once implemented will result in enX divesting of the EFML Business.

The divestment has been structured as a locked box transaction with effect from Lock Box Date (31 August 2018), being the date on which the economic benefit of the EFML Business will be deemed to have contractually passed to Bidvest.

The equity value payable in respect of the EFML Business is an amount equal to R1 295 million multiplied by an escalation factor of 7% from the Lock Box Date until the Closing less R10 million (being enX's portion of the premium payable in respect of the W&I Policy) and certain other amounts categorised as leakage under the Subscription Agreement. On the Closing, Bidvest will also refinance the Outstanding EFML Loan Amount and bringing the enterprise value of the Transaction to R3 095 million, as determined on the Lock Box Date.

Bidvest Group has provided a parent guarantee for all of the obligations of Bidvest under the Subscription Agreement, as part of the Transaction.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF EFML

The Directors
enX Group Limited
11 Gross Street
Tunney Industrial
Elandsfontein, 1600

29 October 2019

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL COMBINED FINANCIAL INFORMATION AND THE HISTORICAL COMBINED INTERIM FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO enX GROUP LIMITED SHAREHOLDERS

Introduction

At your request and for the purposes of the enX Group Limited ("the Company") Circular to be dated on or about 1 November 2019, we have:

- audited the historical combined financial information of the Eqstra Fleet Management and Logistics business being sold by the Company ("the Subject Matter") in respect of the year ended 31 August 2018 as presented in **Annexure 1** to the Circular dated 1 November 2019 ("the Circular");
- reviewed the historical combined financial information of the Subject Matter in respect of the 10-month period ended 31 August 2017 as presented in **Annexure 1** to the Circular; and
- reviewed the interim historical combined financial information of the Subject Matter for the six-months period ended 28 February 2019 as presented in **Annexure 1** to the Circular.

Historical Combined Financial Information for the year ended 31 August 2018

Opinion

The historical combined financial information in respect of the year ended 31 August 2018 as presented in **Annexure 1** to the Circular comprises the combined statement of financial position as at 31 August 2018, and the combined statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the historical combined financial information, including a summary of significant accounting policies.

In our opinion, the historical combined financial information presents fairly, in all material respects, the combined statement of financial position of the Subject Matter as at 31 August 2018, and its combined statements of comprehensive income, changes in equity and cash flows for the year then ended in accordance with the basis of preparation paragraph in note 1.1 and the JSE Listings Requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Historical Combined Financial Information for the year ended 31 August 2018* section of our report. We are independent of the Subject Matter in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to note 1.1 to the historical combined financial information for the year ended 31 August 2018, which describes the basis of preparation of the historical combined financial information and further describes that the Subject Matter has not operated as a separate entity. As a result the historical combined financial information is not necessarily indicative of results that would have occurred if the Subject Matter had been a stand-alone entity during the period presented, and may not be suitable for a purpose other than the circular. Our opinion is not modified in respect of this matter.

Directors' responsibility for the historical combined financial information

The Company's directors are responsible for the preparation and fair presentation of the historical combined financial information for the year ended 31 August 2018 in accordance with the basis of preparation and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical combined financial information that is free from material misstatement, whether due to fraud or error.

In preparing the historical combined financial information, the directors are responsible for assessing the Subject Matter's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Subject Matter or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the historical combined financial information for the year ended 31 August 2018

Our objectives are to obtain reasonable assurance about whether the historical combined financial information for the year ended 31 August 2018 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the historical combined financial information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the historical combined financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Subject Matter's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Subject Matter's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the historical combined financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Subject Matter to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the historical combined financial information, including the disclosures, and whether the historical combined financial information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Subject Matter to express an opinion on the historical combined financial information. We are responsible for the direction, supervision and performance of the Subject Matter audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Historical combined financial information for the 10 months ended 31 August 2017

We have reviewed the historical combined financial information of the Subject Matter in respect of the 10 months ended 31 August 2017 set out in **Annexure 1** to the Circular, comprising the combined statements of financial position, and the combined statements of comprehensive income, changes in equity and cash flows, including a summary of significant accounting policies and selected explanatory notes.

Directors' responsibility for the historical combined financial information

The directors are responsible for the preparation and fair presentation of the historical combined financial information in accordance with the basis of preparation and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical combined financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Reviews of the Historical Combined Financial Information for the 10 months ended 31 August 2017

Our responsibility is to express conclusions on the historical combined financial information for the 10 months ended 31 August 2017. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410), which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the historical combined financial information is not prepared, in all material respects, in accordance with the basis of preparation paragraph in note 1.1 and the JSE Listings Requirements. This standard also requires us to comply with relevant ethical requirements.

A review of the historical financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of the directors and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the historical combined financial information.

Conclusion on the historical combined financial information

Based on our review, nothing has come to our attention that causes us to believe that the historical combined financial information of the Subject Matter for the 10 months ended 31 August 2017 do not present fairly, in all material respects, the combined financial position of the Subject Matter as at 31 August 2017, and its combined financial performance and combined cash flows for the 10 months then ended, in accordance with the basis of preparation in note 1.1 and the JSE Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to note 1.1 to the historical combined financial information for the 10 months ended 31 August 2017, which describes the basis of preparation of the historical combined financial information and further describes that the subject matter has not operated as a separate entity. As a result the historical combined financial information is not necessarily indicative of results that would have occurred if the Subject Matter had been a stand-alone entity during the periods presented, and may not be suitable for a purpose other than the circular. Our conclusion is not modified in respect of this matter.

