CORPORATE INFORMATION AND ADVISERS

Company Secretary and Registered Office
L Möller
61 Maple Street, Pomona
Kempton Park, 1619
(PO Box 1050, Bedfordview, 2008)

Corporate Adviser
Rothschild (South Africa) Proprietary Limited
(Registration number 1999/021764/07)
3rd Floor, Oxford Corner
32a Jellicoe Avenue West
Rosebank, Johannesburg, 2196
(PO Box 411332, Craighall, 2024)

Legal Adviser
Werksmans Inc
155 5th Street
Sandton, 2196
(Private Bag 10015, Sandton, 2146)

Independent Expert
KPMG Services Proprietary Limited
(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

Independent Reporting Accountant
Deloitte & Touche
Registered Auditors
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

Transaction Sponsor
Nedbank Corporate and Investment Banking
a division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

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ACTION REQUIRED BY EQSTRA ORDINARY SHAREHOLDERS

The definitions commencing on page 6 of this circular apply, *mutatis mutandis*, to this "Action required by Eqstra Ordinary Shareholders" section.

Please take careful note of the following provisions regarding the action required by Eqstra Ordinary Shareholders:

1. If you are in any doubt as to what action to take arising from this circular, please consult your CSDP, broker, accountant, attorney or other professional adviser immediately.
2. If you have disposed of all of your Eqstra Ordinary Shares, please forward this circular to the purchaser of such Eqstra Ordinary Shares or to the broker, CSDP, banker, accountant, attorney or any other agent through whom the disposal was effected.
3. This circular contains information relating to the Proposed 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.

   The General Meeting, convened in terms of the notice incorporated in this circular, will be held at 09:00 at 61 Maple Street, Pomona, Kempton Park, 1619 on Thursday, 22 September 2016.

4. **GENERAL MEETING**

4.1 **If you hold Dematerialised Shares:**

4.1.1 **"Own-name" registration**

You are entitled to attend in person, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries by no later than 09:00 on Tuesday, 20 September 2016 or may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting.

4.1.2 **Other than "own-name" registration**

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instruction. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You must **not** complete the attached form of proxy. In accordance with the mandate between you and your CSDP or broker you must advise your CSDP or broker timeously if you wish to attend, or be represented at, the General Meeting.

Your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend, or to be represented at the General Meeting.

4.2 **If you hold Certificated Shares**

4.2.1 You are entitled to attend, or be represented by proxy, at the General Meeting.

4.2.2 If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries by no later than 09:00 on Tuesday, 20 September 2016 or may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting.

5. **ELECTRONIC PARTICIPATION IN THE GENERAL MEETING**

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders.

Eqstra Ordinary Shareholders wishing to participate electronically at the General Meeting are required to deliver a notice to the Transfer Secretaries (email address: proxy@computershare.co.za or facsimile (011) 688 5238 or by post) at any time prior to the commencement of the General Meeting, that they wish to participate via electronic communication at the General Meeting. Each Eqstra Ordinary Shareholder will bear its own costs of accessing the General Meeting by electronic communication. Eqstra reserves the right to elect not to provide for electronic participation if it determines that it is not practical to do so.

In order for the notice to the Transfer Secretaries to be valid it must:

(a) if the Eqstra Ordinary Shareholder is an individual, contain a certified copy of such Eqstra Ordinary Shareholder's identity document and/or passport;

(b) if the Eqstra Ordinary Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and

(c) provide a valid email address and/or facsimile number (the "contact address/number").

Prior to the commencement of the General Meeting, Eqstra will use its reasonable endeavours to notify an Eqstra Ordinary Shareholder at its chosen contact address/number who has delivered a valid notice of the relevant details which the Eqstra Ordinary Shareholder can participate at the General Meeting via electronic communication.

Eqstra Ordinary Shareholders or their proxies who wish to participate in the General Meeting by way of electronic communication will be required to use the dial-in facility provided on the date of the General Meeting. The dial-in facility will be limited to the venue at which the General Meeting will take place on the date of, and from the time of commencement of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate in the General Meeting.

Eqstra Ordinary Shareholders or their proxies participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. Eqstra reserves the right not to provide for electronic participation at the General Meeting in the event that it determines that it is not practical to do so, or an insufficient number of Eqstra Ordinary Shareholders (or their representatives or proxies) request to so participate.

SALIENT DATES AND TIMES

The definitions commencing on page 6 of this circular apply, *mutatis mutandis*, to this "Salient dates and times" section.

	2016
Record date to receive this circular	Friday, 19 August
circular posted to Eqstra Ordinary Shareholders	Wednesday, 24 August
Announcement relating to the issue of the circular (together with the notice convening the General Meeting) released on SENS	Wednesday, 24 August
Announcement relating to the issue of the circular (together with the notice convening the General Meeting) published in the South African press	Wednesday, 24 August
Last day to trade in order to be recorded in the register to vote at the General Meeting	Tuesday, 13 September
Record date for voting at the General Meeting	Friday, 16 September
Form of proxy to be received by the Transfer Secretaries by no later than 09:00 on (or may be handed to the Chairman of the General Meeting prior to the commencement of the General Meeting)	Tuesday, 20 September
General Meeting to be held at 09:00 on	Thursday, 22 September
Results of General Meeting released on SENS	Thursday, 22 September
Results of General Meeting published in the South African press	Friday, 23 September
Finalisation announcement for the Unbundling and Change of Name released no later than 10:00 on	Tuesday, 8 November
Last day to trade in Eqstra Ordinary Shares on the JSE to participate in the Unbundling	Tuesday, 15 November
Last day to trade in Eqstra Ordinary Shares with the old name	Tuesday, 15 November
List and trade new Eqstra Ordinary Shares with the new name "eXtract" (ISIN: ZAE000223202) and removal of the old Eqstra Ordinary Shares on the JSE trading system	Wednesday, 16 November
Announcement relating to the ratio to be used for the apportionment of the base cost between Eqstra Ordinary Shares and enX Consideration Shares to be released on SENS	Wednesday, 16 November
Unbundling Record Date to receive enX Consideration shares and record date for the new name "eXtract Group Limited"	Friday, 18 November
enX Consideration Shares unbundled to Eqstra Ordinary Shareholders	Monday, 21 November
Eqstra Ordinary Shareholders' accounts with CSDP or broker updated	Monday, 21 November
Issue of Eqstra Ordinary Shares with the new name "eXtract" and certificates posted/CSDPs and brokers accounts updated	Monday, 21 November

Notes:

1. All dates and times shown in this circular are South African dates and times.
2. The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
3. This circular is available in English only. Copies of this circular are available on the Company's website at www.eqstra.co.za and may be obtained at the Company's Registered Office, 61 Maple Street, Pomona, Kempton Park, 1619 from Wednesday, 24 August 2016 to Thursday, 22 September 2016.

DEFINITIONS

In this circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them in the second column, reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other genders and an expression denoting natural persons shall include juristic persons and associations of persons.

"ADR Programme"	the American Depository Receipts Programme which Eqstra has entered into with the Bank of New York as depository in relation to 82 114 (eighty two thousand one hundred and fourteen) Eqstra Ordinary Shares, which number of shares have been delivered to and are being held by The Standard Bank of South Africa Limited, the custodian as agent for the Bank of New York;
"Amendments to the MOI"	the proposed amendments to the Eqstra MOI to facilitate, *inter alia*, the increase in Eqstra's authorised ordinary share capital and the inclusion of certain administrative amendments as set out in **Annexure 10** to this circular required in terms of the Listings Requirements;
"Break Fee"	the fee payable by either Eqstra or enX to the other party should the Proposed Transaction not proceed for the circumstances outlined in paragraph 13 of the circular;
"Business Day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"cent"	South African cent;
"Certificated Shareholder(s)"	Eqstra Ordinary Shareholders(s) who hold Certificated Share(s);
"Certificated Share(s)"	Eqstra Ordinary Share(s) represented by a share certificate(s) or other physical document(s) of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
"CGT"	capital gains tax as levied in terms of schedule 8 of the Income Tax Act;
"Change of Name"	the proposed change of name by Eqstra to eXtract Group Limited after the Final Completion Date, so as to exclude the word "Eqstra" from its name and from the name of any CMPR Subsidiaries which possess or use the "Eqstra" name;
"Circular"	this bound circular, dated Wednesday, 24 August 2016, including all annexures, the notice of General Meeting and form of proxy contained herein;
"CMPR Subsidiaries"	MCC, MCCT, Eqstra Mozambique Limitada, Eqstra Botswana Proprietary Limited and MCC Equipment Rental Proprietary Limited;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act, 2008 (No. 71 of 2008), as amended;
"Companies Regulations"	the Companies Regulations, 2011 to regulate matters relating to companies;

"Competing Offer"	any *bona fide* proposal or offer regarding any merger, amalgamation, share exchange, business combination, takeover bid, scheme of arrangement, sale or other disposition of all or substantially all of the assets of Eqstra (including the FML Subsidiaries and the IE Subsidiaries), recapitalisation, reorganisation, liquidation or any similar transaction, or series of transactions, which, if completed, would mean a person (other than enX or any person acting in concert with enX) would directly or indirectly: • acquire or agree to acquire all or the greater part of the assets or business of Eqstra and/or the FML Subsidiaries and the IE Subsidiaries; or • acquire or agree to acquire the "prescribed percentage" or more of the Eqstra Ordinary Shares as contemplated in Section 123(1) of the Companies Act;
"Competition Act"	the Competition Act, 1998 (No. 89 of 1998), as amended;
"Computershare" or "Transfer Secretaries"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company registered and incorporated in South Africa, and the transfer secretaries to Eqstra;
"Contract Mining and Plant Rental Division" or "CMPR Division"	Eqstra post the Proposed Transaction, being largely the Contract Mining and Plant Rental Division;
"Corporate Adviser" or "Rothschild"	Rothschild (South Africa) Proprietary Limited (Registration number 1999/021764/07);
"CSDP"	a central securities depository participant, appointed by individual shareholders for the purpose of, and in regard to, dematerialisation in terms of the Financial Markets Act;
"Co-underwriters"	the co-underwriters of the enX Capital Raise, namely Anchor Capital Proprietary Limited, First Avenue Investment Management Proprietray Limited, Ellerine Group Proprietary Limited, Richmark Proprietary Limited and Classic International Impex Proprietary Limited;
"Debt Listings Requirements"	the Debt Listings Requirements issued by the JSE and in force from time to time;
"Debt Restructure"	the proposed restructure of the Eqstra Group debt, including the Note Programme Restructure, the New Eqstra Corporation Facility, the New MCC Facility and the advancement of the Second enX Loan to MCC;
"Deloitte" or "Independent Reporting Accountant"	Deloitte & Touche, Registered Auditors, the Independent Reporting Accountant to Eqstra;
"Dematerialised Shareholder(s)"	Eqstra Ordinary Shareholders(s) who hold Dematerialised Share(s);
"Dematerialised Share(s)"	share(s) which have been dematerialised through a CSDP or broker and replaced by electronic record(s) of ownership under the Strate system;
"Disposal"	the proposed disposal by Eqstra to enX of the Fleet Management and Logistics Division and the Industrial Equipment Division, to be approved in terms of the JSE Listings Requirements and Section 115 as read with Section 112 of the Companies Act;
"Disposal Consideration"	the consideration of R1 107 023 190.00 for the Disposal to be settled by the issue of the enX Consideration Shares at R21.00 per enX Share post the enX Consolidation (and equivalent to the minimum enX Share price for the enX Capital Raise) ;
"Dissenting Shareholders"	Eqstra Ordinary Shareholders exercising their rights in terms of Section 164 of the Companies Act in respect of the Disposal and Unbundling;

"DMTNP"	the Eqstra Corporation Limited R8 billion Domestic Medium-Term Note Programme;
"Document(s) of Title"	share certificate(s), transfer deed(s) or form(s), balance receipt(s) or any other document(s) of title acceptable to Eqstra in respect of Certificated Shareholder(s);
"Drop-dead Date"	17:00 on 31 March 2017 or such later time and date as may be agreed in writing among Eqstra, enX and MCC;
"Employee Share Incentive Schemes"	collectively the employee share incentive schemes stipulated in paragraph 18 of the circular;
"enX" or "Purchaser"	enX Group Limited (Registration number 2001/029771/06), a public company incorporated and registered in South Africa, whose ordinary shares are listed on the JSE;
"enX Board"	the board of directors of enX from time to time;
"enX Call Option"	the option granted by Eqstra to enX on the MCC Preference Share Redemption Date to require Eqstra to allot and issue such number of new Eqstra Ordinary Shares as is equivalent to R600 million divided by R1.50 (one Rand and fifty cents);
"enX Capital Raise"	the proposed capital raise, underwritten by the co-underwriters, to be undertaken by enX in the amount of at least R1.5 billion in terms of a private placement;
"enX Capital Raise Shares"	approximately 71 428 572 enX Shares to be issued at an issue price of at least R21.00 per enX Share by enX pursuant to the enX Capital Raise;
"enX Circular"	the circular published by enX on the same date as this circular pertaining to, *inter alia*, the Proposed Transaction;
"enX Consideration Shares"	52 715 390 ordinary shares of no par value at R21.00 in the issued share capital of enX to be issued to Eqstra, being the Disposal Consideration;
"enX Consolidation"	the proposed consolidation of enX's authorised and issued share capital, on a fully-diluted basis, in the ratio of one consolidated enX Share for every eleven existing enX Shares;
"enX Group"	enX and its subsidiaries;
"enX Irrevocable Undertakings"	irrevocable undertakings obtained from enX Shareholders holding 81.4% of enX's issued ordinary share capital to exercise their voting rights in favour of passing all of the ordinary and special resolutions required to approve and give effect to the Proposed Transaction;
"enX Loans"	together, the First enX Loan and the Second enX Loan;
"enX Shareholders"	holders of enX Shares;
"enX Shares"	ordinary shares of no par value in the authorised and issued share capital of enX;
"EPS"	earnings per share;
"Eqstra" or "the Company"	Eqstra Holdings Limited (Registration number 1998/011672/06), whose name will be changed to eXtract Group Limited, a public company incorporated and registered in South Africa, whose ordinary shares are listed on the JSE;
"Eqstra Board" or "Eqstra Directors"	the board of directors of Eqstra whose names are reflected in paragraph 17 on page 31 of this circular;

"Eqstra Corporation"	Eqstra Corporation Limited (Registration number 1984/007045/06), a public (unlisted) company incorporated and registered in South Africa, a wholly-owned subsidiary of Eqstra;
"Eqstra Corporation Finance Agreements"	the credit and banking facility agreements, in the form of a common terms agreement and/or other finance documents, to be entered into after the signature date of the Transaction Agreement by Eqstra Corporation and the New Lenders for the purpose of making available to Eqstra Corporation the New Eqstra Corporation Facility;
"Eqstra Group"	Eqstra and its subsidiaries;
"Eqstra MOI" or "MOI"	the memorandum of incorporation of Eqstra;
"Eqstra NewCo"	Eqstra Investments Proprietary Limited (Registration number 2015/323818/07, a newly incorporated private limited liability company, wholly-owned by Eqstra, to facilitate the Restructure;
"Eqstra Ordinary Shareholders"	holders of Eqstra Ordinary Shares;
"Eqstra Ordinary Shares"	ordinary shares of no par value in the stated capital of Eqstra;
"Eqstra Shareholder Irrevocable Undertakings"	irrevocable undertakings obtained by enX from Eqstra Ordinary Shareholders and Eqstra Directors holding 60.92% of Eqstra's issued ordinary share capital to exercise their voting rights in favour of passing all of the Resolutions required to approve and give effect to the Proposed Transaction;
"Eqstra Subscription Shares"	101 400 000 Eqstra Ordinary Shares (equal to approximately 20% of the issued share capital of Eqstra post the implementation of the Proposed Transaction) to be issued by Eqstra to enX for an aggregate subscription price of R101 400 000.00, in terms of the Specific Issue of Ordinary Shares;
"Excess Assets Disposal"	the proposed disposal by Eqstra of the mining equipment used by Eqstra at the Benga Coal Mine in Mozambique that was identified as held for sale as at 31 December 2015 and the mining equipment owned by Eqstra in South Africa that was identified as held for sale as at 31 December 2015, being excess and under-utilised mining equipment;
"Excess Assets Disposal Circular"	the Eqstra circular dated 10 June 2016 which details the proposed disposal by Eqstra of the "Excess Assets", as defined in such circular;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of Section 9 of the Currency Exchanges Act, 1933 (No. 9 of 1933), as amended;
"Existing Eqstra Corporation Debt"	the amount of interest, capital and any other amounts owing in terms of the Existing CTA to the Lenders by Eqstra Corporation and any member of Eqstra Group which is an additional borrower under the Existing CTA as at the Signature Date, being an amount of R4 142 553 914.00 (four billion one hundred forty two million five hundred fifty three thousand nine hundred and fourteen Rand), together with interest accrued thereon from the Signature Date to the Second Preliminary Completion Date;
"Existing CTA"	means the written common terms agreement entered into on or about 4 December 2013 between, *inter alia*, the Lenders and Eqstra Corporation, in terms of which the Lenders make available to Eqstra Corporation and any member of Eqstra Group which becomes an additional borrower thereunder, a term loan facility, a general banking facility and other facilities as provided for or contemplated in the common terms agreement;

"Existing MCC Debt"	an amount equal to the face value of MCC's indebtedness to Eqstra Corporation on inter-company loan account as at the Signature Date, being an amount of R2 748 665 860.00 (two billion seven hundred forty eight million six hundred sixty five thousand eight hundred and sixty Rand), together with interest accrued thereon from the Signature Date to the Second Preliminary Completion Date;
"Expert Opinion"	the report prepared by the Independent Expert for inclusion in this circular in respect of the fairness and reasonableness of the terms and conditions of the Disposal and the Unbundling (and therefore the Proposed Transaction);
"Final Completion Date"	the date on which the Proposed Transaction steps are completed in the sequence prescribed in the Transaction Agreement and shall (i) where the Fulfilment Date falls on or before the 18th day of a given calendar month, be the last day of such calendar month; or (ii) where the Fulfilment Date falls after the 18th calendar day of a given calendar month, be the last day of the following calendar month;
"Financial Markets Act"	the Financial Markets Act, 2012 (No. 19 of 2012), as amended;
"First enX Loan"	a loan between Eqstra Corporation and MCC to regulate payment of the outstanding balance remaining of the Existing MCC Debt;
"First Preliminary Completion Date"	a Business Day to be agreed to by the Parties in writing, which is not earlier than the 10th Business Day following the Fulfilment Date and not later than the Final Completion Date minus three Business Days;
"Fleet Management and Logistics Division" or "FML Division"	Fleet Management and Logistics Division, a division of Eqstra, comprising the FML Subsidiaries;
"FML Subsidiaries"	Eqstra Corporation, Eqstra Fleet Services Proprietary Limited, Amasondo Fleet Services Proprietary Limited, Eqstra FlexiFleet Proprietary Limited, GPS Tracking Solutions Proprietary Limited, Eqstra Fleet Services Namibia Proprietary Limited, Eqstra Lesotho Proprietary Limited, Eqstra Zambia Limited, Eqstra Fleet Services (PVPS) Proprietary Limited, Eqstra (Swaziland) Proprietary Limited, Omatemba Fleet Services Proprietary Limited, Eqstra Risk Solutions Proprietary Limited, Eqstra Financial Services Proprietary Limited and Eqstra NH Equipment Proprietary Limited;
"Fulfilment Date"	the first Business Day following the date upon which the last outstanding Suspensive Condition is fulfilled or waived, as the case may be;
"General Meeting"	the general meeting convened in terms of the notice of general meeting incorporated in this circular, to be held at Eqstra's Registered Office at 09:00 on Thursday, 22 September 2016;
"HEPS"	headline EPS;
"Income Tax Act"	the South African Income Tax Act, 1962 (No. 58 of 1962), as amended;
"Independent Board"	Messrs Mageza, Ross, Swanepoel, Von Zeuner and Croucamp, the independent board established by Eqstra to consider the Proposed Transaction;
"Independent Expert" or "KPMG"	KPMG Services Proprietary Limited, the independent expert appointed by the Independent Board to provide an opinion as required by the Companies Act for the purpose of the Disposal and the Unbundling (and therefore the Proposed Transaction);
"Industrial Equipment Division" or "IE Division"	Industrial Equipment Division, a division of Eqstra, comprising the IE Subsidiaries;

"IE Subsidiaries"	Saficon, Impact Fork Trucks Limited, Apollo Plant Limited, Abex Limited, Eqstra TA Equipment Proprietary Limited and 600SA Holdings Proprietary Limited;
"JSE"	the stock exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in South Africa, licensed as an exchange under the Financial Markets Act;
"Last Practicable Date"	the last practicable date prior to the finalisation of this circular, being Friday, 12 August 2016;
"Legal Adviser" or "Werksmans"	Werksmans Inc., the Company's legal advisers;
"Lenders"	Absa Bank Limited, FirstRand Bank Limited, HSBC Bank plc (Johannesburg Branch), Nedbank Limited and The Standard Bank of South Africa Limited;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"MAC"	in relation to any one or more or all members of the Eqstra Group, on the one hand, or the enX Group, on the other hand, the occurrence of any event, circumstance or matter or combination of events, circumstances or matters which individually or in the aggregate has or is likely to have, or could reasonably be expected to have, a material adverse effect on: • the validity or enforceability of the Transaction Agreement; or • the business, properties, condition (financial or otherwise), operations, performance or prospects of one or more or all members of the Eqstra Group or the enX Group, as the case may be, provided that such event, circumstance or matter or combination of events, circumstances or matters is likely to have the effect of reducing the forecasted aggregate consolidated net asset value or NPAT of the Eqstra Group or the enX Group, as the case may be, for the 12 (twelve) -month period to end on 30 June 2017, by more than R95 000 000.00 (ninety five million Rand) as a result of the occurrence of a single event, circumstance or matter or alternatively, a combination of events, circumstances or matters where each has the effect of reducing such net asset value or NPAT by at least R25 000 000.00 (twenty five million Rand) and taken together they have the effect of reducing such NPAT by at least R95 000 000.00 (ninety five million Rand); • the ability of any one or more or all members of the Eqstra Group or the enX Group, as the case may be, to comply with any material applicable law(s) to which they are subject; or • the commencement of insolvency or business rescue proceedings in relation to any one or more or all members of the Eqstra Group or the enX Group, as the case may be;
"Major Subsidiaries"	Eqstra's subsidiaries that represent 25% or more of the total assets or revenue of the consolidated Eqstra Group based on the latest published interim results, being Eqstra Corporation, Saficon and MCC;
"MCC"	MCC Contracts Proprietary Limited (Registration number 1983/008084/07), a private company incorporated and registered in South Africa, a wholly-owned subsidiary of Eqstra;
"MCC Finance Agreements"	the credit and banking facility agreements, in the form of a common terms agreement and/or other finance documents to be entered into after the Signature Date by MCC and the New Lenders for the purpose of making available to MCC the New MCC Facility;
"MCC Preference Shares"	cumulative, fixed rate, redeemable preference shares in the authorised share capital of MCC having no par value;

"MCC Preference Share Redemption Amount"	the issue price of the relevant MCC Preference Shares plus all undeclared and/or unpaid preference dividends, including (without limitation) any accumulated dividends and unpaid dividends and any adjustment dividends, if applicable, and any other amount payable by MCC to the Preference Shareholder holding such shares;
"MCC Preference Share Redemption Date"	a day which is not sooner than three years and one day and not later than five years after the date of issue of the MCC Preference Shares;
"MCCT"	Mutual Construction Company (Transvaal) Proprietary Limited (Registration number 1988/002721/07), a private company incorporated and registered in South Africa, a wholly-owned subsidiary of Eqstra;
"NACQ"	nominal annual compounded quarterly;
"NAV"	net asset value per share;
"Nedbank" or "Transaction Sponsor"	Nedbank Corporate and Investment Banking, a division of Nedbank Limited (Registration number 1951/000009/06), a public company incorporated and registered in South Africa;
"New Eqstra Corporation Facility"	the new banking facilities to be granted by the New Lenders to Eqstra Corporation in terms of the Eqstra Corporation Finance Agreements, which will entitle Eqstra Corporation to draw-down R3 357 000 000.00 (three billion three hundred and fifty seven million Rand), and comprising: • a term loan facility of R2 357 000 000.00 (two billion three hundred and fifty seven million Rand), whose purpose is to repay the Existing Eqstra Corporation Debt; • a general banking facility of R400 000 000.00 (four hundred million Rand); • a liquidity facility of R600 000 000.00 (six hundred million Rand); and • an indirect general banking facility;
"New Lenders"	Absa Bank Limited, FirstRand Bank Limited, acting through its Rand Merchant Bank Division, HSBC Bank plc (Johannesburg Branch), Nedbank Limited and The Standard Bank of South Africa Limited, being the lenders under the New MCC Facility and the New Eqstra Corporation Facility;
"New MCC Facility"	the new banking facilities to be granted by the New Lenders to MCC in terms of the MCC Finance Agreements which will entitle MCC to draw-down R2 065 000 000.00 (two billion sixty five million Rand) and comprising: • a term loan facility of R1 865 000 000.00 (one billion eight hundred and sixty five million Rand), whose purpose is to repay a portion of the Existing MCC Debt; • a general banking facility of R200 000 000.00 (two hundred million Rand); and • an indirect general banking facility;
"Note Programme Restructure"	the proposed amendments to the applicable pricing supplements in relation to the Series 176 Notes and the Series 191 Notes;
"Noteholders"	shall have the meaning ascribed thereto in the Programme Memorandum;
"NPAT"	consolidated net profit after tax;
"Parties"	the parties to the Transaction Agreement, being Eqstra, enX and MCC, and includes an individual reference to any of them as the context may require;
"*Pro Forma* Financial Information"	the *pro forma* financial effects of the Proposed Transaction on the most recently published financial information of Eqstra as set out in paragraph 15 of this circular and **Annexure 11** to this circular;

"Programme Memorandum"	the programme dated on or about 16 March 2012 establishing the DMTNP;
"Proposed Transaction"	collectively the Disposal, the Unbundling, the Recapitalisation and the Debt Restructure;
"Rand" or "R"	a South African Rand, the official currency of South Africa;
"Recapitalisation"	the recapitalisation of the CMPR Division through the Specific Issue of Ordinary Shares and the issue and allotment of the MCC Preference Shares to enX;
"Register"	the securities register of Eqstra, including the Uncertificated Register;
"Registered Office"	the registered office of Eqstra, being 61 Maple Street, Pomona, Kempton Park, 1619;
"Resolutions"	the ordinary and special resolutions to be approved by the requisite majority of Eqstra Ordinary Shareholders at the General Meeting, to approve the implementation of the Proposed Transaction;
"Restructure"	the proposed restructure of the Eqstra Group, effected as an "asset-for-share transaction" in terms of Section 42 of the Income Tax Act, whereby Eqstra will dispose of all of its shares in the Subject Companies to Eqstra NewCo for the issue of shares in Eqstra NewCo, which will take place prior to, and thereby facilitate, the Proposed Transaction;
"Saficon"	Saficon Industrial Equipment Proprietary Limited (Registration number 1970/002074/07), a private company incorporated and registered in South Africa, a wholly-owned subsidiary of Eqstra;
"Second enX Loan"	a loan to be advanced by enX to MCC in the amount of R700 million;
"Second Preliminary Completion Date"	means the first Business Day immediately succeeding the First Preliminary Completion Date and being not later than the Final Completion Date minus two Business Days;
"Section 112 Disposal"	the Disposal, and the related Unbundling, being categorised as a disposal of a greater part of the assets of Eqstra in terms of Section 115 as read with Section 112 of the Companies Act;
"SENS"	the Stock Exchange News Service of the JSE;
"Series 176 Notes"	R900 million senior unsecured floating rate notes, due 9 April 2018;
"Series 191 Notes"	R340 million senior unsecured floating rate notes, due 9 April 2018;
"Signature Date"	the date of signature of the Transaction Agreement by the party signing last in time, being Wednesday, 29 June 2016;
"South Africa"	the Republic of South Africa;
"Specific Issue of Ordinary Shares"	the specific issue of the Eqstra Subscription Shares for cash to enX;
"Strate"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in South Africa and the electronic settlement system for transactions that take place on the JSE and off-market trades;
"STT"	securities transfer tax levied in terms of the Securities Transfer Act, 25 of 2007;
"Subject Company/ies"	collectively, or separately and individually depending on the context, each of the FML Subsidiaries, and the IE Subsidiaries;
"Suspensive Conditions"	the suspensive conditions set out in paragraph 4 of this circular;

"Takeover Regulations"	The Takeover Regulations issued in terms of section 120 of the Companies Act, as amended from time to time;
"TNAV"	tangible net asset value per share;
"Transaction Agreement"	the agreement dated 29 June 2016 entered into between Eqstra, enX and MCC to give effect to the Proposed Transaction;
"Transaction Documents"	the agreements required to give effect to the Proposed Transaction, including but not limited to the Transaction Agreement;
"Treasury Shares"	Eqstra Ordinary Shares owned by Eqstra Corporation which, at the Last Practicable Date, amounted to 5 889 279 Eqstra Ordinary Shares;
"TRP"	the Takeover Regulation Panel, a regulatory body established in terms of Section 196 of the Companies Act;
"Unbundling"	the Unbundling by Eqstra of the enX Consideration Shares to Eqstra Ordinary Shareholders by way of a distribution in terms of Section 46 of the Companies Act, in the ratio of 0.13 enX Consideration Shares for every one Eqstra Ordinary Share (based on the number of Eqstra Ordinary Shares in issue at the Last Practicable Date) held at the close of business on the Unbundling Record Date (subject to the rounding principles contained in the Eqstra MOI, i.e. allocations will be rounded down to the nearest whole number if they are less than 0.5 and will be rounded up to the nearest whole number if they are equal to or greater than 0.5, resulting in such allocations of whole enX Consideration Shares and no fractional enX Consideration Shares);
"Unbundling Record Date"	the last date on which an Eqstra Ordinary Shareholder must be recorded in the Register in order to participate in the Unbundling, which is expected to be on Friday, 18 November 2016; and
"Uncertificated Register"	record of uncertificated securities administered and maintained by a CSDP, as determined in accordance with the rules of the Central Securities Depositary.

EQSTRA HOLDINGS LIMITED

(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
(“**Eqstra**” or “**the Company**”)

Eqstra Directors

JL Serfontein# *(Chief Executive Officer)*
DA Austin# *(Chief Financial Officer)*
NP Mageza** *(Chairperson)*
AJ Phillips** *(Lead)*
S Mthembi-Mahanyele**
MJ Croucamp**
VJ Mokoena**
TDA Ross**
LL Von Zeuner**
ZB Swanepoel**

 # Executive
*** Independent non-executive*

CIRCULAR TO EQSTRA ORDINARY SHAREHOLDERS

1. **BACKGROUND**

Eqstra Ordinary Shareholders are referred to the announcement released on SENS on Thursday, 30 June 2016 and are advised that the Eqstra Board proposes, subject to Eqstra Ordinary Shareholders approval, the adoption of the Resolutions relating to the Proposed Transaction.

Following the Restructure and the enX Capital Raise:

- enX proposes to acquire the Fleet Management and Logistics Division and the Industrial Equipment Division owned and operated by Eqstra, and assume existing debt in respect of these businesses, in exchange for the enX Consideration Shares, which shares will be subsequently unbundled to the Eqstra Ordinary Shareholders (the Disposal and Unbundling);
- Eqstra proposes to increase its authorised ordinary share capital and to issue Eqstra Ordinary Shares to enX, together with the issue and allotment of the MCC Preference Shares by MCC to enX (the Recapitalisation);
- Eqstra proposes to restructure its debt, which includes the Note Programme Restructure, the New Eqstra Corporation Facility, the New MCC Facility and the advancement of the Second enX Loan to MCC (the Debt Restructure);
- Eqstra will change its name to “eXtract Group” so as to exclude the word “Eqstra” from its name and from the name of any CMPR Subsidiaries which possess or use the “Eqstra” name; and
- the Eqstra Board will be reconstituted as detailed in paragraph 17.7 of this circular.

Following the implementation of the Proposed Transaction, Eqstra continues to qualify for a listing on the Main Board of the JSE (but under a new name “eXtract”) terms of paragraph 4.28 of the Listings Requirements. Eqstra Ordinary Shareholders’ attention is drawn to the terms attaching to the MCC Preference Shares, as set out in paragraph 10.3 of this Circular and **Annexure 17** to this Circular, which terms may under certain circumstances result in enX exercising control over MCC, Eqstra’s primary subsidiary and source of the majority of its income and assets. This may in turn result in Eqstra not qualifying for a listing in terms of the Listings Requirements.

Eqstra's primary business will be that of contract mining and plant rental and the CMPR Division will continue to operate under the following legal entities: MCC, MCCT, Eqstra Mozambique Limitada, Eqstra Botswana Proprietary Limited and MCC Equipment Rental Proprietary Limited (save for the fact that the name "Eqstra" will be removed from such entities). A written service agreement is proposed to be entered into between enX and Eqstra in terms of which, *inter alia*, enX will render certain services to Eqstra after the Final Completion Date in respect of the CMPR Division (including, but not limited to, tax, accounting, legal, IT and company secretarial work) in consideration for a fee, on the terms and conditions contained therein. It is anticipated that the contract will endure indefinitely but can be terminated at any time on a six-month prior written notice by either party. The fee payable by Eqstra to enX for services rendered will be determined and agreed between enX and Eqstra on a reasonable, arm's length basis.