Interim historical combined financial information for the six-month period ended 28 February 2019

We have reviewed the interim historical combined financial information of the Subject Matter, as presented in **Annexure 1** to the Circular, which comprise the combined statement of financial position as at 28 February 2019 and the combined statements of comprehensive income, changes in equity and cash flows for the six-months period then ended, including a summary of significant accounting policies and selected explanatory notes.

Directors' responsibility for the interim historical combined financial information

The directors are responsible for the preparation and fair presentation of the historical combined financial information in accordance with the basis of preparation and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical combined financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the interim historical combined financial information for the six-month period ended 28 February 2019

Our responsibility is to express a conclusion on the interim historical combined financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the combined interim historical financial information are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim historical combined financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim historical combined financial information of the Subject Matter for the six-month period ended 28 February 2019 do not present fairly, in all material respects, the combined financial position of the Subject Matter as at 28 February 2019, and its combined financial performance and combined cash flows for the period then ended, in accordance with the basis of preparation in note 1.1 and the JSE Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to note 1.1 to the historical combined financial information for the six-month period ended 28 February 2019, which describes the basis of preparation of the historical combined financial information and further describes that the subject matter has not operated as a separate entity. As a result the historical combined financial information is not necessarily indicative of results that would have occurred if the Subject Matter had been a stand-alone entity during the periods presented, and may not be suitable for a purpose other than the circular. Our conclusion is not modified in respect of this matter.

Purpose of the report

The purpose of our report is for the circular of enX Group Limited and is not to be used for any other purpose.

Deloitte & Touche
Registered Auditor
Per: **T Marriday**
Partner

Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
South Africa

1 November 2019

PRO FORMA FINANCIAL INFORMATION OF ENX

The definitions and interpretations commencing on page 5 of this Circular apply to this **Annexure 3**.

The *pro forma* financial information of enX is set out below. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income of enX have been prepared for illustrative purposes only to show the financial effects of the Transaction. Due to the nature of the *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income, the *pro forma* financial information may not fairly present enX's financial position, changes in equity, results of operations or cash flows after the Transaction has been implemented.

The *pro forma* financial information is presented in a manner that is consistent with the accounting policies of enX, IFRS and the basis on which the historical financial information has been prepared. The financial information has been prepared in accordance with the Listings Requirements and in compliance with the SAICA Guide on *Pro Forma* Financial Information. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income set out below should be read in conjunction with the report of the independent reporting accountants which is included as **Annexure 4** to this Circular.

The Directors of enX are responsible for the preparation of the *pro forma* financial information.

Condensed consolidated statement of financial position

	enX Last published results[1] 28 February 2019 R'000	IFRS 9 and 15 opening balance adjustments[2] 28 February 2019 R'000	IFRS 15 Adjustments[2] 28 February 2019 R'000	IFRS 9 Adjustments[2] 28 February 2019 R'000	Before Transaction[2] 28 February 2019 R'000	Disposal of EFML Group[3.2] 28 February 2019 R'000	Adjustment for EFML Group balances recognised at a group level[3.6] 28 February 2019 R'000	Allocation of selling price after costs[3.7] 28 February 2019 R'000	After Transaction[3] 28 February 2019 R'000
ASSETS									
Non-current assets	**7 013 951**	–	–	–	**7 013 951**	(2 840 905)	(330 434)	–	**3 842 612**
Property, plant and equipment	**395 247**	–	–	–	**395 247**	(59 207)	–	–	**336 040**
Leasing assets	**5 611 832**	–	–	–	**5 611 832**	(2 747 836)	–	–	**2 863 996**
Goodwill	**478 461**	–	–	–	**478 461**	–	(181 589)	–	**296 872**
Intangible assets	**385 937**	–	–	–	**385 937**	(16 967)	(148 845)	–	**220 125**
Trade and other receivables	**16 899**	–	–	–	**16 899**	–	–	–	**16 899**
Investment in associate	**56 077**	–	–	–	**56 077**	–	–	–	**56 077**
Other investments and loans	**20 279**	–	–	–	**20 279**	(13 379)	–	–	**6 900**
Deferred taxation	**49 219**	–	–	–	**49 219**	(3 516)	–	–	**45 703**
Current assets	**2 900 741**	(110)	–	(367)	**2 900 264**	(315 951)	–	–	**2 548 313**
Inventories	**1 559 177**	–	–	–	**1 559 177**	(20 417)	–	–	**1 538 760**
Trade, other receivables and derivatives	**1 039 047**	(110)	–	(367)	**1 038 570**	(244 403)	–	–	**794 644**
Other investments and loans	**741**	–	–		**741**	–	–	–	**741**
Taxation receivable	**17 883**	–	–	–	**17 883**	(3 960)	–	–	**13 923**
Bank and cash balances	**283 893**	–	–	–	**283 893**	(47 171)	–	–	**236 722**
Total assets	**9 914 692**	(110)	–	(367)	**9 914 215**	(3 156 856)	(330 434)	–	**6 426 925**
EQUITY AND LIABILITIES									
Total shareholders' interests	**2 914 460**	12 695	13 977	(264)	**2 940 868**	(974 762)		1 151 630	**3 117 736**
Stated capital	**3 104 893**	–	–	–	**3 104 893**	0[3.3]		–	**3 104 893**
Other reserves	**(689 045)**	–	–	–	**(689 045)**	(7 780)		–	**(696 825)**
Accumulated profits	**463 072**	12 695	13 977	(264)	**489 480**	(947 616)[3.3]		1 151 630	**693 494**
Equity attributable to equity holders of the parent	**2 878 920**	12695	13 977	(264)	**2 905 328**	(955 396)		1 151 630	**3 101 562**
Non-controlling interests	**35 540**	–	–	–	**35 540**	(19 366)	–	–	**16 174**