2. **PURPOSE OF THIS CIRCULAR**

The purpose of this circular is to provide Eqstra Ordinary Shareholders with information relating to the Proposed Transaction to enable Eqstra Ordinary Shareholders to make an informed decision as to whether or not they should vote in favour of the Resolutions set out in the notice of General Meeting which forms part of this circular.

3. **RATIONALE FOR THE PROPOSED TRANSACTION AND PROSPECTS**

Eqstra Ordinary Shareholders are referred to Eqstra's unaudited interim results announcement published on 1 March 2016 relating to the implementation of Eqstra's 2020 strategy. In terms of this strategy, Eqstra sought to, *inter alia*, balance its capital structure, evolve to a differentiated services-orientated business model, strategically reposition its mining operation and drive efficiencies and cash generation.

The implementation of Eqstra's 2020 strategy includes disposing of excess assets and engaging with the Lenders with respect to Eqstra's bank refinancing. As part of the engagements with the Lenders, the Eqstra Board concluded that Eqstra required an injection of capital to address the medium-term note maturities, capital structure and successfully refinance the bank debt. In its current construct, Eqstra's ability to provide the requisite capital support to the FML and IE Divisions was impeded by the capital and debt markets liquidity constraints to provide funding support to Eqstra. In addition, it became apparent that as part of this capital raise, the long-term interests of Eqstra stakeholders would be best served by Eqstra separating the FML and IE divisions from the CMPR Division as a result of their different capital structure requirements and risk profiles. However, given Eqstra's cross-guarantees under its existing banking facilities, any change in the Eqstra Group and capital structures would require, *inter alia*, the support and approval of the Lenders and the Noteholders.

In order to successfully achieve the separation of the Eqstra operations, the Eqstra Board would need to satisfy itself that any change in the Eqstra Group structure would be in the interest of all stakeholders, including Eqstra Ordinary Shareholders and other providers of capital (the Lenders, Noteholders and export credit agencies), employees and clients. Furthermore, the Eqstra Directors would need to be convinced that the CMPR Division, which is currently facing challenging trading conditions, would be sustainable in the long-term on a standalone basis, including having the long-term support of capital providers and a shareholder base which supports the strategic direction of the division. The Eqstra Directors reviewed the various options available to it and concluded that the Proposed Transaction represented the optimal and most sustainable outcome for all stakeholders. The Eqstra Board's decision is fully supported by the operational management team, the Lenders, a large proportion of Noteholders and other providers of capital.

In summary, the Proposed Transaction results in:

- the disposal of the FML and IE Divisions to enX in return for the enX Consideration Shares, thereby allowing Eqstra Ordinary Shareholders to participate in the equity returns of the enlarged enX with an appropriate level of gearing; and
- a recapitalisation of the remaining Eqstra business (consisting only of the CMPR Division) by way of enX subscribing for the Eqstra Subscription Shares, MCC Preference Shares and advancing a subordinated shareholder loan (Second enX Loan), thus materially reducing the third-party debt in Eqstra.

The Proposed Transaction will ensure that the CMPR Division will function independently of the FML and IE Divisions, with each division being managed independently, focused solely on its core operations, and able to pursue its own strategic agenda independent of the capital requirements of the other divisions.

In the Eqstra Board's view, the Proposed Transaction addresses issues that have suppressed value creation in each division and places each operation on a sustainable growth path:

- The equity and debt structures of each division will, post the Proposed Transaction, more closely match the operational risks, capital expenditure requirements and cash flow profiles of each division;
- The FML and IE Divisions are being separated from the CMPR Division, allowing for focused management and different points of entry for equity investors;
- The Noteholders will extend maturities to better match the cash flow profile of the FML and IE Divisions and reduce financing risks (the Noteholders approved the Note Programme Restructure at a meeting of Noteholders held on Friday, 22 July 2016);
- The Lenders will provide long-term funding support to all divisions; and
- Wild Rose Capital Proprietary Limited and enX's strategic empowerment shareholder, CapLeverage Proprietary Limited (collectively, "Shareholders of Reference"), will be established as anchor enX shareholders to drive the direction of the enlarged enX group and the remaining Eqstra business (i.e. the CMPR Division) going forward. Importantly, the Shareholders of Reference in the remaining Eqstra business will provide access to capital, support the strategic direction of the management team and, as relevant, drive and support its acquisitive growth strategy.

The Proposed Transaction will also ensure that Eqstra Ordinary Shareholders retain equity exposure to all of Eqstra's divisions, now with appropriately structured balance sheets. Furthermore, the Proposed Transaction will ensure that other stakeholders, including Eqstra's current clients and employees, are not adversely impacted.

4. OVERVIEW OF enX AND ITS PROSPECTS

4.1 Overview of enX

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

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

The enX Group operates through the following business units:

4.1.1 Power, which incorporates:

- the Private Power Sales division, which designs, manufactures, supplies, installs and maintains commercial and industrial diesel generators;
- the Power Product Distribution division, which distributes industrial engines, marine engines and components; and
- the Temporary Power division, which rents out temporary power in the form of diesel generators;

4.1.2 Fuel and Chemicals, which incorporates the production, marketing and distribution of oil lubricants and chemicals in sub-Saharan Africa; and

4.1.3 Wood, which engages in the distribution of professional woodworking equipment, tooling and edging and the provision of associated services.

enX's material operating subsidiaries include New Way Power Proprietary Limited (incorporating Genmatics), PowerO^2 Proprietary Limited, Austro Proprietary Limited, Centlube, WAI and African Group Lubricants Proprietary Limited ("AGL").

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

4.2 **Prospects**

Post the completion of the Eqstra transaction, the enX businesses will be arranged and managed under three clusters, in addition to enX's strategic investment in Eqstra (which will be renamed eXtract Group Limited). An overview of the three clusters and the growth strategy of each is set out below:

- Industrial Equipment, which will comprise the IE division and enX's existing power and wood businesses:
  - The prospects of the Industrial Equipment cluster vary across each of the underlying businesses, namely:
  - The IE division (South Africa) will seek to maintain its share of the local forklift market. The tactics to be employed by the team are centred on partnerships with key suppliers to ensure high quality products are available to customers at good prices and on competitive terms. In addition, the local operations will seek to grow revenues from maintenance and services, as customers delay future purchases of capital equipment.
  - The IE division (United Kingdom) will seek to expand its market share significantly. The key driver for this growth is intended to be the acquisition of a complementary forklift business and a long term a partnership with a multinational forklift manufacturer.
  - The Power business will seek to generate new sources of power related revenues. It will also consolidate its operations as capital equipment purchases have slowed post the load-shedding and slowdown in the economy experienced in 2015. To this end, the business will focus on efficiencies and cost savings.
  - The Wood business will seek to grow consumable and service revenues, which are more annuity based in nature and typically at a higher gross margin than equipment sales. Whilst the sale of wood equipment has been buoyant, this component of revenue is considered cyclical.
- Fleet Management, which will comprise the FML Division; and
  - The FML division will be focused on growing revenues derived from complementary services to the fleet offering. Such services are capital light and typically at a higher gross margin. Capital will also be made available to this division to pursue new customer contracts. In addition, the FML division expects efficiencies following the roll out of its cutting edge IT operating system, Quest.
- Fuel and Chemicals, comprising oil lubricants and the chemicals distribution business of recently acquired WAI.
  - The lubricants business will focus on growing its distribution and contract manufacturing volumes as well as seek new product opportunities through its key suppliers' partnerships. The integration of AGL will present opportunities to rationalise costs and improve efficiencies.
  - The chemicals business will focus on growing market share in selected and niche chemicals where decent gross margin can be extracted. This is typically forthcoming from chemicals that are technically superior and/or have a particular brand association. The business will also seek complementary bolt-on acquisitions whereby it can generate greater volumes over its existing distribution channels.
- Strategic investment into the CMPR division:
  - Eqstra will focus on improving the efficiencies of the mines on which they currently operate as well as looking for new projects that will diversify Eqstra's geographic and commodity

exposure. Over the next 24 months, management will aim to continue to realise best value for the impaired excess and idle assets, the majority of the proceeds of which will most likely be applied to repay debt. Over the longer term Eqstra will position itself as a mining services entity and look for growth by acquisition.

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

5. **SUSPENSIVE CONDITIONS**

The Proposed Transaction is subject to the fulfilment or waiver, as the case may be, by not later than the Drop-dead Date of the following Suspensive Conditions:

5.1 The approvals required in terms of the Competition Act being obtained.

5.2 All approvals required by the Competition Authorities in each of Botswana, Namibia, Swaziland and Zambia being obtained.

5.3 The approvals of all other regulatory authorities (including the TRP) being obtained.

5.4 The requisite majority of Eqstra Ordinary Shareholders, MCC shareholders and enX Shareholders in general meeting passing all the ordinary and special resolutions which are required:

- in the case of Eqstra, to (i) increase its authorised ordinary share capital to allow for the issue of the Eqstra Subscription Shares and the issue of Eqstra Ordinary Shares pursuant to the exercise of the enX Call Option; (ii) authorise the granting of the enX Call Option; (iii) amend the Eqstra MOI so as to, *inter alia*, provide for the increase in its authorised share capital; (iv) change its name; and (v) authorise the allotment and issue of the Eqstra NewCo shares to enX;
- in the case of MCC, to (i) approve and authorise the creation of the MCC Preference Shares in its authorised share capital and the subsequent issue and allotment of the MCC Preference Shares; and (ii) amend its memorandum of incorporation so as to provide for the creation of the MCC Preference Shares, as well as the inclusion of their terms;
- in the case of enX, to (i) provide for and give effect to the consolidation of enX's authorised and issued share capital in the ratio of one consolidated enX Share for every 11 existing enX Shares; (ii) increase its authorised and issued share capital to authorise the creation, issue and allotment of, *inter alia*, the enX Consideration Shares; (iii) amend its memorandum of incorporation so as to provide for the increase of enX's authorised ordinary share capital; and (iv) authorise the allotment and issue of the enX Consideration Shares to Eqstra; and
- to implement each step of the Proposed Transaction in the prescribed sequence, as set out in the Transaction Agreement, in accordance with the provisions of the Companies Act and the JSE Listings Requirements, including to approve of the disposal to enX of the greater part of Eqstra's assets or undertaking in terms of Section 115 as read with Section 112 of the Companies Act.

5.5 The Eqstra Board and the enX Board adopting all resolutions required to approve and give effect to the provisions of the Transaction Agreement and the Proposed Transaction.

5.6 The requisite approval of the JSE for the listing on the JSE of, *inter alia*, the enX Consideration Shares and the Eqstra Subscription Shares having been obtained.

5.7 The Lenders, *inter alia*, consenting in writing to the implementation of the Proposed Transaction and to the assumption by enX of the debt owed to the Lenders by Eqstra Corporation.

5.8 The lenders to each of (i) Eqstra Botswana Proprietary Limited; (ii) Eqstra Zambia Limited; (iii) Impact Fork Trucks Limited; and (iv) Eqstra Mozambique Limitada, *inter alia*, consenting in writing to the implementation of the Proposed Transaction.

5.9 The waiver by each of the minority shareholders in each Eqstra subsidiary having minority shareholders of any pre-emptive or other similar rights they may enjoy to acquire any of the shares in the company concerned which are being disposed of to enX.

5.10 Eqstra obtaining, in writing, all the consents and approvals required to ensure that none of the Eqstra Material Agreements (as defined in the Transaction Agreement) are capable of being accelerated, cancelled, amended or otherwise varied as a result of or pursuant to the implementation of the Proposed Transaction.

5.11 Eqstra delivering to enX a copy of a duly signed extension letter or agreement which extension letter or agreement has become unconditional and has the effect of extending the duration of any of the Eqstra Material Agreements (as defined in the Transaction Agreement) as may be designated in writing by enX to Eqstra within 30 days after the Signature Date.

5.12 Each of the documents required to give effect to the Proposed Transaction being signed and becoming unconditional in accordance with their terms, save for any conditions therein requiring that the Transaction Agreement must have become unconditional.

5.13 By no later than the date upon which all of the abovementioned suspensive conditions (save for the suspensive condition in this paragraph) have been fulfilled or waived, as the case may be, no material adverse event, circumstance or matter (defined in the Transaction Agreement as a "MAC") having occurred with respect to either the Eqstra Group or the enX Group.

6. THE RESTRUCTURE

In order to give effect to, and prior to, the implementation of the Proposed Transaction, Eqstra has incorporated Eqstra NewCo, a wholly-owned subsidiary of Eqstra. Following the incorporation of Eqstra NewCo, Eqstra will dispose of all the shares held by it in each Subject Company to Eqstra NewCo in exchange for the issue by Eqstra NewCo of 18 ordinary shares in the share capital of Eqstra NewCo. This will be effected as an "asset-for-share-transaction" in terms of Section 42 of the Income Tax Act. The Restructure is not classified as a transaction in terms of the Listings Requirements as it is a transaction between Eqstra and a wholly-owned subsidiary of Eqstra.

7. THE enX CAPITAL RAISE

In order to give effect to, and prior to, the implementation of the Proposed Transaction, enX will undertake the enX Capital Raise by way of a private placement, in terms of which enX will place the enX Capital Raise Shares with a combination of enX Shareholders, select investors and/or select underwriters at a subscription price which (post the enX Consolidation, being the consolidation of enX's authorised and issued share capital, on a fully-diluted basis, in the ratio of one consolidated enX Share for every eleven existing enX Shares), is not less than R21.00 (twenty one Rand) per enX Share and which in the aggregate equates to the Capital Raise Amount.

8. THE DISPOSAL

8.1 Background

Eqstra has entered into the Transaction Agreement with enX for the disposal of its Fleet Management and Logistics Division and Industrial Equipment Division to enX, subject to Eqstra Ordinary Shareholder approval.

The Disposal constitutes a Category 1 transaction in terms of the Listings Requirements and a Section 112 Disposal in terms of the Companies Act.

8.2 Section 112 Disposal

As the Disposal constitutes a disposal of the greater part of the assets of Eqstra in terms of Section 115 as read with Section 112 of the Companies Act, the Disposal must be approved by way of a special resolution passed by at least a 75% majority of votes cast by all Eqstra Ordinary Shareholders present in person or represented by proxy at the General Meeting convened to approve such resolution.

The Companies Act also requires Eqstra to retain the Independent Expert to prepare a report for inclusion in this circular, describing the material effects that the Disposal and the Unbundling (and therefore the Proposed Transaction) will have on the rights and interests of the Eqstra Ordinary Shareholders. A copy of the Expert Opinion is set out in Annexure 1 to this circular.

8.3 **Terms and conditions of the Disposal**

On the first Business Day immediately following the date upon which the Restructure and the enX Capital Raise were implemented, Eqstra shall dispose of all its shares in Eqstra NewCo to enX for the enX Consideration Shares, as an "asset-for-share-transaction" in terms of Section 42 of the Income Tax Act, following which the enX Consideration Shares will be listed on the JSE.

Eqstra will thus become the beneficial owner of the enX Consideration Shares which shall constitute 29.6% of the entire issued share capital of enX, which shares will be unbundled to Eqstra Ordinary Shareholders as described in paragraph 9 of this circular. Eqstra NewCo will become a wholly-owned subsidiary of enX, resulting in the FML Subsidiaries and the IE Subsidiaries forming part of the enlarged enX Group.

8.4 **Description of the Fleet Management and Logistics Division, the Industrial Equipment Division and the Contract Mining and Plant Rental Division**

8.4.1 **Fleet Management and Logistics Division**

The Fleet Management and Logistics Division provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance and warranty management as well as GPS vehicle tracking solutions. It further provides fleet management solutions for commercial vehicle fleet owners and transport and logistics solutions. Its footprint is in South Africa and sub-Saharan Africa.

8.4.2 **Industrial Equipment Division**

The Industrial Equipment Division distributes mobile capital equipment through leasing and rental as well as value added services for the materials-handling and industrial sectors. The business offers recognised brands and excellent aftermarket service for a unique one-stop solution. Customer interfacing functions are decentralised by business and region with back office support provided through a shared services facility.

8.4.3 **Contract Mining and Plant Rental Division**

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

The CMPR Division continues to meet and exceeds clients' expectations and always seeks to find innovative and cost saving solutions to improve project sustainability for clients. Sustainability and safety are of highest priority. The division supports many of the leading mining companies worldwide, as a result of diversifying across commodities, including platinum, chrome, diamonds, limestone and coal. The CMPR Division's footprint extends beyond South Africa into Namibia, Botswana, Lesotho, Swaziland and Mozambique.

Following the implementation of the Proposed Transaction, Eqstra will continue to be listed on the Main Board of the JSE but will change its name to eXtract Group Limited. Eqstra's primary business will be that of contract mining and plant rental. The entities remaining within the Eqstra Group will comprise Eqstra, the CMPR Subsidiaries, Eqstra Botswana Proprietary Limited (subject to the call option detailed below) and the following dormant entities: Eqstra Freight Services Nigeria Limited, Pemberley Fleet Services Proprietary Limited, Eqstra Tanzania Limited and Eqstra East Africa Limited. The CMPR Division in Eqstra's published results represents the most significant portion of the entities that will remain within Eqstra after the Proposed Transaction.

enX (or its nominee) has been granted a call option in terms of the Transaction Agreement, to acquire the Fleet Management and Logistics division and the Industrial Equipment division of Eqstra Botswana Proprietary Limited as a going concern ("**Botswana Business**") for R1.00, which call option may be exercised by enX at any time within six months following the date upon which the Proposed Transaction has been implemented. To the extent that any loan funding has been advanced to Eqstra Botswana Proprietary Limited, the purchaser of the Botswana Business shall refinance that portion of such debt on the effective date of the aforesaid sale.

9. THE UNBUNDLING

9.1 Background

The Eqstra Board has resolved to unbundle the enX Consideration Shares to Eqstra Ordinary Shareholders in the ratio of 0.13 enX Consideration Shares for every one Eqstra Ordinary Share (based on the number of Eqstra Ordinary Shares in issue on the Last Practicable Date) held at the close of business on the Unbundling Record Date.

The Unbundling will be effected as a dividend *in specie* in compliance with the provisions of Section 46(1)(a)(ii) of the Companies Act and Section 46 of the Income Tax act.

The Unbundling is presumed to constitute a Section 112 Disposal and as such Eqstra is required to consider the provisions of the Companies Act and the Takeover Regulations in implementing the Unbundling. The Unbundling will result in Eqstra Ordinary Shareholders holding a direct interest in enX rather than holding that interest through Eqstra.

As detailed in paragraph 8.2 above, the Independent Board has appointed the Independent Expert to provide the Expert Opinion in terms of the Companies Act, a copy of which is set out in **Annexure 1** to this circular.

9.2 Procedure for the implementation of the Unbundling

9.2.1 The General Meeting of Eqstra Ordinary Shareholders convened in terms of the notice of General Meeting forming part of this circular, will consider and, if deemed fit, pass the Resolutions necessary to give effect to the Unbundling. In terms of Section 112 of the Companies Act, the resolution to approve the Unbundling requires the approval of at least 75% of Eqstra Ordinary Shareholders present or represented by proxy at the General Meeting and entitled to vote.

9.2.2 If you hold Certificated Shares, you need to pay special attention to the provisions of the following paragraph since enX will not issue any individual enX share certificates in relation to the Unbundling to which you are entitled. If you are in any doubt as to what action you should take, please consult your CSDP, broker, accountant, attorney or other professional adviser immediately.

For the purposes of the Unbundling, Eqstra Ordinary Shareholders will be issued their respective enX Consideration Shares in dematerialised form only. Accordingly, all Eqstra Ordinary Shareholders must appoint a CSDP, directly or through a broker to receive the enX Consideration Shares on their behalf. Should an Eqstra Ordinary Shareholder require a physical share certificate in terms of its enX Consideration Shares, it will have to materialise the enX Consideration Shares following the Unbundling and should contact its CSDP to do so. All Eqstra Ordinary Shareholders who elect to convert their dematerialised enX Consideration Shares into certificated enX Consideration Shares will have to dematerialise their enX Consideration Shares should they wish to trade them in accordance with the rules of the Strate.

Should an Eqstra Ordinary Shareholder wish to claim their enX Consideration Shares, they will have to instruct their CSDP or broker to receive the enX Consideration Shares from Computershare, and the Transfer Secretaries will verify the validity of the enX Consideration Shares to be transferred. The Transfer Secretaries may require supporting documentation and will advise the Eqstra Ordinary Shareholder accordingly.

The enX Consideration Shares will then be transferred into such account with the CSDP or broker as may have been specified by the Eqstra Ordinary Shareholder concerned provided that such account must be within South Africa in the case of a resident but may in the case of a non-resident be inside or outside of South Africa.

9.2.3 Documents of Title in respect of Eqstra Ordinary Shares held are not required to be surrendered in order to receive the enX Consideration Shares.

9.3 **Governing law**

The Unbundling will be governed by South African Law.

9.4 **Offer not made where not legally permitted**

9.4.1 The legality of the Unbundling to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should be informed about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such person wishing to participate in the Unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

9.4.2 In particular, the Unbundling is not being made, directly or indirectly, in or into any jurisdiction where it is not legally permitted for the Unbundling to be made or accepted ("the affected jurisdiction") including, *inter alia*, the USA, Canada, Australia, Japan and the Republic of Ireland.

9.4.3 Persons wishing to participate in the Unbundling should not use the mail of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the Unbundling. Envelopes containing forms of proxy or other documents relating to the Unbundling should not be post-marked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all participants must provide addresses outside the affected jurisdictions for receipt of any enX Consideration Shares.

9.4.4 Foreign-excluded Eqstra Ordinary Shareholders' enX Consideration Shares will be aggregated and disposed of on the JSE by the Transfer Secretaries for the benefit of the foreign-excluded Eqstra Ordinary Shareholders. The Transfer Secretaries will determine which Certificated Shareholders are foreign shareholders. The Transfer Secretaries will deem all Eqstra Ordinary Shareholders who are resident or whose registered addresses are in any country other than in the Common Monetary Area to be foreign-excluded Eqstra Ordinary Shareholders, unless such Eqstra Ordinary Shareholders provide them with proof, either personally, through a representative or CSDP, satisfactory to the Eqstra Board, that they are entitled to receive the enX Consideration Shares, or contact the Eqstra Board to make an alternative arrangement, by not later than the Unbundling Record Date.

9.4.5 Foreign-excluded Eqstra Ordinary Shareholders will, in respect of their shareholdings, receive the average consideration per enX Consideration Share (net of costs) at which all foreign-excluded Eqstra Ordinary Shareholders' enX Consideration Shares were disposed of. The average consideration will be calculated and the consideration due to each foreign-excluded shareholder will be paid only once all these shares have been disposed of. Eqstra Ordinary Shareholders who are not residents of South Africa or whose registered addresses fall outside of South Africa should contact the CSDP or broker if they are uncertain of the impact of the Unbundling on them.

9.5 **Foreign Eqstra Ordinary Shareholders**

9.5.1 The distribution of the enX Consideration Shares to foreign Eqstra Ordinary Shareholders in terms of the Unbundling may be affected by the laws of the foreign Eqstra Ordinary Shareholders' relevant jurisdictions. Those foreign Eqstra Ordinary Shareholders should consult professional advisers as to whether they require any governmental or other consent to observe other formalities to enable them to realise their entitlement in terms of the Unbundling.

9.5.2 Eqstra Ordinary Shareholders are referred to paragraph 9.4 above and **Annexures 7 and 8** to this circular for further information on the restrictions applicable to foreign Eqstra Ordinary Shareholders.

9.6 **Exchange control**

9.6.1 Eqstra Ordinary Shareholders whose registered addresses are outside the Common Monetary Area will need to comply with the Exchange Control Regulations set out in **Annexure 7** to this circular.

9.6.2 If Eqstra Ordinary Shareholders are in any doubt as to what action to take they should consult their professional advisers.

9.7 **Taxation considerations relating to the Unbundling**

9.7.1 Eqstra intends to rely on the provisions of Section 46 of the Income Tax Act in respect of the Unbundling. This section provides relief from income tax, CGT, dividend tax and STT which would ordinarily be payable in respect of an Unbundling of this nature.

9.7.2 Eqstra Ordinary Shareholders are referred to **Annexure 8** to this circular for information on the taxation consequences relating to the Unbundling.

9.8 **Dissenting Shareholders**

This paragraph contains only a summary of the provisions of Section 164 of the Companies Act. A complete copy of Section 164 of the Companies Act is set out in **Annexure 9** to this circular.

9.8.1 Section 164 of the Companies Act provides that:

- at any time before the resolution in respect of the Unbundling is to be voted on, a Eqstra Ordinary Shareholder may give Eqstra a written notice objecting to the resolution in respect of the Unbundling ("Notice of Objection");
- within 10 Business Days after Eqstra has adopted the resolution in respect of the Unbundling, Eqstra must send a notice that the resolution in respect of the Unbundling has been adopted to each Eqstra Ordinary Shareholder who gave Eqstra a Notice of Objection and has neither withdrawn the Notice of Objection nor voted in favour of the resolution in respect of the Unbundling; and
- an Eqstra Ordinary Shareholder may demand in writing within 20 Business Days after receipt of the notice referred to in this paragraph 9.8.1 or, if the Eqstra Ordinary Shareholder does not receive such a notice, within 20 Business Days after learning that the resolution in respect of the Unbundling has been adopted, that Eqstra pay the Eqstra Ordinary Shareholder the fair value for all the Eqstra Ordinary Shares held by that person if (i) the Eqstra Ordinary Shareholder sent Eqstra a Notice of Objection, (ii) Eqstra has adopted the resolution in respect of the Unbundling and (iii) the Eqstra Ordinary Shareholder voted against the special resolution and has complied with all of the procedural requirements of Section 164 of the Companies Act.

9.8.2 The demand sent by the Dissenting Shareholder to Eqstra, as provided in paragraph 9.8.1 above, must set out:

- the Eqstra Ordinary Shareholder's name and address;
- the number of Eqstra Ordinary Shares in respect of which the Eqstra Ordinary Shareholder seeks payment; and
- a demand for payment of the fair value of those Eqstra Ordinary Shares. The fair value of the Eqstra Ordinary Shares is determined as at the date on which, and the time immediately before, Eqstra adopted the resolution in respect of the Unbundling that gave rise to the Eqstra Ordinary Shareholder's rights under Section 164.

9.8.3 Any Eqstra Ordinary Shareholder that is in doubt as to what action to take must consult their legal or professional adviser in this regard.

9.8.4 Before exercising their appraisal rights, Eqstra Ordinary Shareholders should have regard to the following factors relating to the Unbundling:

- the report of the Independent Expert set out in **Annexure 1** to this circular; and
- the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

9.8.5 An Eqstra Ordinary Shareholder who has sent a demand in terms of sections 164 of the Companies Act has no further rights in respect of their Eqstra Ordinary Shares, other than to be paid their fair value, unless:

- the Eqstra Ordinary Shareholder withdraws that demand before Eqstra makes an offer for such Eqstra Ordinary Shareholder's shares in terms of Section 164(11) or allows any offer made by Eqstra to lapse;
- Eqstra fails to make an offer in accordance with Section 164(11) of the Companies Act and the Eqstra Ordinary Shareholder withdraws the demand; or
- Eqstra, by a subsequent special resolution, revokes the resolution in respect of the Unbundling.

9.9 ADR Programme

The participants in the ADR Programme will participate in the Unbundling. The enX Consideration Shares to be unbundled to participants in the ADR Programme will be delivered by The Standard Bank of South Africa Limited, the custodian as agent for the Bank of New York, to the Bank of New York. The Bank of New York will dispose of the enX Consideration Shares and transfer the cash so received to the participants in the ADR Programme.

10. RECAPITALISATION

10.1 Background

Eqstra intends implementing the Recapitalisation in terms of the Specific Issue of Ordinary Shares and the allotment and issue of the MCC Preference Shares by MCC to enX in order to recapitalise the Company post the Disposal and Unbundling. The Eqstra Board proposes, subject to Eqstra Ordinary Shareholders approval where required:

- the specific issue to enX of 101 400 000 (equal to approximately 20% of Eqstra's issued share capital post the implementation of the Proposed Transaction) Eqstra Ordinary Shares at a price of R1 per Eqstra Ordinary Share, which represents a 54.2% discount to the 30-day volume weighted average traded price of an Eqstra Ordinary Share to Tuesday, 28 June 2016 (being the day before the Transaction Agreement was signed), for a total consideration of R101.4 million; and
- the allotment and issue by MCC to enX of 400 MCC Preference Shares for a total consideration of R600 million.

Currently, the authorised ordinary share capital of Eqstra is not sufficient to allow for the Specific Issue of Ordinary Shares. The Eqstra Board therefore proposes that the Company's authorised ordinary share capital of 500 000 000 Eqstra Ordinary Shares of no par value be increased to 1 500 000 000 authorised Eqstra Ordinary Shares of no par value.

10.2 Amendments to the Eqstra MOI and MCC's memorandum of incorporation

In order to facilitate the increase in Eqstra's authorised ordinary share capital, amendments are required to be made to the Eqstra MOI, which have to be approved by Eqstra Ordinary Shareholders at the General Meeting. A summary of the proposed amendments to the Eqstra MOI are set out in **Annexure 10** to this circular.

In addition, in order to provide for the creation, issue and allotment of the MCC Preference Shares by MCC to enX, amendments are required to be made to MCC's memorandum of incorporation.

10.3 **Terms of the MCC Preference Shares**

Set out in **Annexure 17** are the salient terms of the MCC Preference Shares. Eqstra Ordinary Shareholders' attention is drawn to the following:

10.3.1 If the enX Call Option is exercised, enX may have a majority shareholding in Eqstra and in this circumstance would be required to extend a mandatory offer to the remaining Eqstra Ordinary Shareholders on the same terms as the enX Call Option, unless Eqstra Ordinary Shareholders approve a white-wash resolution in terms of the Takeover Regulations in effect at that time;

10.3.2 There are no terms attaching to the MCC Preference Shares preventing Eqstra from disposing of its ordinary shares in MCC;

10.3.3 MCC is able to redeem the MCC Preference Shares at any time;

10.3.4 In the circumstances when the preference shareholder is entitled to exercise 95% of the votes at general meetings of MCC and is able to appoint and remove directors of MCC, Eqstra will lose control of its primary asset, MCC, and this loss of control will affect the listing status of Eqstra as it may no longer qualify for listing in terms of paragraph 4.28 of the Listings Requirements.

Given the terms attaching to the MCC Preference Shares, the Eqstra Board deems it prudent to obtain Eqstra Ordinary Shareholder approval for the issue of such preference shares.

10.4 **Specific Issue of Eqstra Ordinary Shares for cash in terms of the enX Call Option**

Upon redemption of the MCC Preference Shares (which shall be on a day which is not sooner than three years and one day and not later than five years after the date of issue thereof) or if the MCC Preference Shares have not been redeemed by the expiry of the 5th year from the date of issue of the MCC Preference Shares enX, as holder of the MCC Preference Shares shall have the irrevocable right and option (enX Call Option) at any time within 30 days after the date on which the MCC Preference Shares have been redeemed or the expiry of the 5th year from the date of issue of the MCC Preference Shares, to require Eqstra, in respect of R600 million, to subscribe for such number of new Eqstra Ordinary Shares as determined by dividing R600 million by R1.50.

11. DEBT RESTRUCTURE

11.1 **Overview**

Eqstra, as part of the Proposed Transaction, is required to implement a restructuring of its debt. The Debt Restructure is proposed to encompass:

- amendments to the applicable pricing supplements in relation to the DMTNP, in terms of which Eqstra Corporation has issued the Series 176 Notes and the Series 191 Notes. The Note Programme Restructure seeks to (i) establish Eqstra NewCo as the guarantor under the DMTNP; and (ii) release Eqstra, MCC and MCCT as guarantors for the obligations of Eqstra Corporation (i.e. the DMTNP is being transferred to enX with the FML and IE Divisions). The Note Programme Restructure was approved by the requisite majority of Noteholders at a meeting of Noteholders held on Friday, 22 July 2016;
- the entering into of the Eqstra Corporation Finance Agreements in terms of which the New Eqstra Corporation Facility is granted by the new Lenders to Eqstra Corporation (which will indirectly be a wholly-owned subsidiary of enX) which will entitle Eqstra Corporation to draw-down R3.357 billion, comprising a term loan facility of R2.357 billion (which shall be used to repay the Existing Eqstra Corporation Debt to the Lenders), a general banking facility of R400 million, a liquidity facility of R600 million and an indirect general banking facility;
- the entering into of the MCC Finance Agreements, for which term sheets are available (but in terms of which detailed funding agreements have not yet been concluded), in terms of which the New MCC Facility is granted by the New Lenders to MCC which will entitle MCC to draw-down R2.065 billion, comprising a term loan facility of R1.865 billion (which shall be used to repay a portion of the Existing MCC Debt), a general banking facility of R200 million and an indirect general banking facility; and

- enX lending and advancing R700 million to MCC (Second enX Loan) which shall be applied by MCC to pay the New Lenders, together with an amount of R701.7 million (being the sum of the subscription amount received for the issue of the MCC Preference Shares (R600 million) and the Eqstra Subscription Shares (R101.4 million)).

11.2 **Terms of the enX Loans**

In addition to the Second enX Loan, Eqstra Corporation and MCC will enter into a further loan agreement to regulate the payment of the outstanding balance remaining of the Existing MCC Debt up to an amount of R766 million (First enX Loan).