	enX Last published results[(1)] 28 February 2019 R'000	IFRS 9 and 15 opening balance adjustments[(2)] 28 February 2019 R'000	IFRS 15 Adjustments[(2)] 28 February 2019 R'000	IFRS 9 Adjustments[(2)] 28 February 2019 R'000	Before Transaction[(2)] 28 February 2019 R'000	Disposal of EFML Group[(3.2)] 28 February 2019 R'000	Adjustment for EFML Group balances recognised at a group level[(3.6)] 28 February 2019 R'000	Allocation of selling price after costs[(3.7)] 28 February 2019 R'000	After Transaction[(3)] 28 February 2019 R'000
Non-current liabilities	**4 972 485**	4 607	5 435	(103)	**4 982 754**	(1 867 588)	(330 434)	(655 115)	**2 129 617**
Interest-bearing liabilities	**4 403 944**	–	–	–	**4 403 944**	(1 589 185)[(3.4)]	(288 757)	(655 115)	**1 870 887**
Deferred vendor consideration	**12 601**	–	–	–	**12 601**	–	–	–	**12 601**
Non-current financial liabilities	**12 955**	–	–	–	**12 955**	(2 305)	–	–	**10 650**
Deferred taxation	**542 985**	4 937	5 435	(103)	**553 254**	(276 098)	(41 677)	–	**235 479**
Current liabilities	**2 027 747**	(17 742)	(19 412)	–	**1 990 593**	(314 506)	–	(496 515)	**1 179 572**
Interest-bearing liabilities	**496 515**	–	–	–	**496 515**	–	–	(496 515)	**–**
Deferred vendor consideration	**12 179**	–	–	–	**12 179**	–	–	–	**12 179**
Trade, other payables and provisions	**1 445 820**	(17 742)	(19 412)	–	**1 408 666**	(296 913)	–	–	**1 111 753**
Taxation payable	**51 148**	–	–	–	**51 148**	(17 593)	–	–	**33 555**
Bank overdrafts	**22 085**	–	–	–	**22 085**	–	–	–	**22 085**
Total equity and liabilities	**9 914 692**	(110)	–	(367)	9 914 215	(3 156 856)	(330 434)	–	**6 426 925**
Supplementary information:									
Number of shares in issue	**181 317 725**				**181 317 725**				**181 317 725**
Number of shares in issue (net of treasury shares)	**178 939 229**				**178 939 229**				**178 939 229**
Net asset value per share (cents)	**1 608.9**				**1 623.6**				**1 733.3**
Net tangible asset value per share (cents)	**1 186.2**				**1 201.0**				**1 478.8**

Notes and assumptions:

1. The figures set out in the "enX last published results" column above have been extracted from the unaudited interim results of enX as at 28 February 2019.
2. The figures set out in the "Before Fleet transaction" column reflect the impact on opening retained earnings and current year six months as a result of the adoption of IRFRS 9 and 15. The opening balance impact has been audited to ensure that this disclosure will remain the same when presented in the enX Group AFS as at 31 August 2019. The impact of IFRS 9 on opening retained earnings was R 0.8 million and the impact of IFRS 15 was R14 million. When the interim results were released there was insufficient information available to assess the impact of IFRS 9 and 15 as an actuarial assessment had been initiated but was not completed. Based on previous assessments performed at that point in time the impact of IFRS 9 and 15 was not expected to be material.
3. The figures in the "After Transaction" column above reflect the pro forma effects on the "Before Transaction" resulting from the Transaction after taking into account the following transaction assumptions:

   3.1 The Fleet transaction is assumed to have been implemented on 28 February 2019 for the net asset value per share and net tangible value per share purposes.

   3.2 The EFML Group figures have been extracted from the reviewed interim accounts of EFML for the six months ended 28 February 2019.

3.3 These numbers have been adjusted to exclude the stated capital as this is consolidated out at a group level and therefore cannot be deducted from the group numbers.

3.4 The amount of interest-bearing liabilities disclosed is the net debt due per the historical numbers. The debt receivable and payable has been combined as Bidvest will settle the net debt amount in line with the terms of the transaction.

3.5 The interest-bearing liabilities held by EFML are inter-company loans, however, these loans are funded by group interest-bearing debt with external parties. This debt will be refinanced by Bidvest upon conclusion of the transaction and therefore enX Group will no longer be liable for the debt.

3.6 The adjustment for the EFML Group balances at a group level takes into account the disposal of the goodwill and intangible assets (and the deferred tax relating to the intangibles) that arose on the acquisition of EFML Group which have been disposed of as part of the transaction. As part of the transaction Fleet is paying for the acquisition of the goodwill and the intangibles resulting in a cash inflow which will be used to reduce the group debt.