11.2.1 **Salient terms of the Second enX Loan:**

- Interest accrued at 3 month JIBAR + 4.5% NACQ;
- Guaranteed by way of a second ranking debt guarantee provided by a ring-fenced special purpose vehicle to be established ("Debt Guarantor"). Eqstra and its South African subsidiaries ("SA Group") shall indemnify the Debt Guarantor against any claims made against the Debt Guarantor and provide certain security in favour of the Debt Guarantor over the assets of the SA Group;
- MCC shall be entitled to repay the Second enX Loan (in whole and not in part) using the proceeds of new financial indebtedness directly or indirectly incurred by MCC from a bank or other financial institution; and
- Repayments by way of a quarterly cash sweep of free cash in the SA Group after scheduled repayment of the New MCC Facility.

11.2.2 **Salient terms of the First enX Loan:**

- Interest accrued at 3 month JIBAR + 4.5% NACQ;
- Security: Guaranteed by way of a second ranking debt guarantee provided by the Debt Guarantor. The SA Group shall indemnify the Debt Guarantor against any claims made against the Debt Guarantor and provide certain security in favour of the Debt Guarantor over the assets of the SA Group (which is Eqstra and all of its subsidiaries in Lesotho, Swaziland, Namibia and South Africa);
- MCC shall be entitled to repay the First enX Loan (in whole and not in part) using the proceeds of new financial indebtedness directly or indirectly incurred by MCC from a bank or other financial institution; and
- Repayments by way of a quarterly cash sweep of free cash in the SA Group after scheduled repayment of the New MCC Facility.

12. CHANGE OF NAME AND YEAR END

In terms of the Proposed Transaction, Eqstra will, subject to Eqstra Ordinary Shareholder approval, change its name to eXtract Group Limited and to exclude the word "Eqstra" from the name of any other CMPR Subsidiaries which possess or use the "Eqstra" name and which, with effect from the Final Completion Date, will remain members of the Eqstra Group.

Eqstra also proposes to change its year end from June to August, such that the Company's next set of annual financial statements (following the annual financial statements for the year ended 30 June 2016) will be for the 14 months ending 31 August 2017.

13. EXCLUSIVITY AND BREAK FEE

Eqstra has undertaken, subject to compliance with applicable laws:

- not to enter into any negotiations, agreement or arrangement, and refrain from soliciting, encouraging or initiating anything, in respect of any transaction in competition with the Proposed Transaction ("Competing Offer"), or take any action which could prevent, hamper or delay the conclusion of the Transaction, or any part thereof ("Exclusivity Undertakings"); and
- to notify enX if Eqstra has received a Competing Offer or made any information available to a *bona fide* offeror pursuant to a Competing Offer.

If Eqstra receives a Competing Offer, enX will be entitled to match or better such Competing Offer. Irrespective of whether or not enX submits a matching or better offer, Eqstra will still be obliged to put the Proposed Transaction or any improved offer made by enX to Eqstra Ordinary Shareholders for their approval.

A break fee of R12.5 million (representing 0.5% of the Proposed Transaction value, calculated with reference to the Disposal, the Recapitalisation and the Second enX Loan) shall become payable by Eqstra to enX if (i) Eqstra breaches its Exclusivity Undertakings; (ii) the Eqstra Board withdraws its support or approval of the Proposed Transaction or recommends any Competing Offer; (iii) the Eqstra Ordinary Shareholders do not approve with the requisite majority the resolutions required to implement each step of the Proposed Transaction; or (iv) Eqstra fails to comply with its material obligations in terms of the Transaction Agreement and does not remedy any such breach.

A break fee of R12.5 million (representing 0.5% of the Proposed Transaction value, calculated with reference to the Disposal, the Recapitalisation and the Second enX Loan) shall become payable by enX to Eqstra if (i) the enX Shareholders do not approve with the requisite majority the resolutions required to implement any step of the Proposed Transaction; (ii) the enX Capital Raise is not implemented by the Second Preliminary Completion Date; (iii) the Eqstra Corporation Finance Agreements and the MCC Finance Agreements are not signed by the parties (in a manner which conforms materially with the terms sheets concluded by such parties in circumstances where the failure to sign the aforesaid agreements is through the fault of enX or as a result of enX unreasonably refusing to enter into such agreements); or (iv) enX fails to comply with its material obligations in terms of the Transaction Agreement and does not remedy any such breach.

14. HISTORICAL FINANCIAL INFORMATION

14.1 Historical financial information on the FML and IE Divisions

In terms of the Listings Requirements and paragraph 106(7)(c)(i) of the Companies Regulations, the combined historical financial information on the FML and IE Divisions for the financial years ended 30 June 2015, 2014 and 2013, and for the six months ended 31 December 2015 is set out in **Annexure 2** to this circular.

The Independent Reporting Accountant's reports on the historical financial information of the FML Division and the IE Division are set out in **Annexures 3** and **4** to this circular.

14.2 Historical financial information on enX

In terms of paragraph 106(6)(d) of the Companies Regulations, the historical financial information on enX for the financial years ended 31 August 2015, 2014 and 2013, and for the six months ended 29 February 2016 is set out in **Annexures 6** and **5**, respectively, to this circular.

The historical financial information on enX has been extracted, without adjustment, from previously published information and the enX Directors accept responsibility for this information as disclosed in paragraph 26.2 of this circular.

14.3 Segmental information

Set out below is relevant segmental information relating to the FML Division, IE Division and CMPR Division as extracted from the unaudited interim results for the six months ended 31 December 2015:

Division	Sales Rm	Operating profit Rm	Profit before taxation (continuing operations) Rm	Profit after taxation (continuing operations) Rm
FML Division	1 054	202	107	78
IE Division	1 448	133	61	45
CMPR Division	1 651	76	(787)	(563)

15. ***PRO FORMA* FINANCIAL INFORMATION**

15.1 ***Pro forma* financial information of Eqstra**

Based on the *pro forma* financial information contained in the Excess Assets Disposal circular, which circular details the "Proposed disposal of the Excess Assets", the *pro forma* financial effects of the Proposed Transaction on Eqstra's EPS, HEPS, NAV and TNAV are set out below ("Financial Effects").

The Financial Effects are presented in accordance with the JSE Listings Requirements, the *Guide on Pro Forma Financial Information* issued by The South African Institute of Chartered Accountants, ISAE 3420 and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS").

The Financial Effects have been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the Eqstra Group's accounting policies as at 31 December 2015.

The Financial Effects have been prepared for illustrative purposes only in order to assist Eqstra Shareholders to assess the impact of the Transaction and, because of their nature, may not give a fair presentation of the financial position, changes in equity, results of operations or cash flows. The Financial Effects are the responsibility of the Eqstra Board.

Per Eqstra Ordinary Share	***Pro forma* after the Excess Assets Disposal**(1),(2)	**The Proposed Transaction** (notes 2 to 12)	***Pro forma* after the Proposed Transaction**(2)
Basic and diluted EPS – continued operations (cents)	(108.2)	(182.0)	(290.2)
Basic and diluted EPS – discontinued operations (cents)	(157.5)	54.8	(102.7)
Total basic and diluted EPS (cents)	(265.7)	(127.2)	(392.9)
Basic and diluted HEPS – continued operations (cents)	32.2	(47.7)	(15.5)
Basic and diluted HEPS – discontinued operations (cents)	(27.3)	41.3	14.0
Total basic and diluted HEPS (cents)	4.9	(6.4)	(1.5)
NAV (cents)	703.3	(518.4)	184.9
TNAV (cents)	646.9	(470.1)	176.8
Eqstra Ordinary Shares in issue (millions)	405.5	506.9	506.9
Weighted average number of Eqstra Ordinary Shares in issue (millions)	391.2	498.5	498.5

Basis of preparation:

The *pro forma* financial information has been prepared in line with the Transaction Agreement which assumes that the MCC Preference Shares of R600 million have been issued to enX and not yet redeemed, nor has enX exercised the enX Call Option. Notwithstanding the aforementioned, according to IFRS (IAS 33 Earnings per share), the potential exercise of the enX Call Option has been taken into account when calculating diluted earnings per share.

Notes:

1. The "*Pro forma* after the Excess Assets Disposal" information has been extracted, without adjustment, from the Excess Assets Disposal circular.
2. The EPS and HEPS "*Pro forma* after the Proposed Transaction" are based on the assumption that the Proposed Transaction is effected on 1 July 2015 for the statement of comprehensive income purposes. The NAV and TNAV "*Pro forma* after the Proposed Transaction" are based on the assumption that the Proposed Transaction is effected on 31 December 2015 for the statement of financial position purposes.
3. The financial information forming the basis of the Subject Companies is extracted from the unaudited interim results at 31 December 2015 in **Annexure 2** to the circular (with the Independent Reporting Accountant's report on such information contained in **Annexure 3** to this circular). The information in **Annexure 2** to this Circular has been prepared by aggregating the historical financial information relating to the statutory entities that will be disposed of to enX. There is thus a de-consolidation of the Subject Companies from Eqstra, the results of which are included in **Annexure 2** to this Circular. The Eqstra Directors have satisfied themselves as to the accuracy thereof.

4. Included in EPS is the loss on sale of the Subject Companies amounting to R815 million as at 1 July 2015. It is calculated using proceeds of R1 107 million, being the enX Consideration Shares received and the net asset values of the Subject Companies as at 1 July 2015. This is a once-off loss. The Independent Expert has advised the Independent Board that the terms and conditions of the Disposal and the Unbundling (and therefore the Proposed Transaction) are fair and reasonable to Eqstra Shareholders.
5. Interest and commitment fees have been included according to the new Eqstra Group debt structure and term sheets, which are of a continuing nature.
6. Corporate taxation restructuring rules have been applied for the Proposed Transaction.
7. The MCC Preference Shares and their terms are assumed to be at fair value and are accounted for as debt instruments. The enX Call Option, in terms of which enX has the option to utilise the proceeds received on redemption of the MCC Preference Shares to subscribe for Eqstra Ordinary Shares 3 years after the issue of the MCC Preference Shares (but no later than 5 years), comprises an equity option carried at Rnil.
8. The terms of the enX Loans granted to MCC are assumed to be at fair value.
9. The value received for the Eqstra Subscription Shares of R1 per share is deemed to be at fair value at the date of implementation of the Proposed Transaction and hence has no impact on the value used as proceeds on disposal of the Subject Companies.
10. R1 800 million of the New MCC Facility will be drawn down to repay existing intercompany debt. The R600 million and R101 million cash received from the issue of the MCC Preference Shares and Eqstra Subscription Shares, respectively, as well as the R700 million Second enX Loan will be used to repay the New MCC Facility.
11. The redemption of the MCC Preference Shares and the exercise of the enX Call Option are assumed to take place at fair value and have an "anti-dilutive" effect by reducing the loss per Eqstra Ordinary Share.
12. The NAV per share is calculated using a loss on sale of the Subject Companies of R815 million as at 31 December 2015.

Set out below is a reconciliation of headline earnings:

	***Pro forma* after the Excess Assets Disposal Rm**	***Pro forma* after the Proposed Transaction Rm**
Basic earnings from continuing operations		
Basic earnings	(423)	(1 446)
Loss on sale of Subject Companies	–	815
Impairment and loss on sale of leasing assets	552	552
Profit on sale of property, plant and equipment	(3)	–
Impairment of investment	–	2
	126	**(77)**
Basic earnings from discontinued operations		
Basic earnings	(616)	(512)
Impairment and loss on sale of leasing assets	503	574
Withholdings tax on dividends	6	6
	(107)	**68**
Basic earnings from total operations		
Basic earnings	(1 039)	(1 958)
Loss on sale of Subject Companies	–	815
Impairment and loss on sale of leasing assets	1 055	1 126
Profit on sale of property, plant and equipment	(3)	–
Impairment of investment	–	2
Withholdings tax on dividends	6	6
	(19)	**(9)**

Full details of the *Pro Forma* Financial Information and the Financial Effects of the Proposed Transaction, after the Excess Assets Disposal, for the 6 months ended 31 December 2015 are contained in **Annexure 11** to this circular and were based on Eqstra's unaudited interim results for the 6 months ended 31 December 2015.

The Independent Reporting Accountant's report on the *Pro Forma* Financial Information and the Financial Effects is set out in **Annexure 12** to this circular.

15.2 ***Pro forma* financial information of enX**

As Eqstra Ordinary Shareholders will, subject to the fulfilment of the Suspensive Conditions, be receiving the enX Consideration Shares as a result of the Disposal and Unbundling, Eqstra Ordinary Shareholders will, post the implementation of the Proposed Transaction, hold both Eqstra Ordinary Shares and enX Shares.

In order to provide Eqstra Ordinary Shareholders with sufficient, relevant information on the enX Group, and in terms of paragraph 106(6) of the Companies Regulations, *pro forma* financial information for enX has been included in **Annexure 13** to this circular. The Independent Reporting Accountant's report on the *pro forma* financial information of enX is set out in **Annexure 14** to this circular. The information contained in **Annexures 13** and **14** to this circular has been extracted, without adjustment, from the enX circular and the enX Directors accept responsibility for this information as disclosed in paragraph 26.2 of this circular.

In addition, Eqstra Ordinary Shareholders are referred to the enX website **(www.enxgroup.co.za)** where they will be able to access the enX circular and revised listing particulars pertaining to the enX Capital Raise and the Proposed Transaction. These documents will provide Eqstra Ordinary Shareholders with more detailed information on enX and its business, including forecast financial information for the periods ending 31 August 2017 and 2018.

16. SALIENT INFORMATION ON EQSTRA

16.1 Incorporation and history

Eqstra was incorporated in South Africa in 1998 and listed on the JSE in the Diversified Industrials Sector in 2008.

There has been no change in the controlling Eqstra Ordinary Shareholder(s) and trading objects of Eqstra and its Major Subsidiaries during the previous 5 years.

16.2 Nature of the business

Eqstra distributes mobile capital equipment on long term leases and rental, and provides related value added annuity services. Each of the Eqstra Group's three divisions provides a special service along the value chain of capital equipment management, ranging from distribution to disposal.

16.3 Share price history

The share price history of Eqstra Ordinary Shares on the JSE is set out in **Annexure 15** to this circular.

17. DIRECTORS AND MANAGEMENT

17.1 Eqstra Directors

The name, qualifications, age, function and business address of the Eqstra Directors and management of Eqstra Group are set out below:

NAME, AGE AND QUALIFICATION	FUNCTION	BUSINESS ADDRESS
Eqstra Directors		
Jan Lodewyk Serfontein (41) BCom (Hons), CA(SA)	CEO	61 Maple Street, Pomona, Kempton Park, 1619
David Alan Austin (58) BCom (Dip Acc), CA(SA)	CFO	61 Maple Street, Pomona, Kempton Park, 1619
Nkateko Peter Mageza (61) FCCA (UK)	Independent non-executive director, Chairperson	61 Maple Street, Pomona, Kempton Park, 1619
Anthony John Phillips (70) BSc (Eng)	Lead independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619

NAME, AGE AND QUALIFICATION	FUNCTION	BUSINESS ADDRESS
Eqstra Directors		
Marthinus Johannes Croucamp (70) IAC, AEP, AMP	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Veli Joseph Mokoena (56) BA, PDM (WBS)	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Sankie-Dolly Mthembi-Mahanyele (64) BA, PhD (Hons), MSc Public Policy and Management (SOAS)	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Timothy Dacre Aird Ross (72) CTA CA(SA)	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Zacharius Bernardus Swanepoel (55) BCom (Hons), BSc (Min Eng)	Non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Louis Leon Von Zeuner (55) BEcon	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Management		
Jan Lodewyk Serfontein (41) BCom (Hons), CA(SA)	CEO	61 Maple Street, Pomona, Kempton Park, 1619
David Alan Austin (58) BCom (Hons), CA(SA)	CFO	61 Maple Street, Pomona, Kempton Park, 1619
Gary Derek Neubert (50) N Dip Eng (Mech), MBA	Divisional CEO : Industrial Equipment	11 Gross Street, Tunney Industrial Park, Isando, 1600
Jacqueline Veronica Carr (47)	Divisional CEO : Fleet Management and Logistics	12 Corobrik Road, Meadowdale
Justin Colling (44) ND: Engineering: Civil	Divisional CEO : Contract Mining and Plant Rental	60 Rodio Place, Commercial Park, Midrand
Hendrik Matthys Lindeque (45) CA(SA)	Group Treasurer	61 Maple Street, Pomona, Kempton Park, 1619
Denish Venhod Haripal (37)	Chief Information Officer	61 Maple Street, Pomona, Kempton Park, 1619

17.2 **Abridged *curricula vitae***

17.2.1 **Eqstra Directors**

Jan (Jannie) Lodewyk Serfontein

Jannie was appointed as CFO of Eqstra in January 2011. He started his career with Deloitte & Touche in 1999. After completing his training contract, he spent two years in the USA in Deloitte & Touche's Washington DC practice as part of its global development programme. He returned to South Africa in 2002. In 2007, he joined the Deloitte & Touche partnership as an assurance partner in the Pretoria office. He was appointed interim CEO on 1 June 2015 and CEO on 24 July 2015. As a former audit partner at a multi-national audit and accounting firm, Jannie has a deep understanding of internal controls, accounting policies and financial reporting.

David Austin

David was appointed to the Eqstra Board as Chief Financial Officer with effect from 1 May 2016. David served as Chief Financial Officer of Hulamin Limited from March 2013 to April 2016.

He previously served in senior positions within Macsteel. In 2007 he was appointed as a director of Macsteel International South Africa and Chief Financial Officer of the Macsteel International Trading group from February 2010. David's earlier experience included various senior financial positions within the Barlows Group including Group Financial Manager and Group Secretary of the CG Smith Group Limited, a major listed subsidiary Group of Barlows.

David, a chartered accountant, is a graduate of the University of Natal and served articles with Ernst & Young. He spent two years at E&Y's London office before joining the Barlow Rand Group in South Africa.

Nkateko Peter Mageza

Peter was appointed to the Eqstra Board and as Chairperson on 16 November 2011. He was previously Group Chief Operations Officer and executive director of Absa Group Limited until 2009. Peter started his career in the audit environment at Coopers & Lybrand and worked as an audit manager in Transnet Limited's Group internal audit services. He became Chief Executive Officer of Autonet in 1995 (the road passenger and freight logistics division of Transnet). Peter is a non-executive director of Sappi Group Limited, MTN Group Limited, RCI Group Limited, Anglo American Platinum Limited and Remgro Group Limited.

Peter's experience as a banker brings expert advice to the Eqstra Board's funding considerations and models, while his experience in the transport sector proves valuable in discussions about the Group's transport-focused business model. Peter also has a strong track record in human capital development.

Anthony John Phillips

Tony was appointed Managing Director of Barlows Equipment CO in 1988, and of Finanzauto SA, Spain in 1992. He was appointed a director of Barloworld Limited in 1996 and was CEO from 1998 until 2006. From 2005 until 2007 he was also chairperson of Pretoria Portland Cement Company Limited. Tony is currently a director of enX Group Limited and Newman Lowther and Associates, Mpact Limited and vice chairperson of Kansai Plascon Proprietary Limited.

Tony has 36 years' experience in the diversified industrial sector, in particular in heavy equipment distributorships. He has extensive knowledge of the sub-Saharan mining sector, a key area of the Group's activities. He has experience in dealing with the complexities of operations in Africa and Europe and strong financial acumen contribute to executing his duties as chairperson and member of the Remuneration and Risk committees respectively.

Marthinus Johannes Croucamp

Martin has spent his entire career in the banking sector, which included being Managing Director of MLS Bank Limited and a member of Absa's executive team, as well as a member of the Absa Enterprise Risk Management Committee. He also chaired the Imperial Bank Risk and Remuneration Committees until November 2010. He has extensive general business management experience at executive level, with particular emphasis on strategy formulation, marketing and administration.

Martin has spent his entire career in the banking sector and gained extensive experience in corporate business banking and treasury. He also has general business management experience with particular emphasis on risk management, strategy formulation, marketing and administration. This exposure has been invaluable in his role of chairperson of two of the Group's divisional audit committees and as a member of the Group Audit Committee and chair of the Asset and Liability Committee.

Veli Joseph Mokoena

Veli is a director and co-founder of Investment Holding Company, Ninathi Investments Holdings Proprietary Limited. Until December 2010, Veli was CEO of Ukhamba Holdings Proprietary Limited. He was also previously executive director of Imperial Fleet Services. Veli is currently a director of Dawn Limited, Executive Carport Proprietary Limited and chairperson of Giuricich Brothers Construction Proprietary Limited.

As the previous CEO of Ukhamba Holdings, a former long-standing Eqstra B-BBEE partner, Veli has an intimate understanding of the Group's operations. He is also a past Managing Director of the Eqstra Group's fleet management operations. His wealth of business management experience provides the Group with strategic insight into the current economic landscape and key issues driving the industries in which the Eqstra Group operates.

Sankie-Dolly Mthembi-Mahanyele

Sankie has been a Deputy Secretary General of the African National Congress (ANC) and served in government as Housing Minister for eight years. She was awarded a doctorate by the Central University of Technology in the Free State in recognition of her work in the Department of Housing.

Sankie was the first female cabinet minister to act as State President for South Africa. She is currently a director of Edwin Construction Proprietary Limited, Ma-Africa Film Productions Proprietary Limited and the Central Energy Fund (state-owned enterprise).

As the former Minister of Housing, Sankie brings a wealth of public sector experience to the Group. Her deep understanding of the challenges of B-BBEE and the strategic imperative of transformation offers insight into managing these issues within the Group.

Timothy Dacre Aird Ross

Tim was a partner with Deloitte & Touche for 36 years and retired in May 2008. He led the Deloitte Johannesburg audit practice and served on the Executive Committee as client service director, as well as on the Eqstra Board and Remuneration Committee. Tim was the lead advisory partner for a number of multinational clients and headed the Deloitte World Cup 2010 initiative. He is an independent non-executive director of PPC Limited, Mpact Limited and Adcorp Holdings Limited.

Tim's 36 years of experience as an audit partner with a multi-national audit and accounting firm provides solid credentials to chair the Audit Committee and be a member of the Risk Committee. He has a particularly astute understanding of the requirements of strong internal controls and the proactive management of financial and operational risks. Tim's exposure to a multitude of industries also offers the skills needed to deal with the Eqstra Group's highly diverse operations.

Zacharius Bernardus Swanepoel

Bernard holds a BCom (Hons) degree from Unisa and a BSc (Min Eng) degree from the University of Pretoria. He started his career with Gengold in 1983, culminating in his appointment as General Manager of Beatrix Mines in 1993. After joining Randgold in 1995 as Managing Director of the Harmony mine, Bernard became Managing Director of Harmony from 1997 to 2007. In August 2007 he left Harmony to start To-the-Point Growth Specialists.

He is currently a Partner at To-The-Point Growth Specialists, is the non-executive chairman of Village Main Reef Limited and serves as non-executive director on the boards of Sanlam Limited, African Rainbow Minerals Limited and Impala Platinum. Previous roles include Chief Executive Officer of Village Main Reef Limited and Harmony Gold Mining Company Limited.

Louis Leon Von Zeuner

Louis is the chairman of African Bank and currently serves on the boards of a number of companies including AFGRI Limited, Cricket South Africa, Cubipro Proprietary Limited, MMI Holdings Limited, Telkom SA Limited, Mahela Boerdery Proprietary Limited, MyPlayers Proprietary Limited and Paycorp Investments Proprietary Limited. He spent 32 years at Absa during which time he acted in various key executive roles. For three years ending in December 2012, he was the deputy group CE of Barclays Africa Group Limited. From 2007 to 2009 he was group executive director of Retail and Business Banking at Absa and for the four years prior to this, he was group executive director of Retail Banking.

Louis has extensive experience in financial services with significant insight into the challenges faced by highly geared companies. His business acumen ensures a valuable contribution in setting strategic direction and guiding especially the asset and liability committee.

17.2.2 **Management of Eqstra**

Jan Lodewyk Serfontein

Jannie's CV is provided above.

David Austin

David's CV is provided above.

Gary Derek Neubert

Gary started his career at Volkswagen SA where he held various positions in the engineering and marketing divisions. After eight years with Volkswagen, he joined Barloworld Limited where he was responsible for the Audi sales and services divisions before becoming the Cape Town branch assistant general manager. In 2000, he joined Imperial's Saficon Industrial Equipment (SIE) division as General Manager of the Western Cape with national responsibility for aftersales. In 2003 he was appointed to the SIE board. In July 2006 he was appointed as divisional CEO of Industrial Equipment.

Jacqueline Veronica Carr

Jacqui joined the leasing division of Imperial in 1989 and was appointed to the board of Imperial Fleet Services in 1996. Over the years she has filled numerous leadership positions within the business, ranging from sales to general management. She became divisional CEO of the Passenger and Commercial Vehicle division of Imperial Group in 2007 (now Fleet Management and Logistics).

Justin Colling

Justin joined Eqstra in January 2015 as the divisional CEO of Contract Mining and Plant Rental. He has more than twenty-three years of experience in the mining and construction industries, including nine years working in Africa. Mr Colling joined PT Leighton Contractors Indonesia as General Manager Mining in 2010 and was appointed President Director in the following year for Leighton Asia, India and Offshore's Indonesia and Asia Mining business. Prior to that Mr Colling was an executive director of Moolmans South Africa.

Hendrik Matthys Lindeque

Hendrik joined Eqstra in January 2015. He started his career with Deloitte & Touche in 1994. After completing his training contract, he spent five years at Columbus Stainless as treasurer followed by ten years as treasurer at Sappi Southern Africa. He also chaired the investment committees of Sappi's retirement funds during this period. In 2011 he was appointed as financial director at GroCapital Financial Services and also consulted to listed entities on global best practice in treasury.

Denish Venhod Haripal

Denish joined RTG Fleet Services, a business unit of Imperial Fleet Services, in 1999 as a network administrator. In 2005, Denish became the infrastructure services manager responsible for the desktop, laptop, network and server infrastructure for the Imperial Fleet Services group. He was appointed Chief Information Officer of Eqstra in June 2010.

17.3 **Eqstra Directors' emoluments and benefits**

Eqstra Director's remuneration and the Company's share schemes as set out in the 2015 Annual Report, being the most recent financial year of Eqstra, will not change as a result of the implementation of the Proposed Transaction, save for what is detailed below and in paragraphs 17.7 and 18 of this circular.

Mr D. Austin, the Company's CFO, was appointed on 1 May 2016 at an annual cost to company of R4 100 000, a sign-on bonus of R700 000 and an entitlement to participate in the Retention Bonus Plan.

17.4 **Interests of Eqstra and Eqstra Directors in Eqstra and enX**

As at the Last Practicable Date neither Eqstra nor any of the Eqstra Directors hold shares in enX.

Details of Eqstra Directors' (including associates) interests in Eqstra Ordinary Shares as at 30 June 2015 are set out below:

Eqstra Director	Direct beneficial	Indirect beneficial	Percentage held (%)[1]
WS Hill*	3 500	–	0.00
S Dakile-Hlongwane**	–	636 944	0.16
JL Serfontein	207 800	–	0.05
Total	**211 300**	**636 944**	**0.21**

** WS Hill resigned on 1 June 2015.*

*** S Dakile-Hlongwane retired on 23 November 2015.*

Note:

1. As a percentage of 405 502 997 Eqstra Ordinary Shares in issue as at 30 June 2015.

The following changes have taken place between 30 June 2015 and the Last Practicable Date, which has resulted in JL Serfontein's direct beneficial shareholding in Eqstra Ordinary Shares increasing from 207 800 (0.05%) to 504 000 (0.12%) Eqstra Ordinary Shares:

Eqstra Director	Date	Nature of transaction	Nature of interest	Number of Eqstra Ordinary Shares
JL Serfontein	21 September 2015	On market purchase of securities	Direct beneficial	95 275
JL Serfontein	21 September 2015	On market purchase of securities	Direct beneficial	2 532
JL Serfontein	21 September 2015	On market purchase of securities	Direct beneficial	2 193
JL Serfontein	11 December 2015	On market purchase of securities	Direct beneficial	158 750

17.5 **Eqstra Directors' service contracts**

At present, all executive Eqstra Directors have employment contracts with Eqstra, the terms of which are standard.

17.6 **Eqstra Directors' interest in transactions**

None of the current Eqstra Directors nor any former Eqstra Directors who have resigned as Eqstra Directors during the past 18 months have any interest in the Proposed Transaction as contemplated in this circular nor in any other transaction by Eqstra that were effected during the current or immediately preceding financial year, which remains in any respect outstanding or unperformed.

17.7 **Eqstra's Board post the implementation of the Proposed Transaction**

It is proposed that, following the implementation of the Proposed Transaction, the Board will be reconstituted to become a mining focused Board with the appropriate skill set. All required and relevant board committees will be constituted with the appropriate Eqstra Board members. The composition of these committees will comply with the Companies Act and Listings Requirements.

On 24 November 2016, the proposed date of Eqstra's annual general meeting, all existing Eqstra Directors will resign, save for Mr Swanepoel who will become the Chairperson of Eqstra. Mr Von Zeuner will be appointed as an enX Director. Mr Phillips is an existing enX Director.

Set out below are certain of the members of the new Eqstra Board who will be appointed with effect from the Final Completion Date.

17.7.1 The name, qualifications, age, function and business address of the Eqstra Directors post the implementation of the Proposed Transaction are set out below:

NAME, AGE AND QUALIFICATION	FUNCTION	BUSINESS ADDRESS
Eqstra Directors		
Justin Colling (44) ND: Engineering: Civil	CEO	61 Maple Street, Pomona, Kempton Park, 1619
David Alexander Gonsalves Chadinha (35) BCom (Hons), CTA, CA(SA)	CFO	61 Maple Street, Pomona, Kempton Park, 1619
C Halsey (40) CA(SA), BAcc, Bcom	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Octavia Matshidiso Matloa (40) BCom (Hons), CTA, CA(SA)	Non-executive director	1090 Arcadia Street, Hatfield, Pretoria, 0001
Sipho Abednego Nkosi (63) BCom (Hons)(Econ), MBA (Boston University)	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619
Jan Lodewyk Serfontein (41) BCom (Hons), CA(SA)	CEO	61 Maple Street, Pomona, Kempton Park, 1619
Michael Solomon Teke (52) BA(Ed), B.Ed (University of the North), BA(Hons) (RAU), MBA(Unisa Open University)	Independent non-executive director	61 Maple Street, Pomona, Kempton Park, 1619

17.7.2 **Abridged *curricula vitae***

Set out below are the abridged *curricula vitae* for the Eqstra Directors that are new to the Eqstra Group (other *curricula vitae* are set out in paragraph 17.2 of this circular).

David Alexander Gonsalves Chadinha

David will be appointed to the Eqstra Board as Chief Financial Officer with effect from the Final Completion Date. David has served as Chief Financial Officer of MCC from June 2014. He was previously Group Financial Manager and Principal Officer of Pension and Provident Funds at Eqstra.

David, a chartered accountant, is a graduate of the Rand Afrikaans University and served articles with Deloitte and Touche. He spent 7 years at Deloitte, holding a number of positions within the audit environment. David has extensive experience on JSE consolidated results reporting.

Clinton Steven Halsey

Clinton is a member of The South African Institute of Chartered Accountants and is a qualified Chartered Accountant (SA). He holds BAcc and BCom degrees from the University of the Witwatersrand. He completed his articles at PricewaterhouseCoopers and has more than 15 years' professional experience, primarily in mining and related industries. He has held senior financial roles at DRDGold and Harmony and was the Chief Financial Officer of Village Main Reef Limited. He was also a non-executive director and chairman of the Audit Committee of First Uranium Limited.

He is currently a Partner at To-The-Point Growth Specialists, and serves as a non-executive director and Audit Committee chairman on the board of Manganese Metal Company.

Octavia Matshidiso Matloa

Octavia is a Chartered Accountant with more than 12 years of professional and executive experience. She obtained her BCom degree and BCom (Hons) and CTA from the University of Cape Town and University of Pretoria respectively. In 2003 she completed her articles with PricewaterhouseCoopers (PwC) before joining the Gauteng Department of Public Transport, Roads and Works, first as Deputy Chief Financial Officer and then Chief Director: Management Accounting. In 2009 she was appointed by court as the first woman curator in the insurance industry.

In 2011 Octavia was selected as one of the six finalists for the 2011 MTN Boss of the Year Award; and won the 2011 Van Ryn's Black Business Quarterly's New Entrepreneur, after winning Van Ryn's Black Business Quarterly's Business Women of the Year in 2010. She has founded various companies in a variety of sectors ranging from auditing, training and development, mining, transport, financial services, and beauty, health and nutrition. She is currently the Group CEO of Mukundi Mining Resources.

Octavia is one of the trustees for Funanani Trust, a Pretoria based non-profit organisation that empowers impoverished communities to be self-sufficient; and she also serves/served on a number of audit committees in the public sector and for listed entities: the National Treasury, Department of Defence and the South African Local Government Association (SALGA). She has also served on the boards of Village Main Reef (deputy chairperson and lead independent non-executive director) and Petra Diamonds (independent non-executive director).

Sipho Abednego Nkosi

Sipho Abednego Nkosi, BCom (Hons)(Econ), MBA (Univ Mass, USA), Diploma in Administration, served as the Chief Executive Officer of Exxaro Resources Limited from 1 September 2007 to 31 March 2016. Sipho founded Eyesizwe Coal (Pty) Limited in 2001 and served as its Chief Executive Officer. After six years at Ford Motor Company in South Africa as a market analyst, in 1986, Sipho moved to Anglo American Coal Corporation as a marketing coordinator. In 1992 he joined Southern Life Association as senior manager, strategic planning. In 1992 he joined Southern Life Association as senior manager, strategic planning. In 1993 he was appointed marketing manager, new business development at Trans-Natal Coal Corporation, which later became Ingwe Coal Corporation. In 1997, he joined Asea Brown Boveri (South Africa) Limited as vice-president marketing. He has an extensive background in the mining and power industries. He served as a Consultant of Great Basin Gold Limited since July 2009. Prior to 2001, he worked three years with Asea Brown Boveri Sub Sahara Africa (Pty) Limited. and Alstom. Initially, he served as Managing Director of ABB Power Generation (SA) since 1998 and then as Country Manager of ABB/Alstom Power until December 2000. From 1993 to 1997, he served as Marketing Manager of BHP Billiton Limited (also known as Billiton Ltd).

He served as a non-executive Chairman of Sanlam Developing Markets Limited since November 2002. He has been an independent non-executive director of Sanlam Limited since March 2006. He has been a director at Tronox Limited since June 2012. He has been an independent non-executive director of Sanlam Life Insurance Limited since 2006. He served as an executive director of Exxaro Resources Limited from 28 November 2006 to 31 March 2016. He served as an independent non-executive director of Sanlam Developing Markets Limited (also known as African Life Assurance Co. Limited). He served as an independent non-executive director of Atlatsa Resources Corporation from September 2004 to 17 July 2012. He served as a director of Great Basin Gold Limited, from 13 August 2003 to 17 July 2009. He served as a non-executive director of Exxaro Resources Limited from 1 September 2007 to 31 August 2007. He previously served as the President of Chamber of Mines of SA.

Michael Solomon Teke

Mike started his career as a school teacher. He served in various human resources roles at Unilever, Bayer, BHP Billiton and Impala Platinum until 2007. In 2008, Mike left Impala to become one of the founding members of Optimum Coal and was appointed CEO of Optimum Coal. He was integral to the listing Optimum Coal on the JSE in March 2010. In September 2012, Mike resigned as CEO of Optimum Coal and became non-executive chairman until April 2015.

Mike was appointed Vice President of the Chamber of Mines in 2011/12 and on 5 November 2013 was appointed President of the Chamber of Mines and currently serves in this role. He was also appointed Chairman of the Richards Bay Coal Terminal in 2012 and is currently serving in this role. Mike is the Deputy Chairman of Council at the University of Johannesburg.

Mike is the non-executive chairman of Rolfes, a JSE-listed company; non-executive chairman of Anchor Group, a JSE (Altx)-listed company; non-executive chairman of Tellumat. He is the founding and controlling shareholder of Dedicoal, a service-based mining and beneficiation vehicle, active in the South African mining sector, and the executive chairman and controlling shareholder of Masimong Group, a diversified investment company.

17.7.3 **Eqstra Directors' remuneration post implementation of the Proposed Transaction**

Post implementation of the Proposed Transaction, the Eqstra Board will comprise two executive Eqstra Directors and five non-executive Eqstra Directors, all of whom will be independent.

There are currently no fixed-term contracts for the executive Eqstra Directors and the notice period for termination or resignation is six calendar months. The executive Eqstra Directors are not subject to a non-compete undertaking post the date of termination of his/her employment with Eqstra.

The fees payable to proposed Eqstra Directors are in process of being negotiated. Subject to the approval for the implementation of the Proposed Transaction by Eqstra Ordinary Shareholders at the General Meeting, the fees payable to the proposed Eqstra Directors will be tabled at the next annual general meeting of the Company for Eqstra Ordinary Shareholder approval.

No share options or any other right has been given to an Eqstra Director in respect of providing a right to subscribe for Eqstra Ordinary Shares. In addition, no Eqstra Ordinary Shares have been issued and allotted to Eqstra Directors in terms of any of the Company's share schemes for employees.

17.8 **Interests of enX and enX Directors' in Eqstra**

The following enX Director/s hold Eqstra Ordinary Shares as at the Last Practicable Date:

enX Director	Nature and date of transaction	Price paid per Eqstra Ordinary Share (cents)	Number of Eqstra Ordinary Shares
Steven Joffe	Acquisition on 6 July 2016	240	10 746
	Acquisition on 7 July 2016	252	120 419
	Acquisition on 8 July 2016	254.97	2 286 800
Paul Mansour	Acquisition (indirect) on 30 June 2015	274	109 489

18. **EMPLOYEE SHARE INCENTIVE SCHEMES**

The implementation of the Proposed Transaction have the following effects on the Company's share incentive schemes:

18.1 **Retention Bonus Plan**

The Retention Bonus Plan was established in May 2016 (it is not a share incentive scheme per Schedule 14 of the Listings Requirements). Executive Eqstra Directors as well as divisional CEO's will be entitled to receive a retention bonus payout as a result of the implementation of the Proposed Transaction equal to 150% of annual cost to company as at 1 July 2015

18.2 **Share Appreciation Scheme ("SAR"), Conditional Share Plan ("CSP") and Deferred Bonus Plan ("DBP") (collectively, the "Long Term Incentive Plans")**

The Long Term Incentive Plans were established in 2008 and amended in 2010. These plans were approved by Eqstra Shareholders and the JSE in terms of Schedule 14 of the Listings Requirements. As per the various scheme rules, the awards will early vest as a result of the implementation of the Proposed Transaction due to the trigger of "change in control" clauses. The remuneration committee has agreed that the plans will be equity-settled as per the scheme rules, simultaneously with the Disposal and receipt of the enX Consideration Shares but prior to the Unbundling, using existing treasury Eqstra Ordinary Shares. No changes to the scheme rules will be made as a result of the implementation of the Proposed Transaction.

Employees transferred to enX

In line with the rules, the Remuneration Committee recommended that the awards made to employees of the Fleet Management and Logistics Division and the Industrial Equipment Division under these Schemes shall early vest on a proportional basis based on the time served from the grant date to the date of acquisition of the divisions and the extent to which the performance conditions have been met (SAR and CSP). The financial vesting conditions shall be measured based on the last audited annual financial results, being 30 June 2016.

The vested shares (DBP, CSP and SAR) will be settled from existing treasury shares on the completion of the sale of the divisions, prior to the Unbundling (being the vesting date).

Employees remaining in the employment of Eqstra

The rules state that in the event of a distribution in specie, participants shall continue to participate in the Schemes, however the Remuneration Committee will/may make an adjustment to the number of awards or take such action to ensure that participation are no worse off as a result of the Unbundling.

Due to the fact that the value of the shares which will be distributed in specie will in all probability be higher than the value of an Eqstra Ordinary Share, the continuation of participation in the SAR, CSP and DBP and the adjustment to the number of awards and strike price (SARs) may result in illogical and impractical consequences. To this end, the Remuneration Committee will take such other action to place remaining participants in no worse position that they were prior to the occurrence of the relevant event as follows:

- All outstanding awards (unvested SARS, CSP and DBP awards and vested but unexercised SAR awards) will be formally valued to determine the fair value of the outstanding awards the day before the Unbundling. This will include the testing of performance conditions with reference to the most recent financial year-end. Management will also review performance condition targets and present adjusted targets for approval by the remuneration committee.
- Following the determination of the fair value, accelerated vesting will be applied by adjusting the fair value for each allocation for the period employed between grant and the day prior to the Unbundling relative to the normal vesting period. Eqstra shares equal in value to such pro-rated fair value will vest on the day before the Unbundling and the Company will settle this obligation on the same day using treasury shares.
- The balance of the fair value will vest and be paid in cash in equal tranches on the first and second anniversary of the Unbundling provided the employee is still in the employment of the Company on these dates. A money market related interest will be paid on these cash amounts. The cash amount will be taxed upon payment. The terms of these conditional cash awards will be embodied in employee communications.
- The Company will then make new allocations from the Schemes soon after the conclusion of the Proposed Transaction which will vest more or less on the third anniversary of the Unbundling.

No adjustment will be made in respect of the Specific Issue of Ordinary Shares. No adjustment will be made to the Company limit but the individual limit in all the Schemes will be adjusted to take into account the *dividend in specie*.

19. **SHARE CAPITAL**

The authorised and issued share capital of Eqstra is as follows:

19.1 **Before the Proposed Transaction**

	R'million
Authorised Share Capital	
500 000 000 Eqstra Ordinary Shares	
Issued Share Capital	
405 502 997 Eqstra Ordinary Shares	2 418

19.2 **After the Proposed Transaction**

	R'million
Authorised Share Capital	
1 500 000 000 Eqstra Ordinary Shares	
Issued Share Capital	
506 902 997 Eqstra Ordinary Shares	2 519

Note:

5 889 279 Eqstra Ordinary Shares are held in treasury.

20. **MAJOR EQSTRA ORDINARY SHAREHOLDERS**

In the five years preceding this circular, there has been no change in the controlling Eqstra Ordinary Shareholders.

As at the Last Practicable Date, the following Eqstra Ordinary Shareholders, directly or indirectly, beneficially held in excess of 5% of the issued ordinary share capital of Eqstra:

		Percentage holding of Eqstra Ordinary Shares (%)		
	Number of Eqstra Ordinary Shares	**Before the Proposed Transaction**(1)	**After the Proposed Transaction**(2)	**After the Proposed Transaction and the enX Call Option**(3)
Beneficial				
Protea Asset Management	69 901 485	17.2	13.8	7.7
Sentinel Mining Industry Retirement Fund	50 295 807	12.4	9.9	5.5
PSG	31 270 578	7.7	6.2	3.4
Fund managers				
PSG Asset Management	33 471 472	8.3	6.6	3.7
Allan Gray	23 722 647	5.9	4.7	2.6
enX		–	20.0	55.3

Notes:

1. As a percentage of 405 502 997 Eqstra Ordinary Shares in issue as at the Last Practicable Date.
2. As a percentage of 506 902 997 Eqstra Ordinary Shares in issue following the Specific Issue of Ordinary Shares to enX.
3. As a percentage of 906 902 997 Eqstra Ordinary Shares in issue following the Specific Issue of Ordinary Shares and the possible exercise by enX of the enX Call Option.

21. **MATERIAL CONTRACTS**

No material contracts, other than the Transaction Agreement (full details of which has been included in this circular) have been entered into either verbally or in writing by Eqstra, or any of its Major Subsidiaries and the Subject Companies, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of business carried on, or proposed to be carried on, by Eqstra or any of its Major Subsidiaries and the Subject Companies, within the two years prior to the date of this circular or at any time containing an obligation or settlement that is material to Eqstra or its Major Subsidiaries as at the date of this circular.

Service contracts with the Eqstra executive directors as well as the Company Secretary were concluded with terms and conditions that are standard for such appointments and contain normal terms of employment. The service contracts are available for inspection as detailed in paragraph 32 of this circular. There are no service contracts in place in respect of Eqstra non-executive directors.

22. **MATERIAL LOANS**

Details of material loans made to the Eqstra Group are set out in paragraph 11 of this circular (Debt Restructure) and **Annexure 16** to this circular.

23. **MATERIAL CHANGES**

There have been no material changes in the financial or trading position of Eqstra and its subsidiaries, including the Subject Companies, between 31 December 2015, the date of the latest unaudited interim results, and the Last Practicable Date, save for the Excess Assets Disposal and the announcement of the Proposed Transaction.

24. **LITIGATION STATEMENT**

The Eqstra Directors are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the previous twelve months, a material effect on the Eqstra Group's or the Subject Companies financial position.

25. **OPINIONS, RECOMMENDATIONS AND UNDERTAKINGS**

25.1 **Expert Opinion**

In terms of the Companies Act, the Disposal and the Unbundling (and therefore the Proposed Transaction) require an opinion from the Independent Expert. KPMG has been appointed by the Independent Board as the Independent Expert to Eqstra and has provided an opinion to the Independent Board that the terms and conditions of the Disposal and the Unbundling (and therefore the Proposed Transaction) are fair and reasonable to Eqstra Ordinary Shareholders.

The full copy of the Expert Opinion is set out in **Annexure 1** to this circular.

25.2 **Eqstra Directors' recommendations in respect of the Proposed Transaction**

The Independent Board, after due consideration of the Expert Opinion, and in accordance with its responsibilities in terms of Regulation 110 of the Companies Regulations, has formed a view of the range of fair value of enX Shares per Eqstra Ordinary Share, which accords with the valuation range contained in the Expert Opinion. The enX Consideration Shares exceeds the fair value range per Eqstra Ordinary Share set out in the Expert Opinion contained in **Annexure 1** to this circular.

The Independent Board, after due consideration of the Expert Opinion, has determined that it will place reliance on the valuations performed by the Independent Expert for the purposes of reaching its own opinion regarding the Proposed Transaction and the enX Consideration Shares as contemplated in Regulation 110(3)(b) of the Companies Regulations.

The Independent Board considered the following factors in arriving at it opinion:

- the opinion of the Independent Expert;
- the equity and debt structures of each division will, post the Proposed Transaction, more closely match the operational risks, capital expenditure requirements and cash flow profiles of each division;
- the FML and IE Divisions are being separated from the CMPR Division, allowing for focused management and different points of entry for equity investors;
- the Noteholders will extend maturities to better match the cash flow profile of the FML and IE Divisions and reduce financing risks (the Noteholders approved the Note Programme Restructure at a meeting of Noteholders held on Friday, 22 July 2016);
- the Lenders will provide long-term funding support to all divisions; and

- Wild Rose Capital Proprietary Limited and enX's strategic empowerment shareholder, CapLeverage Proprietary Limited (collectively, "Shareholders of Reference"), will be established as anchor enX shareholders to drive the direction of the enlarged enX group and the remaining Eqstra business (i.e. the CMPR Division) going forward. Importantly, the Shareholders of Reference in the remaining Eqstra business will provide access to capital, support the strategic direction of the management team and, as relevant, drive and support its acquisitive growth strategy.

For the reasons set out above, the Independent Board is of the opinion that the Proposed Transaction is in the best interest of Eqstra Ordinary Shareholders and recommends that Eqstra Ordinary Shareholders vote in favour of the Proposed Transaction and the Resolutions to be proposed at the General Meeting. The Independent Board intend voting in favour of the Resolutions in respect of their personal holdings in the issued ordinary share capital of Eqstra.

25.3 **Recommendations of the enX Board**

The enX Board believes that the Proposed Transaction is in the best interests of enX Shareholders. Accordingly, the enX Board recommends that enX Shareholders vote in favour of the special and ordinary resolutions to be proposed at the enX general meeting to be convened and held to consider the Proposed Transaction.

25.4 **Eqstra Shareholder Irrevocable Undertakings**

Irrevocable undertakings have been obtained by enX from the following Eqstra Ordinary Shareholders and Eqstra Directors holding 60.92% of Eqstra's issued ordinary share capital to exercise their voting rights in favour of passing all of the Resolutions required to approve and give effect to the implementation of the Proposed Transaction:

Eqstra Ordinary Shareholder	**Number of Eqstra Ordinary Shares**	**Percentage shareholding (%)**
Protea Asset Management LLC	68 467 486	16.88
PSG Asset Management	35 271 971	8.70
Peregrine Equities Proprietary Limited	32 561 969	8.03
Buckley Capital Management LLC	16 455 896	4.06
Old Mutual Investment Group	16 271 916	4.01
Peregrine Nominees Proprietary Limited	12 722 957	3.14
Conduit Capital Limited	11 159 061	2.75
Eric Ellerine Trust Proprietary Limited	10 376 101	2.56
Nozala MCC Proprietary Limited	8 272 000	2.04
Midbrooke Lane Proprietary Limited	6 032 842	1.49
Aeon Investment Management Proprietary Limited	5 448 081	1.34
Standard Bank Online Share Trading	4 300 000	1.06
Cadiz Asset Management Proprietary Limited	3 944 763	0.97
CorpCapital Proprietary Limited	3 800 000	0.94
Mr S Joffe	2 417 965	0.60
Mergence Investment Managers	1 783 405	0.44
Mr B Kark	1 272 452	0.31
Flagship Asset Management Proprietary Limited	1 000 000	0.25
Mr R Friedman	1 000 000	0.25
Mr J Friedman	1 000 000	0.25
JSF Family Trust	1 000 000	0.25
Mr G Neubert	573 904	0.14
Mr HM Lindeque	544 100	0.13
Mr JL Serfontein	504 000	0.12
Mr JV Carr	430 864	0.11
Denje Investments Proprietary Limited	200 000	0.05
Mr J Colling	190 000	0.05
Ms L Möller	18 000	0.00
	247 019 733	**60.92**

Dealings in Eqstra Ordinary Shares for the period beginning 6 (six) months prior to 30 June 2016 and ending on the Last Practicable Date by parties who have provided the Eqstra Irrevocable Undertakings are provided in **Annexure 18** to this circular.

25.5 **enX Irrevocable Undertakings**

Irrevocable undertakings have been obtained by enX from the following enX Shareholders holding 81.4% of enX's issued ordinary share capital to exercise their voting rights in favour of passing all of the resolutions required to approve and give effect to the implementation of the transaction from an enX perspective:

Shareholder	Number of enX shares	% of voting rights
Samvenice Trading 1 Proprietary Limited	140 637 983	24.7%
Wild Rose Capital Proprietary Limited	127 039 201	22.3%
Peregrine Equities Proprietary Limited	43 960 421	7.7%
Peregrine Direct Limited	37 360 766	6.6%
David Brouze	36 089 945	6.3%
Hillside Trust	26 302 369	4.6%
Brian Downs	20 000 000	3.5%
Peregrine Nominees Proprietary Limited	18 266 480	3.2%
Eric Ellerine	6 192 598	1.1%
Paul Mansour*	3 179 038	0.6%
Christian Neuberger	2 225 328	0.4%
Jarrod Friedman	2 225 328	0.4%
Total	**463 479 457**	**81.4%**

** Director*

Dealings in enX Shares for the period beginning 6 (six) months prior to 30 June 2016 and ending on the Last Practicable Date by parties who have provided the enX Irrevocable Undertakings are provided in **Annexure 18** to this circular. The enX Directors accept responsibility for the information contained in this paragraph 25.5 and **Annexure 18** to this circular (in so far as it relates to the enX Irrevocable Undertakings).

26. **DIRECTORS' RESPONSIBILITY STATEMENTS**

26.1 **Eqstra**

The Eqstra Directors, whose names are given on page 22 of this circular:

- have considered all statements of fact and opinion in this circular to the extent that it relates to Eqstra;
- collectively and individually, accept full responsibility for the accuracy of the information given to the extent that it relates to Eqstra;
- certify that, to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading;
- have made all reasonable enquiries in this regard; and
- certify that, to the best of their knowledge and belief, this circular contains all information required by law and the Listings Requirements.

26.2 **enX**

The enX Board accepts responsibility for the information contained in this circular to the extent that it relates to enX. (see paragraphs 4, 14.2, 15.2, 17.8, 25.3 and 25.5 of this circular and **Annexures 5, 6, 13, 14** and **18** to this circular). To the best of its knowledge and belief, the information contained in this circular as it relates to enX is true and nothing has been omitted which is likely to affect the import of the information.

27. WORKING CAPITAL STATEMENT

The Eqstra Board has considered the effects of the Proposed Transaction and is of the opinion that, for a period of twelve months subsequent to the date of this circular:

- the Eqstra Group will in the ordinary course of business be able to pay its debts;
- the assets of the Eqstra Group, fairly valued, will be in excess of its liabilities (for this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies applied to the latest audited financial results);
- the share capital and reserves of the Eqstra Group will be adequate for ordinary business purposes; and
- the working capital of the Eqstra Group will be adequate for ordinary business purposes.

28. GENERAL MEETING AND EQSTRA ORDINARY SHAREHOLDER APPROVAL

The notice convening the General Meeting of Eqstra Ordinary Shareholders forms part of this circular. The General Meeting will be held at the Registered Office at 9:00 on Thursday, 22 September 2016, to consider and if deemed fit, pass, with or without modification the Resolutions to approve and implement the Proposed Transaction.

28.1 If you hold Dematerialised Shares

28.1.1 "Own-name" registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00, on Tuesday, 20 September 2016 or may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting.

28.1.2 Other than "own-name" registration

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instruction. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You must **not** complete the attached form of proxy. In accordance with the mandate between you and your CSDP or broker you must advise your CSDP or broker timeously if you wish to attend, or be represented at, the General Meeting.

Your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend, or to be represented at the General Meeting.

28.2 If you hold Certificated Shares

28.2.1 You are entitled to attend, or be represented by proxy, at the General Meeting.

28.2.2 If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00, on Tuesday, 20 September 2016 or may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting.

28.3 Shareholder approval

The Proposed Transaction is subject to Eqstra Ordinary Shareholder approval as set out in the notice of General Meeting forming part of this circular.

28.4 Voting rights

All issued Eqstra Ordinary Shares rank *pari passu* with each other.

At the General Meeting, every Eqstra Ordinary Shareholder present or represented by proxy shall have one vote on a show of hands, and on a poll, one vote for every Eqstra Ordinary Share held.

It should be noted that Treasury Shares will not be eligible to vote.

29. CONSENTS

Rothschild, Nedbank, Werksmans, Deloitte, KPMG and Computershare have provided their written consents to act in the capacity stated and to their name being used in this circular and have not withdrawn their consent prior to the publication of this circular.

30. CONFLICTS OF INTEREST

In terms of paragraph IV of the Appendix to Schedule 16 contained in the Listings Requirements, the Transaction Sponsor is required to disclose details of all matters that might reasonably be expected to impair its independence and objectivity in its professional dealings with Eqstra in relation to the Proposed Transaction.

The following matters may be considered to have an impact on the Transaction Sponsor's independence in relation to the Proposed Transaction:

- As at 31 December 2015, being Eqstra's most recent interim results, Nedbank's total funding advanced to Eqstra (through Nedbank Limited, acting through its Leveraged Finance business unit ("Levfin")) was c. R1.6 billion. This is immaterial in relation to Nedbank's total advances to its clients. This funding package has been in place for the last 12 months; and
- Nedbank Limited, acting through its Corporate Finance Business Unit ("NCF") is currently acting as the advisor to the Lenders.

The following procedures are in place to manage/mitigate such perceived conflicts:

- NCF has been structured such that the individuals whose sole responsibility is to fulfil the function of a JSE Equity Sponsor operate with strict Chinese Walls from the NCF team responsible for advisory mandates;
- The Transaction Sponsor team does not form part of the NCF team appointed to advise the Lenders; and
- Nedbank Limited, as a strictly regulated entity, has significant compliance procedures in place to ensure that the activities of both NCF and Transaction Sponsor are monitored and that effective Chinese Walls are in place between Transaction Sponsor and Levfin, which would further ensure that the Transaction Sponsor's independence and objectivity in relation to the Proposed Transaction and its professional dealings with Eqstra are maintained.

31. EXPENSES RELATING TO THE IMPLEMENTATION OF THE PROPOSED TRANSACTION

The expenses relating to the implementation of the Proposed Transaction are estimated at approximately R40 million (excluding VAT) and comprise:

Description	**Payable to**	**R**
Corporate Adviser fees	Rothschild	15 000 000
Transaction Sponsor fees	Nedbank	1 500 000
Independent Expert's fees	KPMG	950 000
Legal fees	Werksmans	3 200 000
Independent Reporting Accountant's fees	Deloitte	2 000 000
JSE documentation fee	JSE	153 600
JSE listing fee	JSE	80 082
TRP fees	TRP	100 000
Tax advisory fees	Cliffe Dekker	1 000 000
Debt advisory fees	Consent solutions	4 000 000
Other advisory fees	Various	4 800 000
Printing and publishing costs	Ince	500 000
Other	Various	6 716 318
Total		**40 000 000**

32. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Eqstra Ordinary Shareholders at the Registered Office during normal business hours on Business Days from the date of this circular up to and including the date of the General Meeting:

- a signed copy of this circular;
- a copy of the Transaction Agreement;
- audited annual financial statements of Eqstra for the three years ended 30 June 2015, 2014 and 2013 and the unaudited financial results for the six months ended 31 December 2015;
- audited annual financial statements of enX for the year ended 31 August 2015 and the unaudited financial results for the six months ended 29 February 2016;
- the Independent Reporting Accountant's reports on the historical financial information of the Fleet Management & Logistics Division and the Industrial Equipment Division, and on the *Pro Forma* Financial information;
- the Eqstra MOI and the memoranda of incorporation of its Major Subsidiaries;
- the Independent Expert's report;
- the material contracts detailed in paragraph 21 above;
- the Eqstra Irrevocable Undertakings;
- a summary of the Eqstra Directors' service contracts;
- the TRP's compliance certificate in respect of the Proposed Transaction in terms of Section 119(4)(b) of the Companies Act; and
- the consent letters of the appointed professional advisers as set out in paragraph 29 above.

The circular, in so far as the information relates to Eqstra, is signed at Kempton Park on behalf of the Eqstra Directors.

By order of the Eqstra Board

JL Serfontein
Chief Executive Officer – Eqstra

The circular, in so far as the information relates to enX (being paragraphs 4, 14.2, 15.2, 17.8 and 25.3 and 25.5 of the circular, and **Annexure 5, 6, 13, 14** and **18** to this circular), is signed at Melrose on behalf of the enX Board.

By order of the enX Board

Paul Mansour
Chief Executive Officer – enX Group

24 August 2016
Johannesburg

EXPERT OPINION

"The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
Johannesburg
2196

16 August 2016

Dear Sirs

Independent expert report to the board of Eqstra Holdings Limited ("Eqstra") setting out our opinion on the fairness and reasonableness of the proposed transaction with enX Group Limited ("enX")

Introduction

Eqstra ordinary shareholders are referred to the announcement released on SENS on 30 June 2016 and are advised that the board of Eqstra ("the Board") proposes, subject to Eqstra ordinary shareholder approval, the adoption of the resolutions relating to the proposed transaction.

The proposed transaction comprises of the following (collectively referred to as "the Transaction"):

- the proposed disposal by Eqstra to enX of the Fleet Management and Logistics Division and the Industrial Equipment Division ("the Disposal");
- the Disposal would be settled by the issue of ordinary shares in enX to Eqstra ("the enX Consideration Shares");
- the unbundling by Eqstra of the enX Consideration shares to Eqstra ordinary shareholders by way of a distribution in terms of Section 46 of the Companies Act ("the Unbundling"), in the ratio of 0.13 enX Consideration Shares for every 1 Eqstra ordinary share;
- the specific issue of Eqstra ordinary shares ("the Specific Issue") and MCC Contacts Proprietary Limited ("MCC") preference shares to enX for cash and the advancement of a loan by enX to Eqstra ("the enX Loan");
- the recapitalisation of Eqstra's Contract Mining and Plant Rental Division by enX through the Specific Issue, the issue of the MCC preference shares and the enX Loan ("the Recapitalisation").

Scope

Pursuant to the requirements of the Companies Act, an independent expert report is required to be obtained by the Board as the Disposal and the Unbundling constitute a disposal of the greater part of the assets of Eqstra in terms of Section 112 of the Companies Act.

In light of the above, KPMG Services Proprietary Limited ("KPMG") has been appointed by the Board as the independent expert to advise on whether the terms and conditions of the Transaction are fair and reasonable to the shareholders of Eqstra. The Board has been advised accordingly.

Our work and findings shall not in any way constitute recommendations regarding the completion of the Transaction.

Responsibility

The compliance with the JSE Listings Requirements and the Companies Act is the responsibility of the Board. Our responsibility is to report on the terms and conditions of the Transaction.

Definition of the terms "fair" and "reasonable"

A transaction will generally be considered fair to a company's shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. In this case, the Transaction may be considered fair if the sum of the value of a post-Transaction Eqstra share and 0.13 post-Transaction enX shares is greater than or equal to the value of a pre-Transaction Eqstra share.

The assessment of reasonableness is generally based on qualitative considerations surrounding the Transaction. Hence, even though the benefits received by Eqstra shareholders may be less than the value surrendered by Eqstra shareholders, the entire Transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

Information utilised and procedures performed

Key quantitative considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the Transaction:

Pre-Transaction Eqstra valuation

- considered the rationale for the Transaction, based on discussions with the management of Eqstra, its advisors and consideration of internal documents such as the memorandum to the Board;
- obtained an understanding of the structure, terms and conditions of Transaction;
- held discussions with the management of Eqstra to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the industry;
- considered the historical performance of Eqstra with reference to its audited financial statements for the financial years ended 30 June 2012 to 2015 and the unaudited management accounts for the period ended 30 April 2016;
- evaluated the risks and expected returns associated with Eqstra;
- considered the ratings report issued by Standard and Poor's Rating Services, dated 25 April 2016;
- reviewed Eqstra's forecast financial model ("the Eqstra Financial Model") for the years ending 30 June 2016 to 2020 and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;
- reviewed the process followed in the preparation of the Eqstra Financial Model and reliance placed thereon by Eqstra's directors;
- reviewed the reasonableness of material assumptions in the Eqstra Financial Model;
- assessed the assumptions made against our analysis of future macro-economic factors, as well as the overall industry outlook;
- reviewed certain publicly available information relating to Eqstra, including company announcements, analysts' reports and media articles;
- compared the 12 month historical share price movement of Eqstra shares to shares of comparable companies in order to assess the relative trading activities, liquidity and volatility of Eqstra shares; and
- considered any further material adjustments to value based on matters arising in the period from 27 June 2016 to the date of this opinion.

Pre-Transaction enX valuation

- held discussions with the management of enX to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the industry;
- considered the historical performance of enX with reference to its audited financial statements for the financial years ended 31 August 2012 to 2015 and the unaudited interim financial results for the period ended 29 February 2016;
- evaluated the risks and expected returns associated with enX;
- reviewed enX's forecast financial model ("the enX Financial Model") for the years ending 31 August 2016 to 2020 and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;
- reviewed the process followed in the preparation of the enX Financial Model and reliance placed thereon by enX's directors;
- reviewed the reasonableness of material assumptions in the enX Financial Model;

- assessed the assumptions made against our analysis of future macro-economic factors, as well as the overall industry outlook. From these assessments, we have satisfied ourselves with the appropriateness and reasonableness of the underlying information and assumptions;
- reviewed certain publicly available information relating to enX, including company announcements, analysts' reports and media articles;
- compared the 12 month historical share price movement of enX shares to shares of comparable companies in order to assess the relative trading activities, liquidity and volatility of enX shares; and
- considered any further material adjustments to value based on matters arising in the period from 27 June 2016 to the date of this opinion.

Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Transaction:

- the rationale for the Transaction as set out in public announcements made by Eqstra and enX;
- our understanding of the process followed in negotiating the Transaction and the options considered.

Valuation

Eqstra

KPMG performed a valuation of Eqstra to determine whether the transaction offer consideration represents fair value to the ordinary shareholders of Eqstra. The discounted cash flow methodology was the primary valuation methodology employed, supplemented by the capitalisation of maintainable earnings approach.

The valuation was performed taking cognisance of key external value drivers including, where relevant, key economic parameters such as the current interest rates, the forecast exchange rate, the forecast inflation rate and gross domestic product ("GDP") expectations. Key internal value drivers to the valuation included the cost of debt, discount rate, operating margins and growth rates.

Additionally, sensitivity analyses were performed considering key assumptions applied in the Eqstra Financial Model which included, *inter alia*, duration of customer contracts, forecast profit margins, capital expenditure forecasts, working capital policies and key economic parameters used in order to test the operation of the model.

enX

KPMG performed a valuation of enX to determine whether the transaction offer consideration represents fair value to the ordinary shareholders of Eqstra. The discounted cash flow methodology was the primary valuation methodology employed, supplemented by the capitalisation of maintainable earnings approach.

The valuation was performed taking cognisance of key external value drivers including, where relevant, key economic parameters such as the current interest rates, the forecast exchange rate, the forecast inflation rate and GDP expectations. Key internal value drivers to the valuation included the cost of debt, discount rate, operating margins and growth rates.

Additionally, sensitivity analyses were performed considering key assumptions applied in the forecasts which included, *inter alia*, forecast profit margins, capital expenditure forecasts, working capital policies and key economic parameters used in order to test the operation of the model.

Post-transaction valuation

In undertaking the primary valuation exercise above, we have determined the values of an ordinary Eqstra share pre-Transaction, as well as the value of the enX Consideration Shares pre-Transaction. In addition, we determined the values of an ordinary share in Eqstra and an ordinary share in enX post-Transaction taking into account the quantifiable benefits of the Transaction.

KPMG determined a valuation range of 0.127 to 0.155 enX shares per ordinary Eqstra share with a most likely value of 0.141 enX share per ordinary Eqstra share.

The valuation above is provided solely in respect of this fair and reasonable opinion and should not be used for any other purposes.

Opinion

KPMG has considered the terms and conditions of the Transaction, subject to the conditions set out herein. Based on the proposed ratio of 0.13 enX Consideration Shares for every 1 Eqstra ordinary share, KPMG is of the opinion that the terms and conditions of the Transaction are fair and reasonable to the Eqstra shareholders.

Our opinion is necessarily based upon the information available to us up to 11 August 2016, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This opinion is provided to the Board in connection with and for the purposes of the Transaction. This opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Eqstra shareholders. Should an Eqstra shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Eqstra shareholder's decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances. The assessment as to whether or not the Board decides to recommend the Transaction is a decision that can only be taken by the Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Eqstra and enX, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of Eqstra and enX relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Eqstra and enX will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of Eqstra and enX to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Eqstra and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Transaction will be legally enforceable.