3.7 The price associated with the transaction is R1 295 million multiplied by an escalation factor of 7% from 1 September 2018 until 28 February 2019. This has been reduced by the costs associated with the transaction amounting to R88 million after tax and capital gains costs of R31 million. These one-off costs include the estimated costs of preparing and distributing this Circular, holding the General Meeting, implementing the Transaction, including the fees payable to professional Advisors as well as any leakage costs as categorised in the Subscription Agreement. The net cash received has been applied to reduce the current group debt.

The net proceeds applied to reduce the current debt is reconciled as follows:

Gross proceeds	1 340 992
Transaction costs	(16 499)
Leakage costs	(35 719)
enX Group costs	(36 090)
Lesotho and PVPS exclusion	(70 185)
CGT costs	(30 869)
Net proceeds	**1 151 630**

3.8 The cash received on settlement of the transaction less the associated costs amounts to R1 152 million. The price associated with the transaction multiplied by an escalation factor of 7% from 1 September 2018 until 28 February 2019 amounts to R1 341 million. The transaction costs, leakage costs and enX Group costs associated with the transaction amounts to R88 million after tax and capital gains costs amounts to R31 million.

3.9 The profit on sale as at 28 February amounts to R365 million, the capital gains tax on disposal amounts to R31 million.

4. There are no other subsequent events that require adjustments to the *pro forma* financial information.

Condensed consolidated statement of profit and loss and other comprehensive income

	enX Last published results[1] 28 February 2019 R'000	IFRS 15 Adjustments[2] 28 February 2019 R'000	IFRS 9 Adjustments[2] 28 February 2019 R'000	Before Transaction[2] 28 February 2019 R'000	Disposal of EFML Group[3.2] 28 February 2019 R'000	Allocation of selling price [3.5, 3.6] 28 February 2019 R'000	Transaction and Leakage Costs [3.7, 3.8, 3.9] 28 February 2019 R'000	After Transaction[3] 28 February 2019 R'000
Revenue	**3 749 868**	(4 771)	–	**3 745 097**	**(965 019)**	–	–	**2 780 078**
Net operating expenses	**(2 765 260)**	24 183	(367)	**(2 741 444)**	**527 018**	–	–	**(2 214 426)**
Profit from operations before depreciation and amortisation	**984 608**	**19 412**	**(367)**	**1 003 653**	**(438 001)**	**–**	**–**	**565 652**
Depreciation and amortisation	**(593 362)**	–	–	**(593 362)**	**240 171**	–	–	**(353 191)**
(Loss)/profit on disposal of property, plant and equipment	**(73)**	–	–	**(73)**	**(51)**	–	–	**(124)**
Share-based payment expense	**(3 724)**	–	–	**(3 724)**	**593**	–	–	**(3 131)**
Foreign exchange losses	**(9 128)**	–	–	**(9 128)**	**21**	–	–	**(9 107)**
Operating profit	**378 321**	**19 412**	**(367)**	**397 366**	**(197 267)**	**–**	**–**	**200 099**
Impairment of goodwill	**–**	–	–	**–**	**–**	–	–	**–**
Income/(expenses) on sale of EFML Group	**–**	–	–	**–**	**–**	277 291	(96 916)	**180 375**
Profit before interest and taxation	**378 321**	**19 412**	**(367)**	**397 366**	**(197 267)**	**277 291**	**(96 916)**	**380 474**
Net finance costs	**(196 275)**	–	–	**(196 275)**	**94 823**	–	57 681[5]	**(43 771)**
Interest received	**4 574**	–	–	**4 574**	**(3 579)**	–	–	**995**
Interest paid	**(200 849)**	–	–	**(200 849)**	**98 402**	–	57 681	**(44 766)**
Share of profit from associate	**1 837**	–		**1 837**	**–**	–	–	**1 837**
Net profit before taxation	**183 883**	**19 412**	**(367)**	**202 928**	**(102 444)**	**277 291**	**(39 235)**	**338 450**
Taxation	**(54 553)**	(5 435)	103	**(59 693)**	**24 483**	(29 061)	(6 668)	**(71 131)**
Net profit after taxation	**129 330**	**13 977**	**(264)**	**143 043**	**(77 961)**	**248 230**	**(45 903)**	**267 409**
Attributable to:								
Equity holders of the parent	**127 357**	13 977	(264)	**141 070**	**(76 348)**	**248 230**	(45 903)	**267 049**
Non-controlling interests	**1 973**	–	–	**1 973**	**(1 613)**	–	–	**360**
Net profit after taxation	**129 330**	**13 977**	**(2647)**	**143 043**	**(77 961)**	**248 230**	**(45 903)**	**267 409**
Other comprehensive income net of taxation:								
Net profit after taxation	**129 330**	13 977	(264)	**143 043**	**(77 961)**	**248 230**	(45 903)	**267 409**
Items that may be reclassified subsequently to profit or loss:								
– Foreign currency translation reserve	**(8 844)**	–	–	**(8 844)**	**1 290**	–	–	**(7 554)**
Total comprehensive income	**120 486**	**13 977**	**(264)**	**134 199**	**(76 671)**	**248 230**	**(45 903)**	**259 855**

	enX Last published results(1) 28 February 2019 R'000	IFRS 15 Adjustments(2) 28 February 2019 R'000	IFRS 9 Adjustments(2) 28 February 2019 R'000	Before Transaction(2) 28 February 2019 R'000	Disposal of EFML Group(3.2) 28 February 2019 R'000	Allocation of selling price (3.5, 3.6) 28 February 2019 R'000	Transaction and Leakage Costs (3.7, 3.8, 3.9) 28 February 2019 R'000	After Transaction(3) 28 February 2019 R'000
Attributable to:								
Equity holders of the parent	**118 513**	13 977	**(264)**	**132 226**	**(75 058)**	**248 230**	(45 903)	**259 855**
Non-controlling interests	**1 973**	–	–	**1 973**	**(1 613)**	–	–	**360**
Total comprehensive income	**120 486**	**13 977**	**(264)**	**134 199**	**(76 671)**	**248 230**	**(45 903)**	**259 855**
Supplementary information:								
Basic earnings per share (cents)	**71.2**			**78.8**				**149.2**
Headline earnings per share (cents)	**71.2**			**78.9**				**149.3**
Diluted earnings per share (cents)	**70.2**			**77.8**				**147.3**
Diluted headline earnings per share (cents)	**70.3**			**77.8**				**147.3**
EBITDA	**978 332**			**997 377**				**559 939**
Number of shares in issue	**181 317 725**			**181 317 725**				**181 317 725**
Weighted average number of shares in issue (net of treasury shares)	**178 939 229**			**178 939 229**				**178 939 229**
Diluted number of shares in issue	**181 317 725**			**181 317 725**				**181 317 725**
Headline earnings reconciliation								
Net profit after taxation attributable to equity holders of the parent	**127 357**			**141 070**				**267 139**
Adjusted for:								
Loss/(profit) on disposal of property, plant and equipment	73			73				124
Taxation effect on adjustments	(20)			(20)				(35)
Headline earnings attributable to ordinary shareholders	**127 410**			**141 123**				**301 900**

Notes and assumptions:

1. The figures set out in the "enX last published results" column above have been extracted from the unaudited interim results of enX as at 28 February 2019.
2. The figures set out in the "Before Fleet transaction" column reflects the current year six-month impact of the adoption of IFRS 9 and 15. When the interim results were released there was insufficient information available to assess the impact of IFRS 9 and 15 as an actuarial assessment had been initiated but was not completed. Based on previous assessments performed at that point in time the impact of IFRS 9 and 15 was not expected to be material.
3. The figures in the "After Transaction" column above reflect the *pro forma* effects on the "Before Transaction" resulting from the Transaction after taking into account the following transaction assumptions:
   - 3.1 The Transaction is assumed to have been implemented on 1 September 2018 for earnings per share, diluted earnings per share, headline earning per share and diluted headline earning per share and adjusted headline earnings per share purposes.
   - 3.2 The EFML figures have been extracted from the reviewed interim accounts of the EFML Group for the six months ended 28 February 2019.
   - 3.3 The base price of the transaction as at 1 September 2018 is R1 295 million, this is seen to have been received on 1 September 2018 as through the transaction happened on this day.
   - 3.4 The equity value payable in respect of the EFML Business is an amount equal to R1 295 million on 1 September 2018. This has been reduced by the cost associated with the transaction amounting to R97 million before tax. These one-off costs include the estimated costs of preparing and distributing this Circular, holding the General Meeting, implementing the Transaction, including the fees payable to professional Advisors as well as any leakage costs as categorised in the Subscription Agreement, these leakage costs are estimated to be R29 million before tax. The net cash received has been applied to reduce the current group debt.
   - 3.5 The one-off net gain on the sale of the EFML Group is R277 million. This gain is based on the transaction price received of R1 295 million less the net asset value of EFML as at 1 September 2018, including the goodwill and intangibles sitting at a group level.
   - 3.6 The capital gains tax on the transaction is R29 million.
   - 3.7 The once off costs associated with the transaction amount to R97 million before tax. These costs include the estimated costs of preparing and distributing this Circular, holding the General Meeting, implementing the Transaction, including the fees payable to professional Advisors as well as any leakage costs associated with the transaction.
   - 3.8 The net cash received of R1 198 million has been applied to reduce the current group debt, this resulted in an interest saving for the six months ended 28 February 2019 of R58 million at an average interest rate of 9.63%. This adjustment will have continuing impact.
   - 3.9 The tax expense of R7 million is the income tax that will be paid as a result of the reduction in the interest expense reduced by the income tax receivable of R9.5 million on the leakage costs that are not capital in nature. The tax rate applied is 28%.
4. There are no other subsequent events that require adjustments to the *pro forma* financial information.
5. All adjustments are of a continuing nature unless indicated otherwise.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF ENX

To the Directors of enX Group Limited
11 Gross Street
Tunney Industrial
Germiston
1401

Dear Sirs/Mesdames

Report on the assurance engagement on the compilation of *pro forma* financial information included in a circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of enX Group Limited by the directors. The *pro forma* financial information, as set out in paragraph 6.3 and **Annexure 3** of the circular ("the circular"), to be dated on or about 1 November 2019, consists of *pro forma* consolidated statement of profit or loss and the *pro forma* consolidated statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraph 1 of the circular, on the company's financial position as at 28 February 2019, and the company's financial performance as if the corporate action or event had taken place at 1 September 2018 and for the period then ended. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's unaudited financial statements for the period ended 28 February 2019.

Directors' responsibility for the pro forma financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 6.3 and **Annexure 3** of the circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, which is applicable to an engagement of this nature*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 28 February 2019 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6.3 and **Annexure 3** of the circular.