Independence

We confirm that we have no direct or indirect interest in Eqstra shares or the transaction and we confirm that we have no existing or continuing relationship with the issuer and/or any other parties involved in the transaction.

Furthermore, we confirm that our professional fees, of R950 000.00 (excluding VAT and disbursements), are not contingent upon the success of the Transaction.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the shareholders of Eqstra in the form and context in which it appears.

Yours faithfully

Heather Carswell
Director – Deal Advisory
KPMG Services Proprietary Limited
Wanooka Place
1 Albany Rd

Parktown

2193"

REPORT OF COMBINED HISTORICAL FINANCIAL INFORMATION ON THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION

Background

Industrial Equipment

The Industrial Equipment division distributes mobile capital equipment through leasing and rental as well as value added services for the materials-handling, industrial, construction and mining sectors. The business offers recognised brands and excellent aftermarket service for a unique one-stop solution. Customer interfacing functions are decentralised by business and region with back office support provided through a shared service facility.

The 2015 financial year offered mixed performance, with the Forklift Businesses in both South Africa and the UK performing well, while the Heavy Equipment and 600SA businesses did not perform in line with expectations.

Further expansion of the footprint in Africa occurred with the appointment of forklift dealers in Tanzania and a new dealer in Angola.

Heavy Equipment on the contrary was adversely affected by the slowdown in the South African mining sector. The business experienced a number of customers holding back on new orders and payments. On a positive, a preferred distributorship agreement with Link-belt Mobile Cranes was signed.

The UK business performed admirably and improved delivery year-on-year. Greater value was extracted from the existing business while the new acquisitions (Abex and Western Mechanical) started to add new value.

For the six months ended 31 December 2015, the Industrial Equipment division continued to perform well in its core forklift businesses. However, foreign exchange losses of R20 million (31 December 2014: R3 million gain) in the period contributed to a decrease in continuing operations operating profit of 5.5% to R154 million (31 December 2014: R163 million). Following the exit from the Terex distribution business in July 2015, and as part of implementing Eqstra's stated strategy, the division is in the process of closing the Construction Equipment business unit, resulting in a loss of R69 million (31 December 2014: loss R7 million).

The core operations in the Industrial Equipment division represented by the forklift businesses in South Africa and the United Kingdom continued to grow and improve market share even in a declining forklift market in South Africa.

Fleet Management and Logistics

The division delivered a solid set of results over the periods with improved operating margins despite harsh market conditions. Capital constraints in the latter half of the 2015 financial year, combined with increases in funding costs, negatively impacted the division's ability to achieve our revenue growth targets.

During the period the Fleet Management and Logistics division delivered improved continuing operating profit. The division's operating margin improved to 19.2% (2014: 17.0%), mainly as a result of benefits flowing from previous restructuring. The division also consciously decreased its revenue-generating assets as part of its ongoing drive to preserve cash. The division is also in the process of closing the Commodity business unit. Effective 1 May 2016, the Commodities business has been sold.

Directors' statement of 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 information. The historical combined financial information is an aggregation of the Subject Companies accounting records and is prepared in accordance with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The accounting records of the underlying statutory entities have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

In accordance with the Companies Act and Regulations of South Africa 2008 ("the Act") the directors are required to maintain adequate accounting records. The directors are responsible for the preparation, integrity and fair presentation of the historical combined financial information included in this report.

The Eqstra Holdings Limited group's internal auditors independently evaluate the internal controls and co-ordinate their audit coverage with management, audit committees and external auditors.

Based on the information and explanations of management and internal auditors, the directors are of the opinion that the system of internal control provides reasonable assurance. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the periods under review. The directors are therefore satisfied that the financial records may be relied on for the preparation of the historical combined financial information.

Attention is drawn to note 34 which deals with the uncertainty surrounding the Eqstra group's ability to continue and operate as a going concern should the proposed transaction with enX Limited not be completed.

Preparation of historical combined financial information

The preparation of the historical combined financial information was supervised by Mr DA Austin CA (SA).

COMBINED STATEMENT OF FINANCIAL POSITION

As at

	Notes	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
ASSETS					
Non-current assets		8 860	8 674	8 870	8 017
Intangible assets	4	188	180	126	60
Property, plant and equipment	5	284	310	323	315
Leasing assets	6	5 881	5 801	5 608	4 982
Deferred tax assets	7	42	68	65	58
Finance lease receivables	8	3	15	11	25
Amounts owing by related parties	9	2 436	2 241	2 682	2 460
Derivative financial assets	10	–	–	–	53
Other investments and loans	11	26	59	55	64
Current assets		2 216	1 780	1 893	1 946
Derivative financial assets	10	64	28	48	52
Finance lease receivables	8	3	15	30	48
Inventories	12	960	872	932	828
Trade and other receivables	13	839	776	864	720
Taxation in advance		17	9	16	33
Cash and cash equivalents	14	300	80	3	265
Assets held for sale	15	33	–	–	–
Total assets		**11 076**	**10 454**	**10 763**	**9 963**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital		763	763	763	747
Equity loans	16	482	482	472	471
Other reserves	17	95	48	35	20
Retained income		596	625	407	351
Equity attributable to owners of the parent		1 936	1 918	1 677	1 589
Non-controlling interests		26	31	25	18
Total equity		1 962	1 949	1 702	1 607
Non-current liabilities		5 615	5 866	5 047	5 422
Interest-bearing borrowings	18	5 018	5 308	4 543	4 959
Deferred tax liabilities	7	597	558	504	463
Current liabilities		3 499	2 639	4 014	2 934
Amounts owing to related parties	9	13	8	222	124
Derivative financial liability	10	4	3	3	2
Current portion of interest-bearing borrowings	18	2 185	1 488	2 704	1 758
Trade and other payables	19	1 247	1 112	1 065	1 027
Current tax liabilities		31	28	20	23
Liabilities associated with assets held for sale	15	19	–	–	–
Total equity and liabilities		**11 076**	**10 454**	**10 763**	**9 963**

COMBINED STATEMENT OF COMPREHENSIVE INCOME

For the periods ended

	Notes	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Continuing operations					
Revenue	20	2 531	5 036	4 863	4 349
Net operating expenses	21	(1 480)	(3 009)	(3 077)	(2 842)
Profit from operations before depreciation, amortisation and recoupments		1 051	2 027	1 786	1 507
Depreciation and amortisation	22	(690)	(1 299)	(1 160)	(1 004)
Recoupments	22	4	1	–	7
Operating profit		365	729	626	510
Net foreign exchange (losses)/gains	21	(21)	2	(5)	3
Impairment of financial assets	11	(30)	–	–	–
Profit before net finance costs		314	731	621	513
Net finance costs		(171)	(381)	(326)	(267)
Finance costs	23	(290)	(595)	(553)	(513)
Finance income	23	119	214	227	246
Profit before taxation		143	350	295	246
Income tax expense	24	(50)	(98)	(75)	(42)
Profit for the period from continuing operations		93	252	220	204
Discontinued operations					
(Loss)/profit for the period from discontinued operations, including profit on sale of discontinued operations	25	(104)	(15)	31	(7)
(Loss)/profit for the period		**(11)**	**237**	**251**	**197**
Attributable to:					
Owners of the parent		(13)	226	240	192
– Profit for the period from continuing operations		91	241	209	199
– (Loss)/profit for the period from discontinued operations		(104)	(15)	31	(7)
Non-controlling interests		2	11	11	5
(Loss)/profit for the period		**(11)**	**237**	**251**	**197**

COMBINED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the periods ended

	Notes	**Six months ended 31 December 2015 Rm**	**12 months ended 30 June 2015 Rm**	**12 months ended 30 June 2014 Rm**	**12 months ended 30 June 2013 Rm**
(Loss)/profit for the period		(11)	237	251	197
Total other comprehensive income for the period, net of taxation					
Items that may be reclassified subsequently to profit or loss		44	9	30	20
Exchange differences on translation of foreign subsidiaries	17	44	4	31	13
Net fair value gain/(loss) on cash flow hedges and other fair value reserves	17	–	5	(1)	7
Total comprehensive income for the period, net of taxation		**33**	**246**	**281**	**217**
Attributable to:					
Owners of the parent		31	235	270	212
Non-controlling interests		2	11	11	5
Total comprehensive income for the period, net of taxation		**33**	**246**	**281**	**217**

COMBINED DISCONTINUED OPERATIONS STATEMENT OF COMPREHENSIVE INCOME

For the periods ended

Discontinued operations	Notes	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Revenue	20	113	399	795	674
Net operating expenses	21	(166)	(375)	(725)	(631)
(Loss)/profit from operations before depreciation and amortisation		(53)	24	70	43
Depreciation and amortisation	22	(11)	(25)	(30)	(30)
Operating (loss)/profit		(64)	(1)	40	13
Net foreign exchange gains/(losses)	21	–	(1)	2	4
Net impairment of leasing assets	25	(9)	–	–	–
(Loss)/profit before net finance costs		(73)	(2)	42	17
Net finance costs		(6)	(18)	(19)	(13)
Finance costs	23	(6)	(18)	(19)	(15)
Finance income	23	–	–	–	2
(Loss)/profit before taxation		(79)	(20)	23	4
Income tax expense	24	(25)	5	8	(11)
(Loss)/profit for the period	25	**(104)**	**(15)**	**31**	**(7)**

COMBINED STATEMENT OF CHANGES IN EQUITY

For the periods ended

	Stated capital Rm	Other reserves Rm	Retained income Rm	Equity loans Rm	Non-controlling interests Rm	Total Rm
Balance at 1 July 2012	736	(14)	336	514	13	1 585
Total comprehensive income for the period	–	20	192	–	5	217
Profit for the period	–	–	192	–	5	197
Other comprehensive income for the period, net of taxation	–	20	–	–	–	20
Net share-based payment expense	–	11	–	–	–	11
Dividends paid	–	–	(188)	–	–	(188)
Acquisition of subsidiary	11	6	11	–	–	28
Deferred taxation effect on items recorded directly in equity	–	(3)	–	–	–	(3)
Decrease in equity loans	–	–	–	(43)	–	(43)
Balance at 30 June 2013	747	20	351	471	18	1 607
Total comprehensive income for the period	–	30	240	–	11	281
Profit for the period	–	–	240	–	11	251
Other comprehensive income for the period, net of taxation	–	30	–	–	–	30
Net share-based payment expense	–	1	–	–	–	1
Vesting of share incentive scheme	–	(16)	(2)	–	–	(18)
Dividends paid	–	–	(182)	–	(4)	(186)
Acquisition of subsidiary	16	–	–	–	–	16
Increase in equity loans	–	–	–	1	–	1
Balance at 30 June 2014	763	35	407	472	25	1 702

	Stated capital Rm	Other reserves Rm	Retained income Rm	Equity loans Rm	Non-controlling interests Rm	Total Rm
Total comprehensive income for the period	–	9	226	–	11	246
Profit for the period	–	–	226	–	11	237
Other comprehensive income for the period, net of taxation	–	9	–	–	–	9
Net share-based payment expense	–	5	–	–	–	5
Dividends paid	–	–	(8)	–	(5)	(13)
Increase in equity loans	–	–	–	10	–	10
Deferred taxation effect on items recorded directly in equity	–	(1)	–	–	–	(1)
Balance at 30 June 2015	763	48	625	482	31	1 949
Total comprehensive income for the period	–	44	(13)	–	2	33
Loss for the period	–	–	(13)	–	2	(11)
Other comprehensive income for the period, net of taxation	–	44	–	–	–	44
Net share-based payment expense	–	5	–	–	–	5
Vesting of share incentive scheme	–	(1)	–	–	–	(1)
Dividends paid	–	–	(16)	–	(7)	(23)
Deferred taxation effect on items recorded directly in equity	–	(1)	–	–	–	(1)
Balance at 31 December 2015	763	95	596	482	26	1 962

COMBINED STATEMENT OF CASH FLOWS

For the periods ended

	Notes	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Cash receipts from customers		2 587	5 542	5 552	5 112
Cash paid to suppliers and employees		(1 311)	(2 692)	(2 989)	(2 937)
Cash generated from operations	27A	1 276	2 850	2 563	2 175
Interest received	23	119	214	227	248
Interest paid	23	(296)	(613)	(572)	(528)
Income taxation paid	27B	(17)	(29)	(22)	(48)
Cash flows from operating activities		1 082	2 422	2 196	1 847
Cash flows from investing activities					
Acquisition of businesses	27C	–	(12)	(16)	–
Purchase of intangible assets	4	(9)	(67)	(74)	(32)
Purchase of property, plant and equipment	5	(14)	(30)	(32)	(37)
Purchase of leasing assets	6	(924)	(1 990)	(2 545)	(2 386)
Proceeds on disposal of property, plant and equipment	5	44	18	3	17
Proceeds on disposal of leasing assets	6	–	–	4	38
Decrease in finance lease receivables	8	24	11	32	50
Increase in other investments and loans	11	–	–	9	
Cash flows from investing activities		(879)	(2 070)	(2 619)	(2 350)
Cash flows from financing activities					
Net (decrease)/increase in amounts from related parties		(190)	227	(124)	222
Increase/(decrease) in equity loans		–	10	1	(43)
Increase/(decrease) in derivative financial instruments		–	–	53	(5)
Dividends paid		(23)	(13)	(186)	(188)
Net increase/(decrease) in interest-bearing borrowings		227	(499)	417	268
Transactions with shareholders		(1)	–	(2)	–
Cash flows from financing activities		13	(275)	159	254
Net increase/(decrease) for the period		216	77	(264)	(249)
Effect of exchange rate translation on cash and cash equivalents		4	–	2	2
Cash and cash equivalents at beginning of the period		80	**3**	265	512
Cash and cash equivalents at end of period	13	**300**	**80**	**3**	**265**
Cash flow from operating activities		2	24	40	18
Cash flow from investing activities		–	(1)	(65)	(13)
Cash flow from financing activities		(1)	(24)	25	(23)

SEGMENTAL INFORMATION – STATEMENT OF FINANCIAL POSITION

As at

	Aggregated		Industrial Equipment		Fleet Management and Logistics		Corporate Office	
	31 December 2015 Rm	30 June 2015 Rm	31 December 2015 Rm	30 June 2015 Rm	31 December 2015 Rm	30 June 2015 Rm	31 December 2015 Rm	30 June 2015 Rm
BUSINESS SEGMENTATION								
ASSETS								
Intangible assets	188	180	15	12	173	167	–	1
Property, plant and equipment	284	310	196	186	79	79	9	45
Leasing assets	5 881	5 801	2 714	2 513	3 167	3 288	–	–
Finance lease receivables	6	30	–	–	6	30	–	–
Other investments and loans	26	59	–	–	13	16	13	43
Inventories	960	872	917	816	43	56	–	–
Amounts owing by related parties	2 436	2 241	–	–	–	–	2 436	2 241
Trade and other receivables and derivatives	903	804	491	469	333	312	79	23
Assets held for sale	33	–	–	–	33	–	–	–
Operating assets	**10 717**	**10 297**	**4 333**	**3 996**	**3 847**	**3 948**	**2 537**	**2 353**
Deferred tax assets	42	68						
Taxation in advance	17	9						
Cash and cash equivalents	300	80						
Total assets	**11 076**	**10 454**						
LIABILITIES								
Trade and other payables and derivatives	1 251	1 115	708	587	455	439	88	89
Amounts owing to group companies	13	8	–	–	–	–	13	8
Interest-bearing borrowings	7 203	6 796	2 550	2 370	1 874	2 117	2 779	2 309
Liabilities associated with assets held for sale	19	–	–		19	–	–	–
Operating liabilities	**8 486**	**7 919**	**3 258**	**2 957**	**2 348**	**2 556**	**2 880**	**2 406**
Deferred tax liabilities	597	558						
Current tax liabilities	31	28						
Total liabilities	**9 114**	**8 505**						
GEOGRAPHIC SEGMENTATION								
Operating assets	10 717	10 297	4 333	3 996	3 847	3 948	2 537	2 353
– South Africa	8 929	8 796	2 862	2 818	3 530	3 625	2 537	2 353
– Rest of world	1 788	1 501	1 471	1 178	317	323	–	–
Trade and other payables and derivatives	1 251	1 115	708	587	455	439	88	89
– South Africa	1 080	940	566	446	426	405	88	89
– Rest of world	171	175	142	141	29	34	–	–
Interest-bearing borrowings	7 203	6 796	2 550	2 370	1 874	2 117	2 779	2 309
– South Africa	6 035	5 931	1 492	1 545	1 764	2 077	2 779	2 309
– Rest of world	1 168	865	1 058	825	110	40	–	–
Net capital expenditure	856	2 308	444	812	455	1 496	(43)	–
– South Africa	646	1 935	261	548	428	1 387	(43)	–
– Rest of world	210	373	183	264	27	109	–	–

SEGMENTAL INFORMATION – STATEMENT OF FINANCIAL POSITION

As at

	Aggregated		Industrial Equipment		Fleet Management and Logistics		Corporate Office	
	30 June 2014 Rm	30 June 2013 Rm	30 June 2014 Rm	30 June 2013 Rm	30 June 2014 Rm	30 June 2013 Rm	30 June 2014 Rm	30 June 2013 Rm
BUSINESS SEGMENTATION								
ASSETS								
Intangible assets	126	60	6	–	118	58	2	2
Property, plant and equipment	323	315	183	164	93	94	47	57
Leasing assets	5 608	4 982	2 286	1 949	3 322	3 033	–	–
Finance lease receivables	41	73	–	–	41	73	–	–
Other investments and loans	55	64	–	–	12	–	43	64
Inventories	932	828	878	757	54	71	–	–
Amounts owing by related parties	2 682	2 460	10	–	–	–	2 672	2 460
Trade and other receivables and derivatives	912	825	484	491	385	236	43	98
Operating assets	**10 679**	**9 607**	**3 847**	**3 361**	**4 025**	**3 565**	**2 807**	**2 681**
Deferred tax assets	65	58						
Taxation in advance	16	33						
Cash and cash equivalents	3	265						
Total assets	**10 763**	**9 963**						
LIABILITIES								
Trade and other payables and derivatives	1 068	1 029	526	538	473	395	69	96
Amounts owing to group companies	222	124	–	–	38	–	184	124
Interest-bearing borrowings	7 247	6 717	2 434	1 977	2 236	1 941	2 577	2 799
Operating liabilities	**8 537**	**7 870**	**2 960**	**2 515**	**2 747**	**2 336**	**2 830**	**3 019**
Deferred tax liabilities	504	463						
Current tax liabilities	20	23						
Total liabilities	**9 061**	**8 356**						
GEOGRAPHIC SEGMENTATION								
Operating assets	10 679	9 607	3 847	3 361	4 025	3 565	2 807	2 681
– South Africa	9 337	8 312	2 796	2 276	3 734	3 355	2 807	2 681
– Rest of world	1 342	1 295	1 051	1 085	291	210	–	–
Trade and other payables and derivatives	1 068	1 029	526	538	473	395	69	96
– South Africa	906	858	411	398	426	364	69	96
– Rest of world	162	171	115	140	47	31	–	–
Interest-bearing borrowings	7 247	6 717	2 434	1 977	2 236	1 941	2 577	2 799
– South Africa	6 468	6 134	1 680	1 394	2 211	1 941	2 577	2 799
– Rest of world	779	583	754	583	25	–	–	–
Net capital expenditure	2 387	2 536	901	1 098	1 485	1 436	1	2
– South Africa	2 034	2 055	675	885	1 358	1 168	1	2
– Rest of world	353	481	226	213	127	268	–	–

SEGMENTAL INFORMATION – STATEMENT OF COMPREHENSIVE INCOME

For the period ended

	Aggregated		Industrial Equipment		Fleet Management and Logistics		Corporate Office	
	Six months ended 31 December 2015 Rm	**12 months ended 30 June 2015 Rm**	**Six months ended 31 December 2015 Rm**	**12 months ended 30 June 2015 Rm**	**Six months ended 31 December 2015 Rm**	**12 months ended 30 June 2015 Rm**	**Six months ended 31 December 2015 Rm**	**12 months ended 30 June 2015 Rm**
Revenue								
– Sales of goods	822	1 881	633	1 465	189	416	–	–
– Rendering of services, leasing income and other	1 709	3 155	815	1 348	894	1 807	–	–
	2 531	5 036	1 448	2 813	1 083	2 223	–	–
Inter-segment revenue	–	–	–	–	20	35	(20)	(35)
	2 531	**5 036**	**1 448**	**2 813**	**1 103**	**2 258**	**(20)**	**(35)**
Net operating expenses	(1 480)	(3 009)	(992)	(1 941)	(508)	(1 092)	20	24
Depreciation and amortisation	(690)	(1 299)	(303)	(543)	(387)	(754)	–	(2)
Recoupments	4	1	–	–	(1)	1	5	–
Operating profit/(loss)	**365**	**729**	**153**	**329**	**207**	**413**	**5**	**(13)**
Foreign exchange (losses)/gains	(21)	2	(20)	3	–	–	(1)	(1)
Impairment of investment	(30)	–	–	–	–	–	(30)	–
Profit/(loss) before net finance costs	**314**	**731**	**133**	**332**	**207**	**413**	**(26)**	**(14)**
Net finance costs	(171)	(381)	(72)	(160)	(101)	(214)	2	(7)
Finance costs including fair value gains	(290)	(595)	(72)	(160)	(102)	(214)	(116)	(221)
Finance income	119	214	–	–	1	–	118	214
Profit/(loss) before taxation	**143**	**350**	**61**	**172**	**106**	**199**	**(24)**	**(21)**
Income tax (expense)/income	(50)	(98)	(16)	(48)	(31)	(54)	(3)	4
Profit for the period from continuing operations	**93**	**252**	**45**	**124**	**75**	**145**	**(27)**	**(17)**
(Loss)/profit from discontinued operations	(104)	(15)	(61)	(15)	(43)	–	–	–
(Loss)/profit for the period	**(11)**	**237**	**(16)**	**109**	**32**	**145**	**(27)**	**(17)**
GEOGRAPHIC SEGMENTATION								
Revenue	2 552	5 093	1 448	2 813	1 124	2 315	(20)	(35)
– South Africa	1 965	4 091	961	1 999	1 024	2 127	(20)	(35)
– Rest of world	587	1 002	487	814	100	188	–	–
Operating profit/(loss)	365	729	153	329	207	413	5	(13)
– South Africa	315	650	112	271	198	392	5	(13)
– Rest of world	50	79	41	58	9	21	–	–
Net finance costs (income)	171	381	72	160	101	214	(2)	7
– South Africa	152	345	58	137	96	201	(2)	7
– Rest of world	19	36	14	23	5	13	–	–

SEGMENTAL INFORMATION –STATEMENT OF COMPREHENSIVE INCOME

For the period ended

	Aggregated		Industrial Equipment		Fleet Management and Logistics		Corporate Office	
	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Revenue								
– Sales of goods	1 999	1 799	1 357	1 356	642	443	–	–
– Rendering of services, leasing income and other	2 864	2 550	1 189	1 063	1 675	1 487	–	–
	4 863	4 349	2 546	2 419	2 317	1 930	–	–
Inter-segment revenue	–	–	–	–	49	46	(49)	(46)
	4 863	**4 349**	**2 546**	**2 419**	**2 366**	**1 976**	**(49)**	**(46)**
Net operating expenses	(3 077)	(2 842)	(1 796)	(1 778)	(1 345)	(1 091)	64	27
Depreciation and amortisation	(1 160)	(1 004)	(470)	(373)	(687)	(627)	(3)	(4)
Recoupments	–	7	1	–	–	7	(1)	–
Operating profit/(loss)	**626**	**510**	**281**	**268**	**334**	**265**	**11**	**(23)**
Foreign exchange (losses)/gains	(5)	3	(2)	(4)	–	–	(3)	7
Profit/(loss) before net finance costs	**621**	**513**	**279**	**264**	**334**	**265**	**8**	**(16)**
Net finance costs	(326)	(267)	(142)	(111)	(177)	(152)	(7)	(4)
Finance costs including fair value gains	(553)	(513)	(143)	(111)	(188)	(166)	(222)	(236)
Finance income	227	246	1	–	11	14	215	232
Profit/(loss) before taxation	**295**	**246**	**137**	**153**	**157**	**113**	**1**	**(20)**
Income tax (expense)/income	(75)	(42)	(28)	(20)	(45)	(30)	(2)	8
Profit/(loss) for the period from continuing operations	**220**	**204**	**109**	**133**	**112**	**83**	**(1)**	**(12)**
Profit/(loss) from discontinued operations	31	(7)	23	(24)	8	17	–	–
Profit/(loss) for the period	**251**	**197**	**132**	**109**	**120**	**100**	**(1)**	**(12)**
GEOGRAPHIC SEGMENTATION								
Revenue	4 863	4 349	2 546	2 419	2 366	1 976	(49)	(46)
– South Africa	4 009	3 766	1 833	1 943	2 225	1 869	(49)	(46)
– Rest of world	854	583	713	476	141	107	–	–
Operating profit/(loss)	626	510	281	268	334	265	11	(23)
– South Africa	559	474	234	238	314	259	11	(23)
– Rest of world	67	36	47	30	20	6	–	–
Net finance costs	326	267	142	111	177	152	7	4
– South Africa	304	251	121	96	176	151	7	4
– Rest of world	22	16	21	15	1	1	–	–

Notes to the historical combined financial statements

GENERAL INFORMATION

The "Basis of preparation of historical combined financial information" section describes how the historical combined financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations as issued by the International Accounting Standards Board.

Instances of departure from these reporting standards are described in the "Basis of preparation of historical combined financial information" section below. The directors of Eqstra are responsible for the preparation of the historical combined financial information and believe that the basis of preparation fairly presents the Industrial Equipment and Fleet Management divisions ("Subject Companies") historical information in the circumstances set out below.

The historical combined financial information is prepared in accordance with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

BASIS OF PREPARATION OF HISTORICAL COMBINED FINANCIAL INFORMATION

The historical combined financial information, being the FML Subsidiaries' and IE Subsidiaries' (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 IE Subsidiaries and FML Subsidiaries for the six months ended 31 December 2015, and years ended 30 June 2015, 2014 and 2013 ("the Reporting Period") have been prepared by aggregating the historical financial information relating to the statutory entities that will be disposed of to enX and is not directly comparable to previously published divisional segmental information.

This historical combined financial information has previously been reported as part of the annual financial statements of Eqstra Holdings Limited for the Reporting Period, which were prepared in accordance with IFRS. The principles of IFRS 10 *Consolidated financial statements* are not applicable to the aggregated information except in so far as intercompany transactions and balances between entities within the Subject Companies are eliminated. Furthermore, the principles of IFRS 3 *Business combinations* are not applicable.

The historical combined financial information has been prepared with the objective of presenting the results and net assets of the Subject Companies for the Reporting Period. The Subject Companies have, for the periods presented, been under the control of Eqstra Holdings Limited. Consequently, this historical combined financial information may not necessarily be indicative of the financial performance that would have been achieved, had the Subject Companies 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 Companies do not constitute a separate legal entity, and therefore, it is not meaningful to disclose an historical analysis of share capital. The total equity attributable to owners of the Subject Companies as disclosed in the historical combined financial information represents the cumulative investment of Eqstra Holdings Limited 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.

Segmental information

The historical combined financial information for the Subject Companies includes specific segmental information split for the Industrial Equipment and Fleet Management divisions as well as corporate office.

IAS 24 – Related Party Disclosures

Transactions and balances owing to other divisions of Eqstra Holdings Limited have been disclosed as related parties.

Intercompany transactions and funding

All transactions between the Subject Companies and the rest of the Eqstra Holdings group of companies, which have historically been eliminated in the consolidated financial statements of Eqstra Holdings, 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 9 and 33 – Related party transactions.

Centralised costs

The historical combined financial information for the Subject Companies includes allocated central costs from Eqstra Holdings Limited relating to certain central services which were recharged.

Income tax and deferred tax

Taxes have been included as a combination of statutory entity tax expenses and positions.

Critical accounting judgements

In preparing the historical combined financial information, management have made certain estimates and assumptions that materially affect the reported amounts of assets and liabilities at the date of the historical combined financial information, and the reported amounts of revenue and expenses during the period and related disclosures. The reported results may vary materiality if alternative assumptions are applied. Refer to critical accounting judgements in the accounting policies of the underlying statutory entities.

Significant accounting policies

In preparing the historical combined financial information, the underlying statutory entities have complied with the accounting policies of the Eqstra Holdings Limited group, an extract of which is presented below.

Extract from Eqstra Holdings Limited group accounting policies

1. **ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the underlying statutory entities financial information set out below and are consistent in all material respects for all periods.

Segmental information

Principal segments have been identified on a primary basis by business segment and on a secondary basis by significant geographical area in which the group operates. The basis is representative of the internal structure used for management reporting.

Segment revenue reflects both sales to external parties and intergroup transactions across segments. The segment result is presented as segment profit for the period.

Segment operating assets and liabilities are only those items that can be specifically identified within a particular segment.

Foreign currencies

The individual annual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Statements of comprehensive income having a different functional currency are translated into South African currency at the weighted average exchange rates for the year and the statements of financial position are translated at the exchange rates ruling on the reporting date. All resulting exchange differences are classified as a foreign currency translation reserve and reflected as part of shareholders' equity. On disposal of foreign entities, such translation differences are recognised in the income statement as part of the gain or loss on sale.

Transactions in currencies other than Rands are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Gains or losses arising on translation are included in net profit or loss for the period, except where the item relates to equity loans in which case the gain or loss will be deferred in other comprehensive income, until such time as the equity loan is repaid.

In order to hedge its exposure to foreign exchange risks, the group enters into forward contracts and options. See below for details of the group's accounting policies in respect of such derivative financial instruments.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date with exchange differences arising being recognised in equity.

1.1 GOODWILL

Goodwill represents the excess of the cost of acquisition over the companies' interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or joint venture at the date of acquisition. Goodwill is recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if there is an indication of impairment. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Cash-generating units represent the business operations from which the goodwill was originally generated.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Any goodwill arising on changes in the ownership interest that does not result in a loss of control is accounted for as an equity transaction.

1.2 OTHER INTANGIBLE ASSETS

Expenditure on acquired patents, trademarks, licences and computer software is capitalised and amortised using the straight-line basis over their useful lives, generally between two and eight years. These intangible assets are recognised if it is probable that economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment, where it is considered necessary.

1.3 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each reporting date, the carrying amounts of tangible and intangible assets are measured to determine whether there is any indication that those assets have suffered an impairment loss, or whether an impairment loss recognised in a previous period has reversed or decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss or reversal if any.

Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

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.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-taxation discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised only if there has been a change in the estimates used to determine the asset's carrying amount. A reversal of an impairment loss is recognised in income immediately.

1.4 PROPERTY, PLANT AND EQUIPMENT AND LEASING ASSETS

Land is reflected at cost and is not depreciated. New property investments and developments are reflected at cost, which includes holding and direct development costs incurred until the property is available for occupation.

Cost also includes the estimated costs of dismantling and removing the assets, and where appropriate the cost is split into significant components. Major improvements to leasehold properties are capitalised and written off over the shorter of its useful life or period of the leases.

All other assets are recorded at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of each component of an asset to its residual value over its estimated useful life as follows:

Buildings and leasehold improvements	up to 20 years
Equipment and furniture	3 to 10 years
Motor vehicles	3 to 5 years
Leasing assets	3 to 10 years
Earthmoving assets	Production hours

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. Where significant components of an asset have different useful lives to the asset itself, these components are depreciated over their estimated useful lives.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where a reversal of a previously recognised impairment loss is recognised, the depreciation charge for the asset is adjusted to allocate the asset's revised carrying amount, less residual value, on a systematic basis over its remaining useful life.

Gains or losses on disposal are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.5 CAPITALISED BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Where interest is earned on the temporary investment of borrowed funds, this income is set-off against the finance costs eligible for capitalisation. All other borrowing costs are expensed in profit or loss in the period in which they are incurred.

1.6 **INVENTORIES**

Inventories are stated at the lower of cost or net realisable value, due recognition having been made for obsolescence and redundancy. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined as follows:

Vehicles	Specific cost
Spares, accessories and finished goods	Weighted average cost

Work in progress includes direct costs and a proportion of overhead costs, but excludes interest expense.

1.7 **FINANCIAL INSTRUMENTS**

Financial instruments are initially measured at fair value when the group becomes a party to the contractual provisions of the contract. Subsequent to initial recognition, these instruments are measured as set out below.

Equity and debt security instruments

Equity and debt security instruments are initially recognised at cost on trade date.

At subsequent reporting dates, debt securities that the group has the intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, excluding those held-to-maturity debt securities designated as fair value through profit or loss at initial recognition, less any impairment losses recognised to reflect irrecoverable amounts. Premiums or discounts arising on acquisition are amortised on the yield-to-maturity basis and are recognised in profit or loss.

Equity and debt security instruments other than held-to-maturity debt securities are classified as either fair value through profit or loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

Where equity and debt security instruments are held for trading purposes, gains or losses arising from changes in fair value are recognised in profit or loss for the year.

Available-for-sale investments and gains or losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised is recognised in profit or loss for the year.

In the company's financial statements, investments in associates are carried at cost less provision for impairment.