Deloitte & Touche
Registered Auditor
Per: **SBF Carter**
Partner

29 October 2019

Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
South Africa

MATERIAL LOANS

Details of material loans, made to enX and its subsidiaries, are set out below:

Amounts owing by enX Corporation to the Noteholders^

Details of how the loan arose	Note reference	Original term	Principle	Base rate	Margin	Interest rate	Utilised	Issue date	Maturity date	Notes
Issue from DMTN programme	EQS06	5 years + 2 years	113 333 333	3m Jibar	2,52	9,295	113 333 333	09/04/2013	09/04/2020#	Original term of 5 years was extended by 2 years when debt was restructured when enX acquired EIE and EFML
Issue from DMTN programme	EQS10	5 years	70 000 000	3m Jibar	3,00	9.842	70 000 000	28/07/2017	28/07/2022	
Issue from DMTN programme	EQS11U	3 years	3 000 000	3m Jibar	6,00	12,800	3 000 000	20/09/2017	20/09/2020#	
Issue from DMTN programme	ENX01	3 years	158 000 000	3m Jibar	3,15	9,925	158 000 000	23/04/2018	23/04/2021	
Issue from DMTN programme	ENX01S	3 years	102 000 000	3m Jibar	2,45	9.300	102 000 000	23/04/2018	23/04/2021	Carries a 50% effective guarantee from RMB (a division of FirstRand Bank Limited)
Issue from DMTN programme	ENX02	4 years	96 000 000	3m Jibar	2,60	9,408	96 000 000	10/09/2018	10/09/2022	
Issue from DMTN programme	ENX03U	4 years	4 000 000	3m Jibar	5,60	12,408	4 000 000	10/09/2018	10/09/2022	
Issue from DMTN programme	ENX04	1 year + 2 years	225 000 000	1m Jibar	2,30	8.933	225 000 000	18/02/2019	01/03/2020#	enX Corp has the option to extend for 2 years
Issue from DMTN programme	ENX05	1 year + 2 years	170 000 000	3m Jibar	2,30	9.133	170 000 000	17/05/2019	04/05/2020#	enX Corp has the option to extend for 2 years
Issue from DMTN programme	ENX06	1 year	100 000 000	3m Jibar	1,45	8.258	100 000 000	12/06/2019	12/06/2020#	
Total			**1 041 333 333**				1 041 333 333			

Should the Transaction not be implemented, the redemption of notes due in the next 12 months will be funded from a combination of cash resources, committed undrawn liquidtiy facilities and further capital market issuance. The maturity dates of the notes that enX Corporation has the option to extend will be extended.

Amounts owing by enX Corporation to the Lenders^

Details how loan arose	Counterparty	Term	Facility	Base rate	Margin	Interest rate	Utilised	Issue date	Maturity date	Notes
Refinance EIE and EFML	Absa/ Nedbank/ RMB/SBSA/HSBC	6 years	2 382 500 000	3m Jibar	2.45	9.267	2 382 500 000	08/11/2016	08/11/2022	Amortised loan – first capital repayment due on 26/02/2021
Refinance EIE and EFML	Nedbank/RMB/ SBSA	3 years	200 000 000	3m Jibar	2.50	9.317	200 000 000	07/12/2017	07/12/2020	Bullet payment on maturity
Repay maturing notes	Absa/ Nedbank/ RMB/SBSA/HSBC	3 years	12 481 538	3m Jibar	2.00	8.817	12 481 538	25/04/2017	28/04/2020#	Quarterly amortisations to reduce loan to zero
Repay maturing notes	Absa/ Nedbank/ RMB/SBSA/HSBC	3,5 years	315 500 000	3m Jibar	2.75	9.567	281 888 233	28/04/2019	13/10/2021	Bullet payment on maturity
Refinance EIE and EFML	Absa/ Nedbank/ RMB/SBSA/HSBC	365 days notice	400 000 000	Prime Rate – 1.2%		8.8	–	08/11/2016	N/A	Repayable in 365 days if called
Total			**3 310 481 538**				2 876 869 771			

^ The amounts due to the Lenders are unsecured. Amounts due to the Lenders are guaranteed by enX, enX Leasing, Saficon and EIE Group Equipment Proprietary Limited.

 # Should the Transaction not be implemented, the amounts due to the Lenders in the next 12 months will be funded from a combination of cash resources, committed undrawn liquidity facilities and further capital market issuance.

Amounts owing by Impact Forktrucks Limited^

Details how loan arose	Counterparty	Term	Facility	Base Rate	Margin	Interest Rate	Utilised	Issue Date	Maturity Date	Notes
Finance UK leasing business	HSBC	4 years + 1 year rolling	1 307 600 000[!]	0.75	2.25	3.00	1 111 460 000	01/04/2016	31/03/2021	Asset-based finance
Finance UK leasing business	HSBC	3 years + annual rolling	186 800 000[!]	0.75	1.75	2.50	–	01/04/2016	31/03/2021	Invoice factoring
Finance UK OD	HSBC	1 year	28 020 000	0.50	2.75	3.25	19 009 030	01/04/2016	31/03/2021	
Total			**1 522 420 000**				**1 130 469 030**			

[!] Loans are GBP denominated and shown in ZAR. Translated at GBP:ZAR of 18.68.

^ The amounts due to the HSBC are secured by the leased fleet and inventory of forktrucks, rental agreements, receivables, bank accounts, certain land and buildings and shares in and guarantees from subsidiary companies.

Amounts owing by enX Trading

Details how loan arose	Counterparty	Term	Facility	Base rate	Margin	Interest rate	Utilised	Issue date	Maturity date	Notes
Finance Trading businesses	SBSA/RMB	5 years	60 000 000	3m JIBAR	3.70	10.517	60 000 000	31/08/2017	31/08/2022	Quarterly amortisations to reduce to zero
Finance Trading businesses	SBSA/RMB	3 years	75 000 000	1M/3M JIBAR	3.50	10.317 – 10.342	55 000 000	31/08/2017	28/02/2021	Bullet loan
Finance Trading businesses	SBSA/RMB	365 days notice	150 000 000	Prime	–	10,0	98 542 396	31/08/2017	N/A	Repayable in 365 days if called
Total			**285 000 000**				213 542 396			

The amounts due to RMB and SBSA are secured by:

1. Cession in security over the book debts of the Centlube, WAG, Austro, New Way Power, Power 02 and AGL;
2. Cession in security of the domestic debtor cover policies held by WAG and AGL;
3. General Notarial bond over the movable assets of Centlube, WAG, Austro, New Way Power, Power 02 and AGL;
4. Cession in security of the South African bank accounts of Centlube, WAG, Austro, New Way Power, Power 02 and AGL; and
5. Pledge and Cession of enX's shares in enX Trading.

There are no conversion or redemption rights applicable to any of the above borrowings.

Details of material loans made to EFML and/or its subsidiaries, are set out below:

– enX Corporation has advanced in aggregate an amount of R2 015 399 928 to EFML at the Last Practicable Date, excluding amounts advanced to Eqstra Zambia and the Eqstra Lesotho Loan. This amount represents an inter-divisional loan and is funded out of the borrowings described above. This loan value will fluctuate on a daily basis as daily cash shortfalls and surplus arising from the EFML business are advanced and repaid respectively.

ENX GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2001/029771/06)
JSE share code: ENX ISIN: ZAE000222253
("enX" or "the Company")

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached, shall bear the same meanings where used in this Notice of General Meeting.

NOTICE IS HEREBY GIVEN that a General Meeting of enX Shareholders will be held at 10:00 on Friday, 29 November 2019 at 11 Gross Street, Tunney Industrial, Elandsfontein, 1600 to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

In terms of sections 59(1)(a) and (b) of the Companies Act, the Board has set the record date for the purpose of determining which shareholders of enX are entitled to:

- receive the notice of the General Meeting (being the date on which an enX Shareholder must be registered as such in the Register to receive the notice of the General Meeting) as Friday, 25 October 2019; and
- participate in and vote at the General Meeting (being the date on which an enX Shareholder must be registered as such in the Register to participate in and vote at the General Meeting) as Friday, 22 November 2019.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE TRANSACTION IN TERMS OF THE LISTINGS REQUIREMENTS

"RESOLVED AS AN ORDINARY RESOLUTION, in accordance with the provisions of paragraph 9.20 of the Listings Requirements, that the Transaction be and is hereby approved by enX Shareholders."

For ordinary resolution 1 to be passed, votes in favour of the resolution must represent more than 50% of the voting rights exercised at the General Meeting in person or by proxy and who were entitled to exercise voting rights in respect of ordinary resolution number 1.

Reason and effect

The reason for ordinary resolution number 1 is that the Transaction is categorised as a category 1 transaction for enX in terms of the paragraphs 9.5, 9.6 and 9.20 of the Listings Requirements. Consequently, enX Shareholders are required to approve the Transaction by way of an ordinary resolution in terms of paragraph 9.20 of the Listings Requirements.

The effect of ordinary resolution number 1, if passed, will be to grant the necessary shareholder approval of the Transaction in terms of the Listings Requirements.

ORDINARY RESOLUTION NUMBER 2 – DIRECTORS' AUTHORITY

"RESOLVED AS AN ORDINARY RESOLUTION that any Director of enX or the company secretary of enX be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to give effect to ordinary resolution number 1 set out in this Notice of General Meeting and anything already done in this respect be and is hereby ratified to the fullest extent permissible in law."

For ordinary resolution 2 to be passed, votes in favour of the resolution must represent more than 50% of the voting rights exercised at the General Meeting in person or by proxy and who were entitled to exercise voting rights in respect of ordinary resolution number 2.

Reason and effect

The reason for and effect of ordinary resolution number 2 is to authorise each Director of enX to do all such things and sign all such documents as are deemed necessary or desirable to implement Ordinary Resolution Number 1 set out in the Notice of General Meeting, which requires the approval of the enX Shareholders.

VOTING AND PROXIES

The date on which enX Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 25 October 2019.

The date on which enX Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 22 November 2019, with the last day to trade being Tuesday, 19 November 2019.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairperson of the General Meeting and must accordingly bring a copy of their identity document or smart card, passport or drivers' licence to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

enX Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be an enX Shareholder. A Form of Proxy *(grey)*, which sets out the relevant instructions for its completion, is enclosed for use by Certificated enX Shareholders or Own-Name Registered Dematerialised enX Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy *(grey)* will not preclude such enX Shareholder from attending and voting (in preference to that enX Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed may be lodged with or posted to the Transfer Secretaries or the Company Secretary, at the addresses given below, to be received by them, for administrative purposes to ensure an orderly arrangement of affairs on the day, by no later than 10:00 on Wednesday, 27 November 2019 or thereafter handed to the Chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time.