Loans receivable

Loans are recognised at the date that the amount is advanced.

At subsequent reporting dates they are measured at amortised cost, less any impairment losses recognised to reflect irrecoverable amounts.

Trade and other receivables

Trade and other receivables originated by the group are initially stated at fair value costs and reduced by appropriate trade receivables impairment provision (allowances for doubtful debts). These allowances are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at carrying value which is deemed to be fair value.

Loans payable

Interest-bearing loans are initially recorded on the day that the loans are advanced at fair value.

At subsequent reporting dates, 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*, they are treated as hedged items and carried at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income.

Where the group has the intention to repurchase its own interest-bearing loans in a recognised market place, such loans are designated as held for trade and are carried at fair value. Gains and losses arising from changes in fair value are included in the statement of comprehensive income for the year.

Trade payables

Trade payables are stated at their fair value and subsequently stated at amortised cost.

Derivative instruments

Derivative financial instruments are initially recognised at fair value, and subsequently measured at fair value. The group uses derivative financial instruments primarily relating to foreign currency protection and to alter interest rate profiles.

The group designates certain derivatives as hedging instruments.

They are classified as:

- fair value hedge: a hedge of exposure to changes in fair value of recognised assets and liabilities;
- cash flow hedge: hedges a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; and
- hedges of a net investment in a foreign operation.

Foreign currency forward contracts (FECs) are used to hedge foreign currency fluctuations relating to certain firm commitments and forecast transactions.

Interest rate swap agreements can swap interest rates from either fixed to variable or from variable to fixed and are used to alter interest rate profiles.

Any gains or losses on fair value hedges are included in the statement of comprehensive income for the year.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the statement of comprehensive income.

If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the same period in which the hedged item affects the statement of comprehensive income.

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with fair value gains or losses reported in the statement of comprehensive income.

Fair value calculations

Investments are fair 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. 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 its cost, including transaction costs, less any provisions for impairment.

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

The group derecognises a financial asset 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.

The group derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

1.8 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 group as lessor

Finance leases

Amounts due under finance leases are treated as instalment credit agreements.

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 their expected useful lives on a basis consistent with similar items of property, plant and equipment.

Assets leased under operating leases are included under the appropriate category of asset in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar items of property, plant and equipment.

The group as lessee

Finance leases

Leases where the group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Assets held under finance leases are capitalised as assets of the group 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 assets' 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 recognised as an expense in the period in which termination takes place.

1.9 Share-based payments

The group operates equity-settled share-based compensation plans for senior employees and executives.

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 expensed on the straight-line basis over the vesting period with a corresponding entry to equity. The expense 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. 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, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, or share awards vest, the proceeds received, net of any directly attributable transaction costs, are credited to stated capital.

1.10 Retirement benefit obligations

The group operates a number of retirement schemes around the world. These schemes have been designed and are administered in accordance with the local conditions and practices in the countries concerned and are defined contribution schemes. The pension costs relating to these schemes are assessed in accordance with the advice of qualified actuaries and are expensed as incurred.

1.11 Taxation

The charge for current tax is based on the results for the year as adjusted for items that are non-assessable or disallowable. It is calculated using tax rates that have been substantially enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the annual financial statements and the corresponding tax basis used in the computation of taxable profit.

In principle, deferred tax liabilities are recognised for all temporary differences arising from depreciation on property, plant and equipment, revaluations of certain non-current assets and provisions for pensions and other retirement benefits. Deferred tax assets are raised only to the extent that their recoverability is probable. Deferred tax assets relating to the carry-forward of unused tax 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.

Deferred tax 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.

1.12 Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Where there are guaranteed buy-back arrangements in terms of which significant risks and rewards of ownership have not transferred to the purchaser, the transaction is accounted for as a lease.

Revenue arising from the rendering of services is recognised on the accrual basis in accordance with the substance of the agreement.

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

Where the group acts as agent and is remunerated on a commission basis, the commission is included in revenue. Where the group acts as principal, the total value of business handled is included in revenue.

Interest income is accrued on the time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

Dividend income from investments is recognised when the shareholders' right to receive payment is established.

1.13 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.14 Non-current assets classified as held-for-sale and discontinued operations

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held-for-sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable IFRS. Then, on initial classification as held-for-sale, non-current assets and disposal groups are recognised at the lower of carrying amount and the fair value less costs to sell.

Non-current assets classified as held-for-sale are not depreciated or amortised whilst classified as such and are tested for impairment at each reporting period.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resell.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for sale, if earlier. A disposal group that is to be abandoned may also qualify as a discontinued operation.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the annual financial statements requires the group's management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

The following accounting policies have been identified as involving particularly complex or subjective decisions or assessments:

2.1 Impairment of assets

As outlined in the accounting policies, an impairment loss is recognised when the recoverable amount of an asset is estimated to be less than its carrying amount. In assessing value-in-use, future cash flows are discounted to their present value using a pre-tax discount rate. Management applies its best estimate of the range of economic conditions that will exist over the remaining useful life of an asset. Whilst external evidence is favoured, management applies judgement in circumstances where external evidence is limited.

2.2 Residual value and useful lives

The group depreciates its assets over their estimated useful lives taking into account residual values which are reassessed on an annual basis.

The actual lives and residual values of these assets can vary depending on a variety of factors. Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

2.3 **Income taxes**

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes due to the complexity of legislation and the different tax jurisdictions involved. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated taxes based on estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain taxation deductions in future periods.

2.4 **Contingent liabilities**

Management applies judgement to the probabilities and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

2.5 **Revenue recognition**

Revenue from vehicle maintenance plans is recognised only to the extent of the value of parts and services provided, with the balance recognised at the end of the plan. An assessment is performed on a bi-annual basis to determine the value of profits already earned.

2.6 **Inventory provisions**

The provision for inventory obsolescence is based on a physical count and inspection of stock items which is performed at least annually and takes into account the age, condition and usage rates of the inventory.

2.7 **Fair values and financial instruments**

Basis for determining values

Derivatives

The fair values of derivative financial assets and liabilities are calculated by determining the net present value of all future cash flows, discounted at prevailing market curves of the different currencies at reporting date. Only observable market data is used (no estimates) when constructing the curves and basis swap adjustments are added to provide for liquidity in the market. Black-Scholes principles are used for valuing options.

Other non-derivative assets and liabilities

The fair values of other non-derivative financial assets and liabilities are calculated by determining the net present value of all future cash flows, discounted at prevailing market curves of the different currencies at reporting date.

Other financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than six months are assumed to approximate their fair value.

2.8 **Onerous contracts**

A provision for onerous contracts is recognised when the unavoidable costs of meeting the group's obligations under a contract exceed the economic benefits expected to be received under the contract.

3. IMPACT OF NEWLY ISSUED AND REVISED STANDARDS AND INTERPRETATIONS ON THE UNDERLYING FINANCIAL RECORDS OF THE SUBJECT COMPANIES

3.1 Newly issued and revised standards

There were no standards or interpretations that were early adopted in the current year.

3.2 Newly issued and revised standards and interpretations – not adopted in the current year

The following new or revised IFRS standards and interpretations applicable to the Subject Companies have been issued with effective dates applicable to future annual financial statements of the group. Other than new disclosure requirements, these are not expected to have a significant impact on the group's results, unless otherwise stated.

IFRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments resulting from the 2012–2014 Annual Improvement cycle. (Annual periods beginning on or after 1 January 2016)

IFRS 7: Financial Instruments: Disclosures

Amendments resulting from September 2014 Annual Improvements to IFRSs. (Annual periods beginning on or after 1 January 2016)

IFRS 9: Financial Instruments

This is a new standard that forms the first part of a three-part project to replace IAS 39 *Financial Instruments: Recognition and Measurements.* (Annual periods beginning on or after 1 January 2018)

IFRS 15: Revenue from contracts with customers

IFRS 15 specifies how and when an entity will recognise revenue and required disclosures. (Annual periods beginning on or after 1 January 2018)

IFRS 16: Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, and replaces the previous leases Standard, IAS 17 Leases, and related interpretations. (Annual periods beginning on or after 1 January 2019)

IAS 1: Presentation of Financial Statements

Amendments arising under the Disclosure Initiative. (Annual periods beginning on or after 1 January 2016)

IAS 7: Cash Flow Statement

Amendments arising under the Disclosure Initiative. (Annual periods beginning on or after 1 January 2017)

IAS 12: Income Taxes

Amendments regarding the recognition of deferred tax assets for unrealised losses. (Annual periods beginning on or after 1 January 2017)

IAS 16: Property, Plant and Equipment and IAS 38: Intangible Assets

Amendments resulting from clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38). (Annual periods beginning on or after 1 January 2016)

IAS 19: Employee Benefits

Amendments resulting from 2012–2014 Annual Improvement Cycle. (Annual periods beginning on or after 1 January 2016)

IAS 27: Separate Financial Statements

Amendments relating to equity method in separate annual financial statements and amendments related to the application of the investment entities exceptions. (Annual periods beginning on or after 1 January 2016)

IAS 38: Intangible Assets

Amendments resulting from clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38). (Annual periods beginning on or after 1 July 2016)

4. INTANGIBLE ASSETS

	Goodwill Rm	Computer software Rm	Patents Rm	Total Rm
31 December 2015				
– Cost	18	204	–	222
– Accumulated amortisation	–	(34)	–	(34)
	18	**170**	**–**	**188**
Net book value at beginning of period	15	165	–	180
Additions	–	9	–	9
Currency adjustments	3	–	–	3
Amortisation	–	(4)	–	(4)
Net book value at end of period	**18**	**170**	**–**	**188**
30 June 2015				
– Cost	15	195	1	211
– Accumulated amortisation	–	(30)	(1)	(31)
	15	**165**	**–**	**180**
Net book value at beginning of period	9	116	1	126
Additions	6	61	–	67
Amortisation	–	(12)	(1)	(13)
Net book value at end of period	**15**	**165**	**–**	**180**
30 June 2014				
– Cost	9	134	5	148
– Accumulated amortisation	–	(18)	(4)	(22)
	9	**116**	**1**	**126**
Net book value at beginning of period	3	55	2	60
Additions	6	68	–	74
Amortisation	–	(7)	(1)	(8)
Net book value at end of period	**9**	**116**	**1**	**126**
30 June 2013				
– Cost	3	66	5	74
– Accumulated amortisation	–	(11)	(3)	(14)
	3	**55**	**2**	**60**
Net book value at beginning of period	3	28	3	34
Additions	–	32	–	32
Amortisation	–	(5)	(1)	(6)
Net book value at end of period	**3**	**55**	**2**	**60**

The recoverable amount of the United Kingdom operations, which gave rise to goodwill, is deemed to exceed its carrying value and no goodwill impairment is required.

5. **PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings Rm	Equipment and furniture Rm	Motor vehicles Rm	Total Rm
31 December 2015				
– Cost	241	179	51	471
– Accumulated depreciation	(28)	(132)	(27)	(187)
	213	**47**	**24**	**284**
Net book value at beginning of period	241	47	22	310
Additions	6	7	1	14
Transfer from leasing assets	–	–	5	5
Proceeds on disposals	(43)	–	(1)	(44)
Profit on disposals	4	–	–	4
Depreciation	(1)	(9)	(3)	(13)
Currency adjustments	6	2	–	8
Net book value at end of period	**213**	**47**	**24**	**284**
30 June 2015				
– Cost	268	172	45	485
– Accumulated depreciation	(27)	(125)	(23)	(175)
	241	**47**	**22**	**310**
Net book value at beginning of period	246	40	37	323
Additions	12	16	2	30
Transfer from/(to) leasing assets	–	13	(6)	7
Acquisitions of businesses	–	–	1	1
Proceeds on disposals	(14)	(1)	(3)	(18)
Depreciation	(4)	(21)	(10)	(35)
Profit on disposals	–	–	1	1
Currency adjustments	1	–	–	1
Net book value at end of period	**241**	**47**	**22**	**310**
30 June 2014				
– Cost	271	143	60	474
– Accumulated depreciation	(25)	(103)	(23)	(151)
	246	**40**	**37**	**323**
Net book value at beginning of period	234	43	38	315
Additions	13	16	3	32
Transfer from leasing assets	–	–	8	8
Acquisitions of businesses	–	–	1	1
Proceeds on disposals	–	–	(3)	(3)
Depreciation	(5)	(19)	(11)	(35)
Profit on disposals	–	–	1	1
Currency adjustments	4	–	–	4
Net book value at end of period	**246**	**40**	**37**	**323**

	Land and buildings Rm	Equipment and furniture Rm	Motor vehicles Rm	Total Rm
30 June 2013				
– Cost	253	125	58	436
– Accumulated depreciation	(19)	(82)	(20)	(121)
	234	**43**	**38**	**315**
Net book value at beginning of period	224	36	9	269
Additions	11	22	4	37
Transfer from leasing assets	–	–	34	34
Acquisitions of businesses	9	3	1	13
Proceeds on disposals	(16)	–	(1)	(17)
Depreciation	(4)	(18)	(9)	(31)
Profit on disposals	7	–	–	7
Currency adjustments	3	–	–	3
Net book value at end of period	**234**	**43**	**38**	**315**

Certain assets have been encumbered as security for interest-bearing borrowings (note 18).

6. LEASING ASSETS

For the periods ended	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
– Cost	9 754	9 176	8 456	7 474
– Accumulated depreciation and impairment	(3 873)	(3 375)	(2 848)	(2 492)
	5 881	**5 801**	**5 608**	**4 982**
Net book value at beginning of period	5 801	5 608	4 982	4 335
Additions	924	1 990	2 545	2 386
Acquisition of business	–	11	16	–
Proceeds on disposals	–	–	(4)	(38)
Depreciation	(684)	(1 276)	(1 147)	(997)
Impairment	(9)	–	–	–
Loss on disposals	–	–	(1)	–
Transfer to inventories	(291)	(564)	(891)	(748)
Transfer to property, plant and equipment	(5)	(7)	(8)	(34)
Transfer to assets held for sale	(33)	–	–	–
Currency adjustments	178	39	116	78
Net book value at end of period	**5 881**	**5 801**	**5 608**	**4 982**

Certain leasing assets have been encumbered as security for interest-bearing borrowings (note 18). For details on impairment refer to note 25.

7. DEFERRED TAXATION

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Balance at beginning of period	(490)	(439)	(405)	(386)
Accounted for in the income statement	(63)	(50)	(31)	(12)
Accounted for directly to equity	(1)	(1)	–	(3)
Net acquisition of businesses	–	(1)	(2)	3
Currency adjustments	(1)	1	(1)	(7)
Balance at end of period	**(555)**	**(490)**	**(439)**	**(405)**
Analysis of deferred taxation				
– Trade and other payables and derivatives	71	74	74	63
– Property, plant, equipment and intangibles	(42)	(41)	(43)	(39)
– Leasing assets	(633)	(614)	(591)	(519)
– Estimated taxation losses	41	96	102	91
– Other	8	(5)	19	(1)
	(555)	**(490)**	**(439)**	**(405)**
Analysis of deferred tax assets and liabilities				
Deferred tax assets	42	68	65	58
Deferred tax liabilities	(597)	(558)	(504)	(463)
	(555)	**(490)**	**(439)**	**(405)**
Taxation losses				
Unutilised taxation losses available for offset against future profits	493	545	838	790
Taxation losses not recognised as deferred tax assets due to unpredictability of future profit streams	(347)	(202)	(474)	(465)
Unutilised taxation losses available for offset against future profits	146	343	364	325
Deferred taxation assets recognised in respect of such losses	41	96	102	91

Deferred tax assets are raised only to the extent that their recoverability is probable. Deferred tax assets relating to the carry-forward of unused tax 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 (refer to note 2.3).

8. FINANCE LEASE RECEIVABLES

	Less than one year Rm	One to five years Rm	Total Rm
31 December 2015			
Minimum lease receivables	4	3	7
Finance income	(1)	*	(1)
Present value of minimum lease receivables	3	3	6
Effective interest rates (%)			15.63
30 June 2015			
Minimum lease receivables	17	17	34
Finance income	(2)	(2)	(4)
Present value of minimum lease receivables	15	15	30
Effective interest rates (%)			15.63
30 June 2014			
Minimum lease receivables	34	12	46
Finance costs	(4)	(1)	(5)
Present value of minimum lease receivables	30	11	41
Effective interest rates (%)			10.50
30 June 2013			
Minimum lease receivables	55	28	83
Finance costs	(7)	(3)	(10)
Present value of minimum lease receivables	48	25	73
Effective interest rates (%)			13.42

** Amounts to nil when rounding to Rm*

9. AMOUNTS OWING DUE BY/(TO) RELATED PARTIES

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Due by related parties				
Eqstra Holdings Limited	60	58	–	–
MCC Contracts Proprietary Limited	2 211	2 021	2 459	2 447
MCC Equipment Rental Proprietary Limited (Namibia)	46	44	223	13
Mutual Construction Company (Transvaal) Proprietary Limited	119	118	–	–
	2 436	**2 241**	**2 682**	**2 460**
Due to related parties				
Eqstra Holdings Limited	–	–	(171)	(120)
Pemberley Fleet Services Proprietary Limited	(4)	(4)	(4)	(4)
Eqstra Transformation Trust	(9)	(4)	(3)	–
MCC Equipment Rental Proprietary Limited (Namibia)	–	–	(38)	–
Mutual Construction Company (Transvaal) Proprietary Limited	–	–	(6)	–
	(13)	**(8)**	**(222)**	**(124)**
Effective interest rates				
Loans	9.25%	9.25%	8.55%	8.00%

The carrying amounts owing by/(to) related parties approximates its fair value. The loans bear interest as disclosed above with no fixed repayment date. The amounts due by related parties are not expected to be called in the next 12 months.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
ASSETS				
Long-term				
Inflation linked swap	**–**	**–**	**–**	**53**
Fair value through profit and loss	–	–	–	53
Short-term				
Forward exchange contracts	20	1	–	7
Cross-currency derivatives	44	27	48	45
	64	**28**	**48**	**52**
Fair value through profit and loss	64	28	48	52
LIABILITIES				
Short-term				
Forward exchange contracts	–	1	1	1
Interest rate derivatives	4	2	2	1
	4	**3**	**3**	**2**
Fair value through profit and loss	4	3	3	2

Refer to note 30 for fair value disclosure.

Fair value of derivative financial instruments

Long-term financial assets are stated at fair value. The fair value of derivatives is based upon market valuations.

Forward exchange contracts

The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contracted rates to the equivalent year-end forward market foreign exchange rates.

Interest rate swap

The fair value of derivatives were determined by reference to quoted market prices for similar instruments. Refer to note 30 for fair value disclosure.

11. OTHER INVESTMENTS AND LOANS

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Long-term investments				
Listed investments at fair value	13	44	44	64
Unlisted investments at fair value	13	15	11	–
	26	**59**	**55**	**64**
The above are categorised as follows:				
– Available-for-sale	14	44	44	64
– At fair value through profit and loss	12	15	11	–
Maturity analysis				
Maturing after one year but within five years	–	–	–	–

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Reconciliation of other investments and loans				
Balance at the beginning of the period	59	55	64	71
Fair value adjustment	(3)	4	–	(7)
Disposal of financial assets	–	–	(20)	–
Recognition of cell captive	–	–	11	–
Impairment of financial assets	(30)	–	–	–
Balance at the end of the period	**26**	**59**	**55**	**64**

The listed investment comprises 5 889 279 (2015: 6 126 279; 2014: 6 098 319; 2013: 8 980 831) ordinary shares in Eqstra Holdings Limited. The investment has been recognised and measured as available-for-sale. Refer to note 30 for fair value disclosure. The investment was impaired to market value on 31 December 2015.

The unlisted investment comprises an investment in an insurance cell captive that is held at fair value being its net asset value.

Refer to note 30 for fair value disclosure.

12. INVENTORIES

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Net inventory	960	872	932	828
Gross inventory	1 028	910	979	896
Less: Impairment provision	(68)	(38)	(47)	(68)
Comprising of:				
New vehicles	703	563	614	494
Used vehicles	119	121	118	129
Spares, accessories and finished goods	114	165	162	187
Work in progress	24	23	38	18
	960	**872**	**932**	**828**
Inventories carried at net realisable value included above	65	52	127	190
Inventory provision reversal in the statement of comprehensive income	(3)	(20)	(35)	(1)

13. TRADE AND OTHER RECEIVABLES

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Trade and other receivables external to the Eqstra group				
Net trade receivables	649	603	665	541
Trade receivables	696	630	697	589
Less: Impairment provision*	(47)	(27)	(32)	(48)
Prepayments and other receivables	179	158	183	135
	828	**761**	**848**	**676**

**Refer to note 30 for an analysis of the trade receivables impairment provision and other IFRS7 disclosure requirements.*

Trade receivables with related parties				
Eqstra Specialised Freight (Nigeria)	1	–	1	1
MCC Contracts (Proprietary) Ltd	8	5	12	22
Eqstra Botswana (Proprietary) Ltd	2	10	3	14
Mutual Construction Company (Proprietary) Ltd	–	–	–	7
	11	**15**	**16**	**44**
Total trade and other receivables	**839**	**776**	**864**	**720**

The carrying amount of trade and other receivables approximates its fair value.

14. CASH AND CASH EQUIVALENTS

Bank balances	299	74	2	263
Cash on hand	1	6	1	2
Cash on hand and at bank	**300**	**80**	**3**	**265**
Effective interest rates (%)	4.18	4.31	4.00	4.50

15. ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

Assets held for sale:				
– Leasing assets	33	–	–	–
Liabilities associated with assets held for sale:				
– Provisions	(19)	–	–	–

The leasing assets classified as held for sale comprise the leasing assets of the Eqstra Commodities business, previously reported in the Eqstra Fleet Management and Logistics segment.

Liabilities associated with assets held for sale liabilities are amounts associated with disposing of the business.

The Commodities business has been disposed of with effect from 1 May 2015 at net book value.

16. EQUITY

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
16.1 Equity loans				
Received from Eqstra Holdings Limited	482	482	472	471

The equity loans bear no interest and are payable at the option of the company owing the liability.

16.2 Equity compensation benefits

Share appreciation rights (SAR) schemes

The SAR schemes allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Eqstra share price between the offer date of the share appreciation rights and the exercise of such rights. SARs are awarded annually in September as approved by the Remuneration Committee (Remcom).

The following share incentive plans were in operation during the financial year:

	Date of issue	Period to expire from date of issue	IFRS 2 classification
Eqstra Holdings Limited	1 September 2012	3 years	Equity settled
Eqstra Holdings Limited	1 September 2013	3 years	Equity settled
Eqstra Holdings Limited	1 September 2014	3 years	Equity settled
Eqstra Holdings Limited	15 January 2015	3 years	Equity settled
Eqstra Holdings Limited	1 September 2015	3 years	Equity settled

	2012 scheme	2013 scheme	2014 scheme	2014 scheme B	2015 scheme
Expected volatility (%)	38.81	38.39	37.56	34.63	40.87
Expected dividend yield (%)	8.76	6.47	5.51	–	–
Expected forfeiture rate (%)	80.00	70.00	50.00	50.00	75.00
Exercise price of share appreciation rights	R6.56	R7.14	R6.07	R3.25	R2.82
Fair value of the SAR on grant date	R1.70	R2.02	R2.04	R1.15	R1.37

	31 December 2015	30 June 2015	30 June 2014	30 June 2013
Share-based payment expense (reversal) recognised (Rm)				
2010 scheme	–	–	–	2
2011 scheme	–	*	(2)	3
2012 scheme	–	*	2	3
2013 scheme	*	1	1	–
2014 schemes	1	1	–	–
2015 schemes	1	–	–	–

** Below R1 million*

The expected volatility was determined using volatility of the Eqstra share price since listing in May 2008.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of Eqstra 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.

Deferred bonus plan (DBP) schemes

The DBP schemes allow certain senior employees to acquire shares utilising a portion of their incentive bonus earned.

At the vesting date the employee will be awarded one share for each share purchased and held in escrow for the duration of the period.

	Date of issue	Period to expire from date of issue	IFRS 2 classification
Eqstra Holdings Limited	1 September 2012	3 years	Equity settled
Eqstra Holdings Limited	1 September 2013	3 years	Equity settled
Eqstra Holdings Limited	1 September 2014	3 years	Equity settled
Eqstra Holdings Limited	1 September 2015	3 years	Equity settled

The value of the DBP has been calculated using the Binomial model based on the following assumptions:

	2012 scheme	2013 scheme	2014 scheme	2015 scheme
Expected volatility (%)	38.81	38.39	37.59	40.87
Expected dividend yield (%)	8.76	6.47	3.77	–
Fair value of the DBP on grant date	R5.84	R5.98	R5.65	R2.95

	31 December 2015	30 June 2015	30 June 2014	30 June 2013
Share-based payment expense recognised (Rm)				
2011 scheme	–	–	*	1
2012 scheme	–	–	*	1
2013 scheme	*	1	*	1
2014 schemes	1	1	–	–
2015 schemes	1	–	–	–

** Below R1 million*

Conditional share plan (CSP) schemes

The new CSP 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
Eqstra Holdings Limited	1 January 2015	3 years	Equity settled
Eqstra Holdings Limited	1 September 2015	3 years	Equity settled

The value of the CSP has been calculated using the Binomial model based on the following assumptions:

	2014 scheme	2015 scheme
Expected volatility (%)	34.63	40.87%
Expected dividend yield (%)	–	–
Fair value of the CSP on grant date	R3.39	R2.95

	31 December 2015	30 June 2015	30 June 2014	30 June 2013
Share-based payment expense recognised (Rm)				
2014 scheme*	*	1	–	–
2015 scheme	1	–	–	–

** Below R1 million*

17. OTHER RESERVES

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Foreign currency translation reserve (see analysis below)	77	33	29	(1)
Hedging reserve	(1)	(1)	(6)	(3)
Share-based equity	20	17	12	27
Deferred taxation in equity	(1)	(1)	–	(3)
	95	**48**	**35**	**20**
Foreign currency translation reserve				
Balance at the beginning of period	33	29	(2)	(13)
Increase in foreign currency translation				
Reserves	44	4	31	12
Property, plant and equipment	8	1	4	3
Leasing assets	178	39	116	78
Inventories	32	7	17	11
Trade and other receivables	25	6	20	14
Goodwill	3	–	–	–
Cash and cash equivalents	4	–	2	2
Deferred taxation	(1)	1	(1)	(7)
Interest-bearing borrowings	(180)	(45)	(113)	(81)
Trade and other payables	(25)	(5)	(14)	(8)
Balance at the end of period	**77**	**33**	**29**	**(1)**

18. INTEREST-BEARING BORROWINGS

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Long-term in nature				
– Capitalised finance lease	–	–	–	6
– Secured loans	1 060	825	509	377
– Unsecured loans	5 455	5 827	5 521	5 131
	6 515	**6 652**	**6 030**	**5 514**
Short-term in nature				
– Unsecured short-term, call borrowings and bank overdrafts	688	144	1 217	1 203
	688	**144**	**1 217**	**1 203**
Total borrowings	7 203	6 796	7 247	6 717
Less: Short-term and current portion of long-term borrowings	2 185	1 488	2 704	1 758
	5 018	**5 308**	**4 543**	**4 959**

Included in the short-term portion as at 30 June 2014 is R754 million UK debt that was extended for three years after year-end and was classified to long-term in the following financial period.

A new HSBC loan facility of £70 million has been negotiated on 1 March 2016, with no parent guarantee.

Interest rate analysis

	31 December 2015		30 June 2015		30 June 2014		30 June 2013	
	Effective rates %	Analysis of debt Rm	Effective rates %	Analysis of debt Rm	Effective rates %	Analysis of debt Rm	Effective rates %	Analysis of debt Rm
Fixed interest rate								
– Unsecured loans	–	**–**	–	**–**	–	**–**	8.71%	**250**
– Bonds	12.92%	**–**	12.92%	**50**	12.92%	**50**	12.92%	**50**
Variable linked interest rate								
– Capitalised finance lease	–	**–**	–	**–**	–	**–**	8.50 – 16.85%	**6**
– Secured loans	2.9% – 6.08%	**1 060**	2.9 – 6.08%	**825**	3%	**509**	3.00 – 17.00%	**377**
– Unsecured loans	6% – 9.48%	**3 634**	6 – 9.48%	**3 596**	3 – 9.35%	**2 846**	3.00 – 8.48%	**2 955**
– Unsecured short-term, call borrowings and bank overdrafts*	6.6% – 23.5%	**684**	6.6 – 23.5%	**144**	3.25 – 14.50%	**402**	7.00% – 12.50%	**–**
– Commercial paper		**–**		**–**	6.66%	**823**	5.5%	**900**
– Bonds	8.11% – 11.13%	**1 825**	8.11 – 11.13%	**2 181**	7.73% – 11.58%	**2 617**	7.15% – 11.42%	**2 179**
		7 203		**6 796**		**7 247**		**6 717**

*The variance in the range is due to interest in foreign countries.

Summary of interest-bearing borrowings by period of redemption for repayment in SA Rands

	2020 and onwards Rm	2019 Rm	2018 Rm	2017 Rm	2016 Rm	Total Rm
31 December 2015						
SA Rands	–	85	639	3 210	2 069	6 003
Other	–	1 026	14	44	116	1 200
Total	**–**	**1 111**	**653**	**3 254**	**2 185**	**7 203**

	2020 and onwards Rm	2019 Rm	2018 Rm	2017 Rm	2016 Rm	Total Rm
30 June 2015						
SA Rands	25	132	1 340	3 011	1 424	5 932
Other	–	–	796	4	64	864
Total	**25**	**132**	**2 136**	**3 015**	**1 488**	**6 796**

	2019 and onwards Rm	2018 Rm	2017 Rm	2016 Rm	2015 Rm	Total Rm
30 June 2014						
SA Rands	47	1 318	1 612	1 440	1 897	6 314
Other	–	67	29	30	807	933
Total	**47**	**1 385**	**1 641**	**1 470**	**2 704**	**7 247**

	2018 and onwards Rm	2017 Rm	2016 Rm	2015 Rm	2014 Rm	Total Rm
30 June 2013						
SA Rands	726	1 295	1 347	1 107	1 486	5 961
Other	20	29	29	406	272	756
Total	**746**	**1 324**	**1 376**	**1 513**	**1 758**	**6 717**

Details of encumbered assets as follows:

	31 December 2015		30 June 2015		30 June 2014		30 June 2013	
	Debt secured Rm	**Net book value of assets encumbered Rm**	**Debt secured Rm**	**Net book value of assets encumbered Rm**	**Debt secured Rm**	**Net book value of assets encumbered Rm**	**Debt secured Rm**	**Net book value of assets encumbered Rm**
Property, plant and equipment	46	46	37	37	31	31	32	35
Leasing assets	1 014	1 235	788	849	478	746	351	644
Total	**1 060**	**1 281**	**825**	**886**	**509**	**777**	**383**	**679**

Included in interest-bearing borrowings is the following finance lease obligations:

	30 June 2013		
	Less than one year	**One to five years**	**Total**
Minimum lease payments	6	–	6
Finance costs	–	–	–
Present value of minimum lease payments	**6**	**–**	6

Eqstra has properties that it leases in the form of finance leases. No contingent rentals are payable and there are no restrictions imposed by leasing arrangements. Total of future minimum sub-lease payments expected to be received under the sub-lease are Rnil (2012: Rnil)

	31 December 2015 Rm	**30 June 2015 Rm**	**30 June 2014 Rm**	**30 June 2014 Rm**
Borrowing facilities				
In terms of the Memorandum of Incorporation the borrowing powers of the company are unlimited.				
Total facilities established	7 144	5 956	5 753	5 485
Less: Total borrowings, excluding commercial paper, bonds and finance leases	5 381	4 565	3 777	3 582
Unutilised borrowing facilities	**1 763**	**1 391**	**1 976**	**1 903**

At 31 December 2015, the current portion of interest bearing borrowings includes R442 million of bank debt maturing in March and June 2016, that has been extended in August 2015 for an additional 12-month period from maturity, to March and June 2017 respectively. The current portion of interest-bearing borrowings includes R100 million commercial paper that is supported by a R1 000 million standby liquidity facility with R180 million headroom as at 31 December 2015 and that has an 13-month rolling notice period.

19. **TRADE AND OTHER PAYABLES**

	31 December 2015 Rm	30 June 2015 Rm	30 June 2015 Rm	30 June 2014 Rm
Trade and other payables external to the Eqstra group				
Trade payables	698	612	609	599
Accrued expenses	305	333	277	222
Interest accrual	69	65	67	52
Employee-related accruals	53	78	91	116
Deferred income	120	15	18	35
	1 245	**1 103**	**1 062**	**1 024**
Trade payables with related parties				
Eqstra Botswana (Proprietary) Ltd	–	2	1	3
Mutual Construction Company (Proprietary) Ltd	2	7	2	–
	2	**9**	**3**	**3**
Total trade and other payables	**1 247**	**1 112**	**1 065**	**1 027**

The carrying amount of trade and other payables approximates its fair value.

20. **REVENUE**

	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
An analysis of the group's revenue is as follows:				
Sale of goods	822	1 881	1 999	1 799
Rendering of services, leasing income and other	1 709	3 155	2 864	2 550
	2 531	**5 036**	**4 863**	**4 349**
Discontinued operations	113	399	795	674
	2 644	**5 435**	**5 658**	**5 023**

21. NET OPERATING EXPENSES

	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Cost of sales	808	1 675	1 767	1 700
Staff costs	418	829	801	787
Other operating income	(23)	(62)	(87)	(54)
Other operating costs	277	567	596	409
	1 480	**3 009**	**3 077**	**2 842**
Discontinued operations	166	375	725	631
	1 646	**3 384**	**3 802**	**3 473**
The above costs include:				
Auditor's remuneration				
Audit fees	7	10	10	8
Other services	1	1	1	1
	8	11	11	9
Discontinued operations	–	1	1	1
	8	**12**	**12**	**10**
Equity-settled share-based payment expense				
(Included in staff costs)	4	4	1	11
Discontinued operations	–	–	–	–
	4	**4**	**1**	**11**
Net impairment of leasing assets (note 25)				
Discontinued operations	9	–	–	–
	9	**–**	**–**	**–**
Directors' remuneration				
Executive directors' remuneration	3	9	9	10
Non-executive directors' remuneration	–	–	–	-
	3	9	9	10
Discontinued operations	–	–	–	–
	3	**9**	**9**	**10**
Rental and operating lease charges				
Properties	13	30	26	25
Office equipment	1	2	2	5
	14	32	28	30
Discontinued operations	4	5	6	4
	18	**37**	**34**	**34**
Defined contribution retirement plan costs (included in staff costs) – provident fund	12	22	25	24
Defined contribution retirement plan costs	7	13	15	15
(included in staff costs) – pension fund	19	35	40	39
Discontinued operations	–	–	–	–
	19	**35**	**40**	**39**

The group provides benefits through independent funds under the control of a board of trustees and all contributions to those funds are charged to the income statement.

The large majority of South African employees, other than those employees required by legislation to be members of various industry funds, are members of the Eqstra Group Pension Fund and the Eqstra Group Provident Fund, which are governed by the Pensions Fund Act, 1956. In the UK, the group contributes 4% of the UK members' salary to a suitable UK scheme.

	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Expenses not included in net operating expenses				
Net foreign exchange (losses)/gains				
Realised (losses)/gains	(37)	23	(9)	(33)
Unrealised gains/(losses)	16	(21)	4	36
	(21)	2	(5)	3
Discontinued operations	–	(1)	2	4
	(21)	**1**	**(3)**	**7**

22. **DEPRECIATION, AMORTISATION AND RECOUPMENTS**

Intangible assets	4	13	8	6
Property, plant and equipment	11	32	33	29
Leasing assets	675	1 254	1 119	969
	690	1 299	1 160	1 004
Discontinued operations	11	25	30	30
	701	**1 324**	**1 190**	**1 034**
Profit on disposal of property, plant and equipment	4	1	1	7
Loss on disposal of leasing assets	–	–	(1)	–
Total recoupments	**4**	**1**	**–**	**7**

23. **NET FINANCE COSTS**

Finance expense	290	595	553	513
Finance income	(119)	(214)	(227)	(246)
Net finance costs	171	381	326	267
Discontinued operations	6	18	19	13
	177	**399**	**345**	**280**
No finance costs were capitalised during the periods.				
Included in finance income is the following:				
– Finance income on loans, investments and trade receivables	(3)	(2)	(4)	(6)
– Finance income on intercompany loans with Eqstra entities	(113)	(207)	(210)	(221)
– Finance income on capitalised finance leases	–	(2)	(9)	(17)
– Finance income on cash and cash equivalents and interest swaps	(3)	(3)	(4)	(2)
	(119)	(214)	(227)	(246)
Discontinued operations	–	–	–	(2)
	(119)	**(214)**	**(227)**	**(248)**

24. INCOME TAX EXPENSE

	Six months ended 31 December 2015 Rm	12 months ended 30 June 2015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
Continuing operations				
SOUTH AFRICAN TAXATION				
Normal taxation				
– Current year	6	37	53	22
– Prior year under provisions	1	(3)	2	2
– Secondary taxation on companies	–	–	–	1
Deferred taxation				
– Current year	33	48	38	19
– Prior year under/(over) provisions	2	5	–	(5)
	42	**87**	**93**	**39**
FOREIGN TAXATION				
Normal taxation				
– Current year	7	9	(21)	3
– Prior year over provisions	–	–	(5)	–
– Rate adjustment	–	–	(1)	–
Deferred taxation				
– Current year	–	2	11	–
– Change in rate	1	–	–	–
– Prior year over provisions	–	–	(2)	–
	8	**11**	**(18)**	**3**
Total taxation from continuing operations	**50**	**98**	**75**	**42**
	25	(5)	(8)	11
Discontinued operations normal taxation	(2)	–	8	13
Discontinued operations deferred taxation	27	(5)	(16)	(2)
	75	**93**	**67**	**53**
Reconciliation of taxation rates:	**%**	**%**	**%**	**%**
Standard taxation rate	28.00	28.00	28.00	28.00
– Permanent differences	78.7	(0.1)	(3.1)	(5.9)
– Foreign taxation differential	7.6	(0.4)	(1.4)	0.1
– Prior year under/(over) provision	3.9	0.7	(2.3)	(1.0)
– Tax rate adjustment	(1.0)	–	(0.1)	–
Effective taxation rate	117.2	28.2	21.1	21.2

25. DISCONTINUED OPERATIONS

Logistics

In November the directors announced a plan to dispose of the Commodities business included in the Fleet Management and Logistics segment. The disposal is consistent with the group's stated strategy of exiting non-core loss-making businesses. An impairment of R9 million was recognised in order to write down the leasing assets to fair value less costs to sell in classifying the assets to non-current assets held for sale. See note 15. The business was sold effective 1 May 2016.

Construction SA

Following the exit from the Terex distribution business in July 2015, and as part of implementing Eqstra's stated strategy, the division is in the process of closing the Construction Equipment business unit. Inventories have been written off to their net realisable values.

26. EARNINGS RECONCILIATION

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Attributable to:				
– (Loss)/profit for the period	(11)	237	251	197
– Profit for the period – continuing operations	93	252	220	204
– (Loss)/profit for the period – discontinued operations	(104)	(15)	31	(7)
– Non-controlling interest	(2)	11	11	5
Headline earnings reconciliation for operations				
– (Loss)/profit attributable to owners of the parent	(13)	226	240	192
– Net loss on disposal of leasing assets	–	–	1	–
– Net profit on disposals of property plant and equipment	(4)	(1)	(1)	(7)
– Net impairment of financial assets	30	–	–	–
– Net impairment of leasing assets	9	–	–	–
– Taxation effect	(1)	–	*	2
Total headline earnings	**21**	**225**	**240**	**187**
Headline earnings reconciliation – continuing operations				
– Profit attributable to owners of the parent	91	241	209	199
– Net loss on disposal of leasing assets	–	–	1	–
– Net profits on disposal of property plant and equipment	(4)	(1)	(1)	(7)
– Net impairment of financial assets	30	–	–	–
– Taxation effect	2	–	*	2
Total headline earnings – continuing operations	**119**	**240**	**209**	**194**
Headline earnings reconciliation – discontinued operations				
– Profit attributable to owners of the parent	(104)	(15)	31	(7)
– Net impairment of leasing assets	9	–	–	–
– Taxation effect	(3)	–	*	2
Total headline earnings – discontinued operations	**(98)**	**(15)**	**31**	**(5)**

** Less than R1 million*

27. **NOTES TO THE STATEMENT OF CASH FLOWS**

	Six months ended 31 December 2015 Rm	12 months ended 30 June 2 015 Rm	12 months ended 30 June 2014 Rm	12 months ended 30 June 2013 Rm
27A **CASH GENERATED FROM OPERATIONS**				
Profit before net finance costs	241	729	663	530
Profit from continuing operations	314	731	621	513
(Loss)/profit from discontinued operations	(73)	(2)	42	17
Adjustments for non-cash movements				
– Depreciation of property, plant and equipment	13	35	35	31
– Depreciation of leasing assets	684	1 276	1 147	997
– Amortisation of intangible assets	4	13	8	6
– Profit on disposal of non-current assets	(4)	(1)	–	(7)
– Net impairment of leasing assets	9	–	–	–
– Movement in inventory and trade receivables provision	50	(14)	(37)	(58)
– Other non-cash items	(2)	5	(1)	–
– Fair value adjustments	(32)	16	4	(23)
– Impairment of investment	30	–	–	–
– Share-based payment expense	5	5	1	11
Cash generated by operations before changes in working capital	998	2 064	1 820	1 487
Working capital movements				
– Decrease in inventories	206	644	827	739
– (Increase)/decrease in trade and other receivables	(57)	107	(106)	89
– Increase/(decrease) in trade and other payables	129	35	22	(140)
Cash generated by operations	**1 276**	**2 850**	**2 563**	**2 175**
27B **INCOME TAXATION PAID**				
Net balance payable (receivable) at beginning of period	19	4	(10)	(3)
Taxation charge	12	43	36	41
Acquisition of business	–	1	–	–
Net balance payable at end of the period	(14)	(19)	(4)	10
Income taxation paid	**17**	**29**	**22**	48
27C **ACQUISITION OF BUSINESSES**				
Leasing assets	–	11	16	–
Property, plant and equipment	–	1	1	13
Deferred taxation liability	–	(1)	(2)	3
Inventory	–	4	2	40
Trade and other receivables	–	8	2	30
Interest-bearing borrowings	–	(3)	–	(18)
Trade and other payables	–	(7)	(3)	(40)
Current tax liability	–	(1)	–	–
Movement in equity	–	–	–	(28)
Net purchase price	–	12	16	–

28. **COMMITMENTS AND CONTINGENT LIABILITIES**

	31 December 2015	30 June 2015	30 June 2014	30 June 2013
Capital expenditure commitments to be incurred				
Contracted	180	197	426	258
Authorised by directors but not contracted	1 067	1 220	2 305	1 502
	1 247	**1 417**	**2 731**	**1 760**

The expenditure is substantially for the acquisition and replacement of leasing assets. Expenditure will be financed from proceeds on disposals and existing banking facilities.

Contingent liabilities	–	–	–	–
Guarantees	**24**	**24**	**18**	**55**

29. **OPERATING LEASE RECEIVABLES AND PAYABLES**

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

	More than five years Rm	One to five years Rm	Less than one year Rm	Total Rm
31 December 2015				
– Forklifts	50	1 859	727	2 636
– Vehicles	437	2 330	1 297	4 064
	487	**4 189**	**2 024**	**6 700**
30 June 2015				
– Forklifts	19	1 430	767	2 216
– Vehicles	566	3 176	1 611	5 353
	585	**4 606**	**2 378**	**7 569**
30 June 2014				
– Forklifts	56	781	458	1 295
– Vehicles	887	3 652	1 620	6 159
	943	**4 433**	**2 078**	**7 454**
30 June 2013				
– Forklifts	18	1 016	492	1 526
– Vehicles	1 132	2 628	1 471	5 231
	1 150	**3 644**	**1 963**	**6 757**

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

	One to five years Rm	Less than one year Rm	Total Rm
31 December 2015 – Property	11	7	18
30 June 2015 – Property	14	8	22
30 June 2014 – Property	13	13	26
30 June 2013 – Property	18	14	32

30. **FINANCIAL INSTRUMENTS**

Financial risk factors

The group's (being the aggregation of the Fleet Management and Logistics division and Industrial Equipment divisions) objectives, policies and processes for measuring and managing these risks are detailed below.

The group 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 Asset-Liability Committee (ALCO).

The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The group 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 commodity prices, may adversely impact on the group'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 group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

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 group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. In order to manage these risks, the group may enter into transactions which make use of derivatives. Derivative instruments are used by the group for hedging purposes. Such instruments include forward exchange contracts and, under specific ALCO authorisation, currency options.

The policy of the group is to maintain a fully covered foreign exchange risk position in respect of foreign currency commitments with a few exceptions authorised by the ALCO. The day-to-day management of foreign exchange risk is performed on a decentralised basis by the various business units within the group's hedging policies and guidelines. This process is overseen by the group treasurer. Trade-related import exposures are managed through the use of natural hedges arising from foreign assets as well as forward exchange contracts.

At the year-end, the settlement dates on open forward contracts ranged from spot up to 12 months. The average exchange rates shown include the cost of forward points cover. The amounts represent the net Rand equivalent of commitments to purchase and sell foreign currencies, and have all been recorded at fair value.

The group has entered into certain forward exchange contracts that relate to specific statement of financial position items at 31 December/30 June and specific foreign commitments not yet due. The details of these contracts are as follows:

FOREIGN CURRENCY	31 December 2015 Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm	30 June 2015 Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm
Imports								
US dollar	1	14.205	5	5	1	12.441	17	17
Euro	3	15.878	55	53	3	13.623	43	43
Pound sterling	1	21.977	17	18	1	19.058	20	20
Japanese yen	1 411	8.320	170	157	1 482	9.899	150	149
Swedish krona	10	1.736	17	18	17	0.675	25	25
			264	**251**			**255**	**254**

FOREIGN CURRENCY	30 June 2014 Foreign amount (million)	Average exchange Rate	Contract value Rm	Fair value Rm	30 June 2013 Foreign amount (million)	Average exchange rate	Contract value Rm	Fair value Rm
Imports								
US dollar	3	10.780	36	35	2	10.000	22	23
Euro	8	14.790	120	119	6	12.687	74	76
Pound sterling	1	17.860	17	17	2	15.813	34	32
Japanese yen	716	9.570	75	75	1 285	10.237	125	130
Swedish krona	6	0.610	9	9	10	0.672	14	14
Australian dollar	–	–	–	–	–	9.560	4	4
			257	**255**			**273**	**279**

Maturing within one year (million)	US dollar	Euro	Pound sterling	Japanese yen	Swedish krone	Rand value
31 December 2015	1	3	1	1 411	10	264
30 June 2015	1	3	1	1 482	17	255
30 June 2014	3	8	1	716	6	257
30 June 2013	2	6	2	1 285	10	273

The group had uncovered foreign currency exposure at 31 December of Rnil (June 2015: nil; June 2014: R7 million; June 2013: R32 million) which was subsequently covered.

The impact of a 1% devaluation of the Rand on the uncovered foreign exposure will have a Rnil at 31 December 2015 (June 2015: Rnil; June 2014: R70 000; June 2013: R1 million) impact on after tax profit and *vice versa* for a 1% appreciation of the Rand.

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 profit or loss that are offset by equivalent gains/losses in currency derivatives.

The impact of a 1% devaluation of the Rand on foreign entities through the foreign currency translation reserve would be a R4 million at 31 December 2015 (30 June 2015: R4 million; 30 June 2014: R3 million; 30 June 2013: R2 million) impact on equity.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements and statements of financial position are as follows:

	31 December 2015 Average	31 December 2015 Closing	30 June 2015 Average	30 June 2015 Closing	30 June 2014 Average	30 June 2014 Closing	30 June 2013 Average	30 June 2013 Closing
Currency (1FC=ZAR)								
Pound sterling	20.838	23.185	18.010	19.095	16.906	18.176	13.861	15.075
Botswana pula	1.295	1.387	1.212	1.230	1.191	1.209	1.106	1.159
Namibian dollar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Kenyan shilling	0.132	0.148	0.125	0.123	0.120	0.119	0.104	0.115
Tanzanian shillings	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.006
Nigerian naira	0.068	0.077	0.063	0.061	0.064	0.064	0.056	0.061
US dollar	13.600	15.637	11.452	12.140	10.385	10.626	8.842	9.926

Interest rate risk

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

The group 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 achieving a repricing profile in line with ALCO directives through the use of interest rate derivatives. The group 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 group's treasury, 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 18.

The group has entered into interest rate derivative contracts that entitle it to either receive or pay interest at floating rates on notional principal amounts and oblige it to receive or pay interest at fixed rates on the same amounts.

The group's remaining periods and notional principal amounts of the outstanding interest rate derivative contracts for which the group has exposure are:

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Pay fixed receive floating				
Less than one year	–	–	250	156
One to five years	–	–	–	250
	–	**–**	**250**	**406**
Pay floating receive fixed				
One to five years	106	106	106	106
Pay floating receive inflation				
One to five years	–	–	–	270
Fair value of interest rate swaps – net liability (asset)	4	2	2	(52)

The impact of a 1% decrease in the interest rate swap curve will have a positive R1 million (June 2015: positive R1 million; June 2014: positive R3 million; June 2013: negative R1 million) effect on profit and equity in respect of the interest rate swap.

The impact of a 1% increase in interest rates will have a negative R2 million (June 2015: negative R4 million; June 2014: negative R13 million; June 2013: negative R17 million) effect on profit or loss. The majority of this impact relates to contracts with customers where the contract pricing is only reviewed on an annual basis.

Concentration risk

This is the risk of a single customer exceeding 10% of total group revenue. There are no customers that contributes 10% or more of group revenue.

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group 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.

In addition, the group is exposed to credit risk in relation to financial guarantees given to banks provided by the group. The group's maximum exposure in this respect is the maximum amount the group could pay if the guarantee is called upon (refer to note 28). As at 31 December, an amount of R6 144 million (June 2015: R5 971 million; June 2014: R6 738 million; June 2013: R6 334) has been recognised in the combined financial position as financial liabilities as unsecured borrowings.

Cash and cash equivalents

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

Trade receivables that are neither past overdue nor impaired

Trade accounts receivable consist mainly of a large, widespread customer base. Group companies monitor the financial position of their 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.

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Trade receivables that are neither past overdue nor impaired	**545**	**472**	**572**	**445**

Based on past experience, the group believes that no significant 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 group, and there has been no objective evidence to the contrary.

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 significant provision has been made as there has not been a change in credit quality and the amounts are still considered recoverable.

A summarised age analysis of past due debtors is set out below.

Past due

Less than one month	80	75	57	104
Between one to three months	71	83	68	40
	151	**158**	**125**	**144**

The overdue debtor ageing profile above is typical of the industries in which certain of our businesses operate.

No significant collateral was held by the Eqstra group as security and other enhancement over the financial assets during the year.

Trade debtors by industry:

Fleet Management and Logistics	285	209	290	163
Industrial Equipment	411	421	407	426
	696	**630**	**697**	**589**

Trade receivables impairment provision

Before the financial instruments can be impaired, they are evaluated for the possibility of 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. There were no allowances for impairments on long-term receivables or investments in equity instruments at cost during the year under review.

Analysis of trade receivables impairment provision

Set out below is a summary of the movement in the provision for the year:

Balance at beginning of the period	27	32	48	48
Amounts written off during the period	(5)	(18)	(17)	(6)
Increase in allowance recognised in profit or loss	25	13	1	6
Balance at end of the period	**47**	**27**	**32**	**48**

Concentration of credit risk includes any single debtor that owes the group 10% or more of total trade receivables. There are no trade receivables which represent the significant concentration of credit risk.

Other receivables

The credit quality of all derivative financial assets is sound. None are overdue or impaired and the group does not hold any collateral on derivatives. The group's maximum exposure to counterparty credit risk on derivative assets at 31 December 2015 amounted to R 44 million (June 2015: R27 million; June 2014: R48 million; June 2013: R105 million).

Collateral

The group may require collateral in respect of the credit risk on transactions with a third party. The amount of credit risk is the positive fair value of the contract. Collateral may be in the form of cash or in the form of a lien over a debtor's assets, entitling the group to make a claim for current and future liabilities.

The group is not exposed to a situation where a third party may require collateral with respect to the transaction with that third party.

Guarantees

The group did not obtain financial or non-financial assets during the year by taking possession of collateral it holds as security or calling on guarantees.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group'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 group'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 group's short-, medium- and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised borrowing facilities are reflected in note 16. The group aims to have the duration of its debt to exceed the duration of its assets and any new refinancing of debt will support that strategy.

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 service acceptances and invoices.

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

	31 December 2015				30 June 2015			
	Carrying amount Rm	**Contractual cash flows Rm**	**Less than one year Rm**	**One to five years Rm**	**Carrying amount Rm**	**Contractual cash flows Rm**	**Less than one year Rm**	**One to five years Rm**
Maturity profile of financial instruments								
Financial assets								
Finance lease receivable	6	7	4	3	30	34	17	17
Other investments and loans	26	26	–	26	59	59	–	59
Trade receivables	649	696	696	–	603	630	630	–
Cash and cash equivalents	300	300	300	–	80	80	80	–
Derivative financial assets	64	64	64	–	28	28	28	–
	1 045	**1 093**	**1 064**	**29**	**800**	**831**	**755**	**76**
Percentage profile		**100%**	**97%**	**3%**		**100%**	**91%**	**9%**
Financial liabilities								
Interest-bearing borrowings	**7 203**	**7 927**	**2 325**	**5 602**	**6 796**	**8 426**	**2 367**	**6 059**
Trade and other payables	**1 125**	**1 125**	**1 125**	**–**	**1 088**	**1 088**	**1 088**	**–**
Current derivative financial liabilities	**4**	**4**	**4**	**–**	**3**	**3**	**3**	**–**
	8 332	**9 056**	**3 454**	**5 602**	**7 887**	**9 517**	**3 458**	**6 059**
Percentage profile		**100%**	**38%**	**62%**		**100%**	**36%**	**64%**

In assessing the maturity profiles of financial instruments of the group, the available borrowing facilities per note 18 should be noted. In addition, the group generates the majority of its cash flow from its leasing assets per note 6, which is not classified as a financial instrument, and therefore excluded above.

	30 June 2014				30 June 2013			
	Carrying amount Rm	**Contractual cash flows Rm**	**Less than one year Rm**	**One to five years Rm**	**Carrying amount Rm**	**Contractual cash flows Rm**	**Less than one year Rm**	**One to five years Rm**
Maturity profile of financial instruments								
Financial assets								
Finance lease receivable	41	46	34	12	73	83	55	28
Other investments and loans	55	55	–	55	64	64	–	64
Trade receivables	665	697	697	–	541	589	589	–
Cash and cash equivalents	3	3	3	–	265	265	265	–
Derivative financial assets	48	48	48	–	105	105	105	–
	812	**849**	**782**	**67**	**1 048**	**1 106**	**1 014**	**92**
Percentage profile		**100%**	**92%**	**8%**		**100%**	**92%**	**8%**
Financial liabilities								
Interest-bearing borrowings	7 247	7 926	2 959	4 967	6 717	8 215	2 175	6 040
Trade and other payables	1 044	1 044	1 044	–	989	989	989	–
Current derivative financial liabilities	3	3	3	–	2	2	2	–
	8 294	**8 973**	**4 006**	**4 967**	**7 708**	**9 206**	**3 166**	**6 040**
Percentage profile		**100%**	**45%**	**55%**		**100%**	**34%**	**66%**

In assessing the maturity profiles of financial instruments of the group, the available borrowing facilities per note 18 should be noted. In addition, the group generates the majority of its cash flow from its leasing assets per note 6, which is not classified as a financial instrument, and therefore excluded above.

	31 December 2015 Carrying amount Rm	Fair value Rm	30 June 2015 Carrying amount Rm	Fair value Rm	30 June 2014 Carrying amount Rm	Fair value Rm	30 June 2013 Carrying amount Rm	Fair value Rm
Fair value of financial instruments								
Financial assets								
Non-derivative financial assets								
Other investments and loans								
– Available-for-sale	26	26	59	59	55	55	64	64
Trade receivables	649	649	603	603	665	665	541	541
Finance lease receivable	6	6	30	30	41	41	73	73
Cash and cash equivalents	300	300	80	80	3	3	265	265
Derivative financial assets								
Derivative instruments	64	64	28	28	48	48	105	105
Financial liabilities								
Non-derivative financial liabilities								
Interest-bearing borrowings								
– Borrowings at amortised cost	7 203	7 203	6 796	6 796	7 247	7 247	6 717	6 717
Trade and other payables				–		–		–
– Other trade and other payables	1 125	1 125	1 088	1 088	1 044	1 044	989	989
Derivative financial liabilities								
Derivative instruments	4	4	3	3	3	3	2	2

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 financial assets 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 to the fair value.

There were no defaults or breaches in terms of interest-bearing borrowings during the periods ended 30 June 2015, 2014 and 2013. For the six-month period ended 31 December 2015, the bank waived the covenant requirements.

There were no reclassifications of financial assets or financial liabilities that occurred during the year. There were no financial assets or liabilities that did not qualify for derecognition during the year.

Capital risk management

The group's objectives when managing capital are to safeguard the group'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. This is consistent with the prior year.

Consistent with others in the industry, the group 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.

	31 December 2015 Rm	**30 June 2015 Rm**	**30 June 2014 Rm**	**30 June 2013 Rm**
Total interest-bearing borrowings	7 203	6 796	7 247	6 717
Less: Cash and cash equivalents	300	80	3	265
Net debt	6 903	6 716	7 244	6 452
Total equity	1 962	1 949	1 702	1 607
Total capital	8 865	8 665	8 946	8 059
Gearing ratio (Debt to total capital) (%)	**78%**	**78%**	**81%**	**80%**

Statement of changes in equity

Included in the statement of changes in equity are the following adjustments relating to financial instruments:

Hedge accounting – cash flow hedges				
Amount recognised in equity	1	1	6	1

Fair value hierarchy disclosures valuation methodology

The table below shows the group's financial asset and liability that are recognised and subsequently measured at fair value, analysed by valuation technique. The classification is based on the lowest level input that is significant to the fair value measured in its entirety.

	31 December 2015			30 June 2015		
	Level 1 Rm	Level 2 Rm	Fair value Rm	Level 1 Rm	Level 2 Rm	Fair value Rm
Financial assets						
Available-for-sale financial assets						
– Investments	14	12	26	44	15	59
Financial assets designated as fair value through profit and loss						
– Derivative financial assets	–	64	64	–	28	28
– Loan and receivables						
Total financial assets	**14**	**76**	**90**	**44**	**43**	**87**
Financial liabilities						
Financial liabilities designated as fair value through profit and loss						
– Derivative financial liabilities	–	4	4	–	3	3
Total financial liabilities	**–**	**4**	**4**	**–**	**3**	**3**

	30 June 2014			30 June 2013		
	Level 1 Rm	Level 2 Rm	Fair value Rm	Level 1 Rm	Level 2 Rm	Fair value Rm
Financial assets						
Available-for-sale financial assets						
– Investments	44	11	55	64	–	64
Financial assets designated as fair value through profit and loss						
– Derivative financial assets	–	48	48	–	105	105
Total financial assets	**44**	**59**	**103**	**64**	**105**	**169**
Financial liabilities						
Financial liabilities designated as fair value through profit and loss						
– Derivative financial liabilities	**–**	**3**	**3**	**–**	**2**	**2**
Total financial liabilities	**–**	**3**	**3**	**–**	**2**	**2**

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.

The following summary sets out the principal instruments whose valuation may involve judgemental inputs:

Debt instruments held as assets

These instruments are valued based on valuation techniques using inputs derived from observable market data, and, where relevant, assumptions in respect of unobservable inputs.

Equity investments held as assets

The fair value of these investments is determined using appropriate valuation methodologies, which are dependent on the cash flow analysis.

Derivatives

Derivative contracts can be exchange traded or traded over-the-counter (OTC). OTC derivative contracts include forward and swap contracts related to interest rates, bonds, foreign currencies, credit spreads and equity prices. Fair values of derivatives are obtained from dealer price quotations, discounted cash flow and option pricing models.

31. RELATED PARTY TRANSACTIONS

Subsidiaries and the group pension and provident funds and key management are considered to be related parties. During the year, the company and subsidiaries of Eqstra Holdings Limited, 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.

Interest of directors in contracts

The directors have confirmed that they held no material interest in any transaction of any significance with the company or any of Eqstra Holdings Limited subsidiaries. Accordingly, no conflict of interest with regard to directors' interest in contracts exists.

Balances between related parties

Refer to notes 9 and 16 for related party balances.

Remuneration of directors, prescribed officers and top salaried employees

The table below provides an analysis of the emoluments for executive and non-executive directors within the Eqstra group.

Name	Salary R'000	Bonus R'000	Retirement contributions R'000	Other benefits* R'000	31 December 2015 R'000
Executive directors					
JL Serfontein	2 024	–	302	118	2 444
	2 024	**–**	**302**	**118**	**2 444**
Divisional chief executive officers					
JV Carr	1 404	–	224	138	1 766
GD Neubert	1 365	–	217	126	1 708
	2 769	**–**	**441**	**264**	**3 474**

Name	Salary R'000	Bonus R'000	Retirement contributions R'000	Other benefits* R'000	30 June 2015 R'000	30 June 2014 R'000	30 June 2013 R'000
Executive directors							
WS Hill **	4 835	833	762	12 122	18 552	6 388	9 942
JL Serfontein	2 276	712	359	273	3 620	3 386	4 665
	7 111	**1 545**	**1 121**	**12 395**	**22 172**	**9 774**	**14 607**
Divisional chief executive officers							
JV Carr	2 624	1 295	413	279	4 611	5 509	4 330
GD Neubert	2 469	844	389	249	3 951	3 870	5 246
	5 093	**2 139**	**802**	**528**	**8 562**	**9 379**	**9 576**

** Other benefits include car allowance or company car, retirement packages and medical aid costs.*

*** Retired as CEO and board member on 1 June 2015.*

Non-executive directors	31 December 2015				30 June 2015				30 June 2014	30 June 2013
Name	Retainer R'000	Board meetings R'000	Committee fees R'000	Total R'000	Retainer R'000	Board meetings R'000	Committee fees R'000	Total R'000	Total R'000	Total R'000
MJ Croucamp	83	59	386	528	162	116	403	681	454	459
S Dakile-Hlongwane	69	39	40	148	162	97	51	310	268	302
GG Gelink*	–	–	–	–	78	19	31	128	295	168
NP Mageza	455	–	–	455	885	–	–	885	833	779
VJ Mokoena	83	59	41	183	162	116	53	331	274	281
S Mthembi-Mahanyele	83	39	27	149	162	116	52	330	281	301
AJ Phillips	132	59	140	331	256	116	326	698	404	377
TDA Ross	83	59	200	342	162	116	365	643	480	472
ZB Swanepoel	14	–	–	14	–	–	–	–	–	–
LL von Zeuner	83	59	107	249	162	59	215	436	197	–
	1 085	**373**	**941**	**2 399**	**2 191**	**755**	**1 496**	**4 442**	**3 486**	**3 139**

** GG Gelink was apointed 13 November 2012 and resigned on 30 November 2014. ** B Swanepoel and LL von Zuner were appointed as directors on 1 December 2015 and 22 April 2013 respectively.*

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. The total value of goods and services purchased from key management on an arm's length basis amounted to Rnil (2014: Rnil).

Remuneration of key management personnel within the Eqstra group comprises:

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Short-term employee benefits	77	85	61	81
Long-term employee benefits	6	7	5	5
Retirement benefits	–	12	–	–
Share-based payment expense (reversal)	4	2	(2)	(21)
	87	**106**	**64**	**65**
Number of key management personnel	48	55	47	50

32. **POST-BALANCE SHEET EVENTS**

- The Commodities business was disposed of for R43 million effective 1 May 2016.
- In April 2016, the board decided to exit from the Eqstra Agriculture and Air Supreme businesses in line with the strategy to exit non-core businesses.
- To date no material subsequent events pertaining the Fleet Management and Logistics and the Industrial Equipment divisions have been identified. The year-end results in respect of the Fleet Management and Logistics and the Industrial Equipment Divisions is in the process of being finalised and the results thereof will be reported in due course.

33. **GOING CONCERN**

The combined historical financial information presented for the Fleet Management and Logistics division and the Industrial Equipment division of the Eqstra Group has been prepared on the assumption that both the individual divisions and the Eqstra Group as a whole will continue to operate as going concerns.

The statement of comprehensive income for the combined divisions referred to above reflects a loss of R11 million for the six months ended 31 December 2015 and a profit of R237 million for the year ended 30 June 2015. For the same periods the Eqstra Group reported a loss of R1 122 million and a profit of R152 million respectively. At 31 December 2015 the combined assets of the Fleet Management and Logistics and the Industrial Equipment divisions exceeded their combined liabilities by R1 962 million (June 2015: R1 949 million) whilst the assets of the Eqstra group exceeded its liabilities by R2 858 million at December 2015 and R3 636 million at June 2015.

The Eqstra Group is highly geared and relies on debt funding for the majority of its capital. Therefore, in order to continue as a going concern, it requires ongoing support from current lenders and needs to raise additional borrowings from time to time to refinance debt that becomes repayable. Following a substantial impairment to the carrying value of various assets the Eqstra Group breached its capital adequacy covenant at 31 December 2015. Lenders agreed to condone the breach subject to certain conditions and a refinancing program was immediately commenced. At that time the board realistically expected that the immediate liquidity concerns would be successfully addressed and that the de-gearing strategy previously announced would address the longer-term.

On 26 April 2016, Standard and Poor's released a report downgrading the company's long- and short-term South African national scale corporate credit ratings to zaB/zaB from zaBBB+/ zaA-2, respectively. Due to Eqstra group's long-term rating falling below investment grade, the providers of certain term borrowings acquired an automatic option to accelerate repayment of their loans if they so wished. Furthermore, at an Eqstra group level, the negotiations to sell the Benga assets for approximately US$50 million have so far proven unsuccessful.

Taken collectively, the events identified above have significantly eroded the Eqstra group's short-term liquidity capacity and its ability to provide funding to the Fleet Management and Logistics and the Industrial Equipment divisions going forward.