Dematerialised enX Shareholders, other than Own-Name Registered Dematerialised enX Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such enX Shareholders and the CSDP or Broker.

Dematerialised enX Shareholders, other than Own-Name Registered Dematerialised enX Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

ELECTRONIC PARTICIPATION

In terms of clause 20.10 of the MOI, the Company intends to offer enX Shareholders reasonable access to attend the General Meeting through electronic participation. Accordingly, for administrative purposes and to ensure an orderly arrangement of affairs on the day of the General Meeting, in relation to the necessary electronic participation, any enX Shareholder who wishes to participate in the General Meeting by way of electronic participation should notify the Transfer Secretaries in writing (including details as to how the enX Shareholder or its representative can be contacted), at the address detailed in the Corporate Information page, at least five Business Days prior to the date of the General Meeting, namely before 10:00 on Friday, 22 November 2019, in order for the Transfer Secretaries to arrange for the enX Shareholder (and its representative) to provide reasonably satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act and for the Transfer Secretaries to provide the Shareholder (or its representative) with details as to how to access any electronic participation to be provided.

The costs of accessing any means of electronic participation provided by the Company will be borne by the enX Shareholder so accessing the electronic participation.

By order of the Board

enX Group Limited

Acorim Secretarial and Governance (represented by Natasha Petrides)
Company Secretary

(Being duly authorised hereto to sign this Circular for and on behalf of each and every Director in accordance with a board resolution)

1 November 2019

Registered office
11 Gross Street
Tunney Industrial
Elandsfontein, 1600

ENX GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2001/029771/06)
JSE share code: ENX ISIN: ZAE000222253
("enX" or "the Company")

FORM OF PROXY (*GREY*) – FOR USE BY CERTIFICATED AND OWN-NAME REGISTERED ENX DEMATERIALISED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meanings when used in this Form of Proxy.

For use only by enX Shareholders holding Certificated Shares, nominee companies of CSDPs, Brokers' nominee companies and Own-Name Registered Dematerialised enX Shareholders at the General Meeting to be held at 10:00 on Friday, 29 November 2019 at 11 Gross Street, Tunney Industrial, Elandsfontein, 1600, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

Dematerialised enX Shareholders who are not Own-Name Registered Dematerialised enX Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions, except for Own-Name Registered Dematerialised enX Shareholders recorded in the sub-register through a CSDP or Broker, which enX Shareholders must complete this Form of Proxy and lodge it with their CSDP or Broker in terms of the custody agreement entered into between them and their CSDP or Broker. Dematerialised enX Shareholders who are not Own-Name Registered Dematerialised enX Shareholders wishing to attend the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We (Full name in print)

of (address)

Telephone: (work) area code ( ) Telephone: (home) area code ( )

Cellphone number: Email address:

being the holder of Shares in enX, hereby appoint:

or failing him/her

or failing him/her

the Chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of Shares		
	In favour of	**Against**	**Abstain**
ORDINARY RESOLUTION NUMBER 1 Approval of the Transaction in terms of the Listings Requirements			
ORDINARY RESOLUTION NUMBER 2 Directors' authority			

Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the space provided should you wish all your Shares to be voted.

Signed at on this day of 2019

Signature(s)

Assisted by (where applicable) (state capacity and full name)

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be enX Shareholder(s) of enX) to attend, speak and vote in his/her stead at the General Meeting.

Please read the notes on the reverse side hereof.

Notes:

1. An enX Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered enX Shareholder.
2. Every enX Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such enX Shareholder holds. In the event of a poll, every enX Shareholder shall be entitled to that proportion of the total votes in enX which the aggregate amount of the nominal value of the Shares held by such enX Shareholder bears to the aggregate amount of the nominal value of all the Shares issued by enX.
3. enX Shareholders who have Dematerialised their Shares with a CSDP or Broker, other than Own-Name Registered Dematerialised enX Shareholders, must arrange with the CSDP or Broker concerned to provide them with the necessary authorisation to attend the General Meeting or the enX Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the enX Shareholder and the CSDP or Broker concerned.

Instructions on signing and lodging the Form of Proxy:

1. An enX Shareholder may insert the name of a proxy or the names of two alternative proxies of the enX Shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the General Meeting", but any such deletion must be initialed by the enX Shareholder. Should this space/s be left blank, the proxy will be exercised by the Chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. An enX Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that enX Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the enX Shareholder's exercisable votes. An enX Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the enX Shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries or Company Secretary.
4. To be valid, the completed Form of Proxy must be lodged with or posted to the Company Secretary or the Transfer Secretaries, at the addresses set out below, to be received by them, for administrative purposes to ensure an orderly arrangement of affairs on the day, by no later than Thursday, Wednesday, 27 November 2019, at 10:00 or thereafter by handing such form to the Chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time.

   Transfer Secretaries
   Computershare Investor Services Proprietary Limited
   Rosebank Towers
   15 Biermann Avenue, Rosebank, Johannesburg 2196
   (PO Box 61051, Marshalltown 2107)
5. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the Chairperson of the General Meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant enX Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such enX Shareholder wish to do so.
7. The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly an enX Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to enX.
8. The completion of any blank spaces overleaf need not be initialed. Any alterations or corrections to this Form of Proxy must be initialed by the signatory/ies.
9. The Chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which an enX Shareholder wishes to vote.

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