On 30 June 2016 an announcement was released on the Stock Exchange News Services of the JSE Limited wherein, *inter alia*, the board proposed, subject to shareholders' approval, the sale of the Fleet Management and Logistics and the Industrial Equipment divisions to enX Limited, a company listed on the Johannesburg Stock Exchange (JSE), and a recapitalisation of Eqstra group post the proposed transaction by way of an injection of ordinary and preference share capital totalling R700 million. The board believes it highly likely that the transaction will be approved by shareholders based on the extent of irrevocable undertakings already received. The Eqstra lenders have agreed to support the transaction and will provide new and appropriate borrowing facilities should the transaction proceed.

The board is of the view that the transaction will provide sufficient liquidity for the group (including the Fleet Management and Logistics and the Industrial Equipment divisions) to continue as a going concern. This, together with the group's current trading position and forecasts, allows the board to conclude that the group will be able to meet its obligations as they fall due, and accordingly that it remains appropriate to prepare these condensed historical financial results for the Fleet Management and Logistics division and the Industrial Equipment division on a going concern basis. These condensed historical financial statements do not, therefore, include any adjustments that would result if the going concern assumption was not used as the basis for the underlying preparation of the historical financial statements.

Should the transaction not be implemented there is material uncertainty which may cast significant doubt as to the Eqstra group's ability to continue as a going concern as a result of the liquidity constraints it will face. In such circumstance it would also be materially uncertain as to whether or not the Fleet Management and Logistics division and the Industrial Equipment division would be able to continue to operate as a going concern.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE COMBINED INTERIM HISTORICAL FINANCIAL INFORMATION OF THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION

"16 August 2016

The Directors
Eqstra Holdings Limited
61 Maple Street,
Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE COMBINED INTERIM HISTORICAL FINANCIAL INFORMATION OF THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Introduction

The definitions commencing on page 5 of the circular to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the circular, we have reviewed the Combined Interim Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the six months ended 31 December 2015 which comprises the Combined Statement of Financial Position, Combined Statement of Comprehensive Income, Combined Statement of Changes in Equity, Combined Statement of Cash Flows and related notes ("the Combined Interim Historical Financial Information").

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Report of Combined Interim Historical Financial Information in accordance with the relevant basis of preparation as disclosed in the "Basis of preparation of historical combined financial information" paragraph in Annexure 2 to the circular, prepared with the specific purpose to meet paragraph 8.2 of the JSE Limited Listings Requirements.

Responsibility of the Independent Reporting Accountants

Our responsibility is to express a review conclusion on the Combined Interim Historical Financial Information based on our review for the six months ended 31 December 2015, in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity (ISRE 2410)". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that Combined Interim Historical Financial Statements 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.

Scope of review

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 and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Combined Interim Historical Financial Information.

Conclusion on the Interim Combined Interim Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Combined Interim Historical Financial Information included in the circular is not prepared, in all material respects, in accordance with the "Basis of preparation of historical combined financial information" paragraph included in **Annexure 2** to the circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Emphasis of Matter – Going concern

Without qualifying our opinion, we draw attention to Note 34 of the Combined Historical Financial Information which indicates that the Fleet Management and Logistics division and the Industrial Equipment division have incurred a loss of R11 million (June 2015: profit of R237 million) for the period ended 31 December 2015 and as at that date, the Fleet Management and Logistics and the Industrial Equipment divisions combined assets exceed its combined liabilities by R1 962 million (June 2015: R1 949 million). Note 34 also indicates that these conditions, along with the impact should the proposed transaction not be implemented, indicate the existence of a material uncertainty which may cast significant doubt on the Fleet Management and Logistics and the Industrial Equipment divisions ability to continue as a going concern.

Basis of accounting

Without modifying our conclusion, we draw attention to the Notes to the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division in Annexure 2, which describe the basis of accounting. We also draw attention to the fact that this Combined Historical Financial Information has been prepared specifically to meet the requirements of the JSE Limited Listings Requirements in respect of this circular to shareholders and may not be suitable for another purpose.

Deloitte & Touche
Registered Auditors

Per M Rayfield
Partner

Deloitte

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)"

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE COMBINED HISTORICAL FINANCIAL INFORMATION OF THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION

"16 August 2016

The Directors
Eqstra Holdings Limited
61 Maple Street,
Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE COMBINED HISTORICAL FINANCIAL INFORMATION OF THE FLEET MANAGEMENT AND LOGISTICS DIVISION AND THE INDUSTRIAL EQUIPMENT DIVISION FOR THE YEARS ENDED 30 JUNE 2015, 2014 AND 2013

The definitions commencing on page 5 of the circular to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the circular, we have audited the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015 set out in Annexure 2 of the circular ("2015 Combined Historical Financial Information"). We have also reviewed the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division in respect of the years ended 30 June 2014 and 30 June 2013, as set out in Annexure 2 ("2014 and 2013 Combined Historical Financial Information"). These comprise the Combined Statement of Financial Position, Combined Statement of Comprehensive Income, Combined Statement of Changes in Equity and Combined Cash Flow Statement and the notes, comprising a summary of significant accounting policies and other explanatory information ("the Combined Historical Financial Information").

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the circular, including the Combined Historical Financial Information, in accordance with the relevant basis of preparation as disclosed in the "Basis of preparation of historical combined information" paragraph in Annexure 2 to this circular, prepared with the specific purpose to meet paragraph 8.2 of the JSE Limited Listings Requirements, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement whether due to fraud or error.

Responsibility of the Independent Reporting Accountant

Our responsibility is to express an opinion on the 2015 Combined Historical Financial Information based on our audit. We conducted our audit of the 2015 Combined Historical Financial Information in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 2015 Combined Historical Financial Information is free from material misstatement.

Our responsibility is further to express review conclusions on the 2014 and 2013 Combined Historical Financial Information, based on our reviews. We conducted our reviews 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). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the 2014 and 2013 Combined Historical Financial Information is not prepared, in all material respects, in accordance with the applicable financial reporting framework. This Standard also requires that we comply with ethical requirements.

Scope of audit

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 2015 Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 2015 Combined Historical Financial Information.

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

Scope of review

A review of Combined Historical 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 and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion.

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

Opinion

In our opinion, the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division for the year ended 30 June 2015, as set out in Annexure 2 to the circular, is prepared, in all material respects, for the purpose of the circular, in accordance with the "Basis of preparation of historical combined financial information" paragraph included in Annexure 2 to the circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Conclusion

Based on our reviews of the 2014 and 2013 Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division, nothing has come to our attention that causes us to believe that the 2014 and 2013 Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division is not prepared, in all material respects, in accordance with the "Basis of preparation of historical combined financial information" paragraph included in Annexure 2 to the circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Basis of accounting

Without modifying our opinion and conclusion, we draw attention to the Notes to the Combined Historical Financial Information of the Fleet Management and Logistics Division and the Industrial Equipment Division in Annexure 2 to this circular, which describe the basis of accounting. We also draw attention to the fact that this Combined Historical Financial Information has been prepared specifically to meet the requirements of the JSE Limited Listings Requirements in respect of this circular to shareholders and may not be suitable for another purpose.

Deloitte & Touche
Registered Auditors

Per M Rayfield
Partner

Deloitte

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)"

INTERIM HISTORICAL FINANCIAL INFORMATION ON enX

Set out below is an extract of the interim historical financial information of enX for the six months ended 29 February 2016, which is the responsibility of the enX Directors:

enX GROUP LIMITED – UNAUDITED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 29 FEBRUARY 2016

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited for the six months ended 29 February 2016 R'000	Unaudited* for the six months ended 28 February 2015 R'000	Audited for the year ended 31 August 2015 R'000
Revenue	**517 726**	326 469	882 835
Cost of sales	**(378 438)**	(227 870)	(628 468)
Gross profit	**139 288**	98 599	254 367
Gross profit %	**27**	*30*	*29*
Other operating income	**754**	11 014	6 232
Net operating expenses	**(107 225)**	(81 656)	(198 601)
Impairment of goodwill	**–**	(10 961)	(10 961)
IFRS 2 share appreciation rights charge	**(6 579)**	(15 796)	(15 480)
Profit from operations before interest and taxation	**26 238**	1 200	35 557
Net interest (paid)/received	**(1 750)**	442	(2 165)
Interest received	**1 419**	1 238	1 997
Interest paid	**(3 169)**	(796)	(4 162)
Share of other comprehensive loss of equity accounted investments	**(187)**	(151)	(77)
Profit before taxation	**24 301**	1 491	33 315
Taxation expense	**(6 851)**	(2 037)	(11 473)
Total comprehensive income/(loss) for the period	**17 450**	(546)	21 842
Number of shares in issue	**562 327 001**	421 689 018	421 689 018
Weighted average number of shares	**559 252 947**	405 910 347	415 089 994
Earnings per share (cents) **	**3.1**	(0.1)	5.3
Headline earnings per share (cents)[1] **	**3.1**	2.5	7.6
Adjusted headline earnings per share (cents)[1]	**4.0**	3.7	8.7
EBITDA (R'000)[2]	**34 697**	7 536	49 173
Adjusted EBITDA (R'000)[2]	**41 276**	25 021	66 342

** Restated for IFRS 3 adjustments, refer to note on Comparatives.*
*** enX has no dilutionary instruments in issue.*

	Unaudited for the six months ended 29 February 2016 R'000	Unaudited* for the six months ended 28 February 2015 R'000	Audited for the year ended 31 August 2015 R'000
1. **HEADLINE EARNINGS RECONCILIATION**			
Attributable income/(loss) for the period	**17 450**	(546)	21 842
Net (profit)/loss on disposal of plant and equipment	**(17)**	26	(1 100)
Gain on disposal of subsidiary	**–**	(417)	(417)
Impairment of goodwill	**–**	10 961	10 961
Tax effect of adjustments	**5**	(7)	308
Headline earnings	**17 438**	10 017	31 594
IFRS 2 charge	**6 579**	15 796	15 480
Release of straight-line provision for operating lease	**–**	(9 272)	(9 272)
Tax effect of adjustments	**(1 842)**	(1 827)	(1 738)
Adjusted headline earnings	**22 175**	14 714	36 064
2. **EBITDA RECONCILIATION**			
Profit from operations before interest and taxation	**26 238**	1 200	35 557
Depreciation and amortisation	**8 459**	6 336	13 616
EBITDA	**34 697**	7 536	49 173
IFRS 2 charge	**6 579**	15 796	15 480
Release of straight line provision for operating lease	**–**	(9 272)	(9 272)
Impairment of goodwill	**–**	10 961	10 961
Adjusted EBITDA	**41 276**	25 021	66 342
Adjusted EBITDA %	**8.0**	7.7	7.5

** Restated for IFRS 3 adjustments, refer to note on Comparatives.*
*** enX has no dilutionary instruments in issue.*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 29 February 2016 R'000	Unaudited* as at 28 February 2015 R'000	Audited as at 31 August 2015 R'000
ASSETS			
Non-current assets	**318 690**	230 139	246 315
Property, plant and equipment	**118 811**	62 461	80 271
Goodwill	**164 776**	125 426	125 931
Deferred taxation	**13 612**	19 634	17 626
Investment in associate	**491**	–	678
Intangible assets	**21 000**	22 618	21 809
Current assets	**656 773**	498 359	636 981
Inventories	**351 086**	247 092	353 736
Trade and other receivables	**243 032**	190 395	248 630
Taxation receivable	**–**	10 431	655
Cash and cash equivalents	**62 655**	50 441	33 960
Total assets	**975 463**	728 498	883 296
EQUITY AND LIABILITIES			
Capital and reserves	**692 455**	438 958	461 346
Stated capital	**559 046**	345 387	345 387
Accumulated profits	**133 409**	93 571	115 959
Total capital and reserves	**692 455**	438 958	461 346
LIABILITIES			
Non-current liabilities	**42 575**	12 164	36 894
Interest-bearing liabilities – Other	**26 824**	4 499	30 041
Interest-bearing liabilities – Vendor loan	**8 194**	–	–
Deferred taxation	**7 557**	7 665	6 853
Current liabilities	**240 433**	277 376	385 056
Trade and other payables	**224 716**	243 084	296 631
Interest-bearing liabilities – Other	**10 507**	30 958	65 169
Interest-bearing liabilities – Vendor loan	**4 762**	–	–
Bank overdraft	**–**	–	21 326
Taxation payable	**448**	3 334	1 930
Total equity and liabilities	**975 463**	728 498	883 296
Net asset value per share (cents)	**123.1**	104.1	109.4
Net tangible asset value per share (cents)	**91.1**	70.5	74.4
Average net operating assets (R'000)	**559 642**	393 150	424 303
Average net tangible operating assets (R'000)	**386 738**	244 106	276 563
Average net operating asset turnover	**1.9x**	1.6x	2.1x
Average net tangible operating asset turnover	**2.9x**	2.6x	3.2x
Adjusted operating profit margin	**6.2%**	5.7%	6.0%
Pre-tax return on average net operating assets	**11.9%**	9.2%	12.6%
Pre-tax return on average net tangible operating assets	**17.9%**	14.9%	19.2%

** Restated for IFRS 3 adjustments, refer to note on Comparatives.*

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 29 February 2016 R'000	Unaudited* for the six months ended 28 February 2015 R'000	Audited for the year ended 31 August 2015 R'000
Operating activities			
Profit before taxation	**24 301**	1 491	33 315
Non-cash items and other adjustments	**25 705**	18 326	21 922
	50 006	19 817	55 237
Decrease in working capital	**(78 774)**	(22 145)	(124 441)
Cash utilised by operations	**(28 768)**	(2 328)	(69 204)
Interest received	**1 419**	1 238	1 997
Interest paid	**(2 539)**	(796)	(4 162)
Taxation paid	**(2 960)**	(2 077)	(1 932)
Cash outflow from operating activities	**(32 848)**	(3 963)	(73 301)
Investing activities			
Additions to property, plant and equipment	**(12 405)**	(13 950)	(42 454)
Business combination	**(61 112)**	(38 035)	(39 598)
Proceeds on disposal of plant and equipment	**606**	893	6 597
Sale of interest in subsidiary	**–**	–	(280)
Loan repayment from associate	**–**	–	772
Cash outflow from investing activities	**(72 911)**	(51 092)	(74 963)
Financing activities			
Net inflow from issue of shares	**213 659**	–	–
Interest-bearing liabilities (repaid)/raised	**(57 879)**	31 852	87 254
Cash inflow from financing activities	**155 780**	31 852	87 254
Net inflow/(outflow) of cash and cash equivalents	**50 021**	(23 203)	(61 010)
Cash and cash equivalents at beginning of period	**12 634**	73 644	73 644
Cash and cash equivalents at end of period	**62 655**	50 441	12 634

** Restated for IFRS 3 adjustments, refer to note on Comparatives.*

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited for the six months ended 29 February 2016 R'000	**Unaudited* for the six months ended 28 February 2015 R'000**	**Audited for the year ended 31 August 2015 R'000**
Stated capital	**559 046**	345 387	345 387
Balance at beginning of period	**345 387**	295 497	295 497
Additional shares issued	**213 659**	49 890	49 890
Accumulated profits	**133 409**	93 571	115 959
Balance at beginning of period	**115 959**	94 117	94 117
Attributable income/(loss) for the period	**17 450**	(546)	21 842
Total capital and reserves	**692 455**	438 958	461 346

** Restated for IFRS 3 adjustments, refer to note on Comparatives.*

CONDENSED SEGMENTAL ANALYSIS

		POWER	
	Unaudited for the six months ended 29 February 2016 R'000	**Unaudited for the six months ended 28 February 2015 R'000**	**Audited for the year ended 31 August 2015 R'000**
Revenue	**244 602**	175 291	454 620
– External	**244 602**	175 291	454 620
– Intercompany	**–**	–	–
Gross profit	**72 671**	54 509	136 984
Gross profit (%)	**30**	31	30
Profit from operations before interest and taxation	**11 336**	14 083	39 645
EBITDA (3)	**29 641**	26 526	64 791
Adjusted EBITDA	**29 980**	18 894	55 583
Capital expenditure	**8 714**	8 795	22 213
Depreciation and amortisation	**3 071**	1 866	3 992
Taxation expense	**2 245**	3 171	10 787
Total assets	**491 891**	311 619	445 675
Total liabilities	**135 612**	117 445	198 897
Net tangible operating assets (4)	**302 800**	193 465	258 306
Number of employees	**306**	278	271

** Restated for IFRS 3 adjustments, refer to note on Comparatives.*
3. All subsidiary EBITDA figures exclude intercompany management fees.
4. Excludes goodwill and intangibles which are attributable to the Power and Fuel segments.

CONDENSED SEGMENTAL ANALYSIS

	WOOD		
	Unaudited for the six months ended 29 February 2016 R'000	**Unaudited for the six months ended 28 February 2015 R'000**	**Audited for the year ended 31 August 2015 R'000**
Revenue	**113 271**	102 227	218 215
– External	**113 271**	102 227	218 215
– Intercompany	**–**	–	–
Gross profit	**35 501**	33 359	72 109
Gross profit (%)	**31**	33	33
Profit/(loss) from operations before interest and tax	**2 607**	4 104	7 514
EBITDA (3)	**7 717**	9 533	17 249
Adjusted EBITDA	**7 795**	9 741	17 431
Capital expenditure	**837**	2 095	7 495
Depreciation and amortisation	**2 256**	3 427	5 691
Taxation expense	**728**	758	2 103
Total assets	**150 424**	128 736	132 704
Total liabilities	**64 748**	47 365	49 344
Net tangible operating assets (4)	**74 791**	74 841	96 005
Number of employees	**160**	155	157

3. All subsidiary EBITDA figures exclude intercompany management fees.
4. Excludes goodwill and intangibles which are attributable to the Power and Fuel segments.

CONDENSED SEGMENTAL ANALYSIS

	FUEL		
	Unaudited for the six months ended 29 February 2016 R'000	**Unaudited for the three months ended 28 February 2015 R'000**	**Audited for the year ended 31 August 2015 R'000**
Revenue	**159 853**	48 951	210 000
– External	**159 853**	48 951	210 000
– Intercompany	**–**	–	–
Gross profit	**31 116**	10 730	47 932
Gross profit (%)	**19**	22	23
Profit from operations before interest and taxation	**7 156**	2 151	2 938
EBITDA (3)	**11 213**	3 399	8 026
Adjusted EBITDA	**11 292**	4 461	8 026
Capital expenditure	**2 813**	2 301	11 792
Depreciation and amortisation	**3 011**	1 026	3 662
Taxation expense/(income)	**748**	518	(101)
Total assets	**212 804**	153 444	215 498
Total liabilities	**86 491**	116 184	158 125
Net tangible operating assets (4)	**140 320**	68 413	138 505
Number of employees	**48**	45	42

3. All subsidiary EBITDA figures exclude intercompany management fees.
4. Excludes goodwill and intangibles which are attributable to the Power and Fuel segments.

CONDENSED SEGMENTAL ANALYSIS

	HEAD OFFICE		
	Unaudited for the six months ended 29 February 2016 R'000	**Unaudited for the six months ended 28 February 2015 R'000**	**Audited for the year ended 31 August 2015 R'000**
Revenue	**19 152**	12 788	26 481
– External	**–**	–	–
– Intercompany	**19 152**	12 788	26 481
Gross profit	**19 152**	12 788	26 481
Gross profit (%)			
Profit/(loss) from operations before interest and taxation	**5 159**	(7 705)	27 164
EBITDA [(3)]	**5 278**	(7 688)	27 290
Adjusted EBITDA	**(7 772)**	(6 529)	(14 843)
Capital expenditure	**41**	759	954
Depreciation and amortisation	**121**	17	126
Taxation expense/(income)	**3 357**	(2 297)	(976)
Total assets	**342 026**	367 326	331 778
Total liabilities	**36 549**	30 182	76 365
Net tangible operating assets [(4)]	**305 118**	(22 024)	338 483
Number of employees	**7**	7	7

3. All subsidiary EBITDA figures exclude intercompany management fees.
4. Excludes goodwill and intangibles which are attributable to the Power and Fuel segments.

CONDENSED SEGMENTAL ANALYSIS

	CONSOL			TOTAL		
	Unaudited for the six months ended 29 February 2016 R'000	**Unaudited for the six months ended 28 February 2015* R'000**	**Audited for the year ended 31 August 2015 R'000**	**Unaudited for the six months ended 29 February 2016 R'000**	**Unaudited for the six months ended 28 February 2015* R'000**	**Audited for the year ended 31 August 2015 R'000**
Revenue	**(19 152)**	(12 788)	(26 481)	**517 726**	326 469	882 835
– External	**–**	–	–	**517 726**	326 469	882 835
– Intercompany	**(19 152)**	(12 788)	(26 481)	**–**	–	–
Gross profit	**(19 152)**	(12 787)	(29 139)	**139 288**	98 599	254 367
Gross profit%	**–**			**27**	30	29
Profit/(loss) from operations before interest and taxation	**(20)**	(11 433)	(41 704)	**26 238**	1 200	35 557
EBITDA [(3)]	**(19 152)**	(24 234)	(68 183)	**34 697**	7 536	49 173
Adjusted EBITDA	**(19)**	(1 546)	145	**41 276**	25 021	66 342
Capital expenditure	**–**	–	–	**12 405**	13 950	42 454
Depreciation and amortisation	**–**	–	145	**8 459**	6 336	13 616
Taxation expense/ (income)	**(227)**	(113)	(340)	**6 851**	(2 037)	11 473
Total assets	**(221 682)**	(232 627)	(242 359)	**957 463**	728 498	883 296
Total liabilities	**(40 390)**	(21 635)	(60 781)	**283 010**	289 541	421 950
Net tangible operating assets [(4)]	**327 220**	(31 029)	(259 200)	**495 989**	283 666	572 099
Number of employees				521	485	477

3. All subsidiary EBITDA figures exclude intercompany management fees
4. Excludes goodwill and intangibles which are attributable to the Power and Fuel segments

COMMENTARY

enX is an industrial energy and supplies group that provides quality branded and in some segments, locally manufactured capital and consumable goods and support services to a broad range of economic sectors in South Africa and sub-Saharan Africa. Clients range from heavy industrial, automotive, mining and construction groups to wholesalers, retailers, technology and telecommunications companies, banks and manufacturers. Adding value to the products sold by offering ongoing servicing and customer support is a key component of enX's business model.

enX currently comprises three business segments:

- Power segment (**"Power"**) which incorporates:
  - Private Power Sales: The manufacture, supply, installation and maintenance of diesel generators and related components.
  - Power Product Distribution: The distribution of industrial engines, marine engines and components.
  - Temporary Power: Rental of temporary power in the form of diesel generators.
- Fuel segment (**"Fuel"**) incorporates the production and marketing of oil lubricants.
- Wood segment (**"Wood"**) which incorporates:
  - The distribution of professional woodworking equipment, sale of related consumables and the provision of associated services such as blade sharpening and equipment maintenance.

In line with management's intention to expand the Temporary Power unit within the Power Segment, the group acquired the diesel generator rental business of Galeprops 2661 CC (trading as Genmatics), effective 1 September 2015.

Genmatics operates a diesel generator rental business offering generators ranging in size from 30 kVA to 1 000 kVA to clients across South Africa.

This transaction gave enX's diesel generator rental business an immediate and substantial presence in KwaZulu-Natal, thereby establishing a national footprint. The combined Temporary Power fleet is now in excess of 250 generator sets, ranging in size from 4,5 kVA to 1 000 kVA. As part of the integration of this acquisition, the rental unit has since been rebranded as Genmatics (previously Neptune Plant Hire).

Empowerment transaction

Building on enX's commitment to grow its asset base and transform into a truly empowered company, an additional 25,01% B-BBEE equity participation in enX was successfully completed on 9 September 2015. A total of 140 637 983 enX ordinary shares were issued to Samvenice Trading 1 Proprietary Limited, a wholly-owned subsidiary of CapLeverage Proprietary Limited, for an aggregate subscription price of R213,8 million.

The issued shares were weighted for the earnings, headline earnings and adjusted headline earnings per share as these shares have not been in issue for the full reporting period.

On the strength of this ownership transaction and together with the group's various other empowerment initiatives, enX has recently been awarded a Level 4 B-BBEE rating.

The capital raised was used to finance the acquisition of Genmatics, the additional investment in Centlube required to take-on the ExxonMobil distributorship and working capital requirements of the Power cluster brought about by the heightened demand during load-shedding.

Results

Results for the for the six months ended 29 February 2016 were pleasing with revenue increasing by 59% to R517,7 million (2015: R326,5 million) driven by Centlube and the ExxonMobil distributorship being incorporated for a full half-year period, the acquisition of Genmatics as well as strong generator unit sales in New Way Power.

Earnings before interest, taxation, depreciation and amortisation (**"EBITDA"**) increased by 360% to R34,7 million (2015: R7,5 million). Consistent with prior period disclosure, management has elected to disclose an adjusted EBITDA which provides a more meaningful reflection of sustainable earnings. Adjusted EBITDA increased by 65% to R41,3 million (2015: R25,0 million) at a margin relative to revenue of 8,0% (2015: 7,7%). The adjustment to EBITDA arises from an *IFRS 2: Share-based Payments* charge of R6,6 million (2015: R15,8 million) relating to the provision for long-term share-related incentives awarded to Wild Rose Management Proprietary Limited ("Wild Rose") and enX senior executives.

Headline earnings increased by 74% to R17,4 million (2015: R10,0 million). This translates into headline earnings per share of 3,1 cents (2015: 2,5 cents). Adjusted headline earnings increased by 51% to R22,2 million (2015: R14,7 million) which translates into 4,0 cents adjusted headline earnings per share (2015: 3,7 cents per share), a 7% increase. The weighted average number of shares in issue during the period increased by 38% due to the inclusion of shares issued in terms of the empowerment transaction and the shares issued for the Centlube acquisition being accounted for the full half-year period.

The increase in property, plant and equipment was driven by the acquisition of Genmatics and ExxonMobil customer equipment. Net working capital increased year-on-year due to the inventory build up that was required to support the ExxonMobil distributorship and the heightened demand during load-shedding.

The funding and liquidity position of the company remains strong with the group showing a net cash positive balance of R26,8 million.

Operational review

Power

Revenue increased by 39,5% to R244,6 million (2015: R175,3 million). This was driven by strong generator unit sales and the addition of Genmatics. Gross margins were stable at 30%. Adjusted EBITDA increased by 58,7% to R30,0 million (2015: R18,9 million) while adjusted EBITDA margins relative to revenue increased to 12,3% (2015: 10,8%). Capital expenditure of R8,7 million (2015: R8,8 million) related primarily to generator units added to the Genmatics fleet in power bands where increased demand was being experienced.

Fuel

Centlube became part of the group on 1 December 2014 and was therefore only included for three months in the prior year comparative period. In addition, Centlube began distributing ExxonMobil products on 1 January 2015 which was therefore only included for two months in the comparative period. For the six months ending 29 February 2016 revenues were R159,9 million (2015: R49,0 million). Volumes during the period were strong driven by new customers for which it provided contract manufacturing services with additional shifts being added to meet demand. Centlube was able to work with its customers to find acceptable solutions to pass through foreign exchange rate movements in their pricing. Gross margins declined slightly to 19% (2015: 22%) as the ExxonMobil business generates lower margins compared to where products are manufactured. The unit generated adjusted EBITDA of R11,3 million (2015: R4,5 million).

Wood

Revenue in the Wood cluster increased by 10,8% to R113,3 million (2015: R102,2 million) driven by good capital equipment volumes and price increases brought about by foreign exchange rate depreciation. Service revenues also showed healthy increases on the back of an investment last year in additional technical staff. Consumable revenues were flat. Gross margins declined to 31% (2015: 33%) as a result of the inclusion of a R2,6 million foreign exchange loss and a shift in revenue mix towards capital equipment. Austro prices its products based on cost of the product in foreign currency. Foreign currency gains and losses are tolerated as they are mostly recovered when the products are sold. Adjusted EBITDA decreased by 20% to R7,8 million (2015: R9,7 million) on the back of the foreign exchange loss.

Business combination

On 1 September 2015, New Way Power, a wholly-owned subsidiary of enX, acquired the diesel generator rental business of Genmatics. The purchase consideration was settled in cash and a vendor loan. This business forms part of the Temporary Power business.

The details of the net assets acquired on the above business combination, for which the purchase price has been allocated to the respective assets and liabilities on a provisional basis, is as follows:

	R'000
Non-current assets	34 374
Current assets	262
Current liabilities	(43)
Net tangible assets acquired	**34 593**
Goodwill	38 845
Contingent purchase consideration (vendor loan)	(12 326)
Purchase consideration settled in cash/net cash outflow	**(61 112)**

The purchase price allocation of the Genmatics business combination is provisional and will be finalised by no later than the one year anniversary of the business combination.

Revenue of R28,1 million and net profit after tax of R3,2 million have been included in these results since the acquisition date.

Changes to directorate

Effective 15 April 2016, Jarrod Friedman resigned as Financial Director of the group. The board wishes to thank Jarrod for his valuable contribution to the company and wishes him all the best in his future endeavours. Irwin Lipworth has subsequently been appointed as Financial Director, effective 1 May 2016.

Comparatives

As announced on 6 May 2016, the previous reported interim results for the period ended 28 February 2015 have been restated due to the recognition and amortisation of intangible assets identified during August 2015, when the provisionally determined fair values of assets, liabilities and contingent liabilities acquired as a result of the acquisition of Centlube was finalised.

The comparative results were restated as follows:

Restated Statement of Financial Position as at 28 February 2015

- Property, plant and equipment decreased by R11 000
- Goodwill increased by R0,6 million
- Intangible assets increased by R5,5 million
- Deferred tax assets decreased by R0,2 million
- Current assets increased by R81 000
- Capital and reserves decreased by R0,4 million
- Deferred tax liability increased by R5,8 million
- Trade and other payables increased by R0,5 million

Restated Statement of Comprehensive Income for the six months ended 28 February 2015

- Depreciation and amortisation decreased by R0,5 million
- Impairment of goodwill decreased by R4,8 million
- Taxation increased by R0,1 million

Prospects

The South African economy remains stagnant. The impact felt on our operations is mixed.

The Fuel segment is performing exceptionally well having bedded down the ExxonMobil business and won new contract manufacturing customers. Volumes are at record levels, while gross margin volatility brought about by foreign exchange fluctuations has stabilised. Inventory levels continued to be managed down. Fuel is on track to perform in line with full year expectations.

The Power segment is proving to be challenging post load-shedding. This is not inconsistent with post the 2008 load-shedding lull. Full year performance will be dependent on winning certain large orders ahead of the financial year-end. Although Power is confident of winning these, there is timing uncertainty.

The Wood segment continues to record buoyant equipment sales. The biannual Austro exhibition takes place at the beginning of June which is expected to provide a boost to equipment sales for the full year. Management is focused on improving consumable sales to rebalance the revenue mix. Wood is on track to perform in line with full year expectations.

Cost saving initiatives are being implemented across the Group wherever possible given the current trading environment.

enX is focused on building an industrial energy company through its Power and Fuel and Chemical segments. Consistent with this, enX announced on 19 February 2016, that it has entered into an agreement to acquire all the issued shares and shareholders claims against West African International Proprietary Limited (**"WAI"**). WAI and its subsidiaries are leading resellers and distributors of polymer, rubber, fillers and specialised chemicals. One of WAI's subsidiaries, African Group Lubricants Proprietary Limited (**"AGL"**), of which WAI owns

62,4%, is the distributor of Caterpillar oil lubricants (produced by ExxonMobil) to all Caterpillar dealerships positioned in South Africa, sub-Saharan Africa and the Indian Oceans islands. The acquisition will bolster the size of enX's Fuel and Chemical cluster and allow enX to benefit from economies of scale, reduced "per unit" operating costs and revenue synergies available by consolidating the ExxonMobil distributorships of both businesses. A portion of the funding raised through the empowerment transaction will be utilised to part fund this acquisition. The board is working towards closing the transaction by 30 June 2016.

Dividend

In line with group policy to reinvest for growth, no dividend has been declared for the period.

Subsequent events

In terms of the management services agreement dated 18 April 2013 entered into between enX and Wild Rose Management Proprietary Limited (**"Wild Rose"**), Wild Rose was entitled to an additional management fee, structured as a long-term incentive and referenced-off the appreciation in the company's share price over the period between 15 April 2013 and 31 December 2015 in respect of a notional holding of 19,5 million enX shares. Paul Mansour, Jarrod Friedman and Christian Neuberger (**"the subscribers"**), in their capacity as shareholders of Wild Rose, became entitled to a portion of the aforesaid management fee on terms and conditions agreed to between themselves and Wild Rose. In order to increase their shareholding in enX and to provide enX with additional capital for existing business operations and to fund potential acquisitions, the subscribers used the majority of the management fee received to subscribe for 7 629 694 enX shares at a price of R2,29 per share for an aggregate amount of R17,5 million, effective 8 April 2016.

As per the SENS announcement released on 11 April 2016, enX has entered into negotiations regarding certain potential acquisitions. As such, shareholders were advised to exercise caution when dealing in their enX ordinary shares until further announcements are made.

Basis of presentation

The unaudited interim results for the six months ended 29 February 2016 have been prepared in accordance with International Financial Reporting Standards (**"IFRS"**), and comply with IAS 34 – *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Board or its successor, the requirements of the Companies Act, No. 71 of 2008 of South Africa and the Listings Requirements of the JSE Limited. The accounting policies used in the preparation of the unaudited interim results for the six months ended 29 February 2016, are consistent with those applied in the audited financial statements for the year ended 31 August 2015.

During the current interim period the group adopted those standards and interpretations in issue and effective for the interim period. The adopting of these new and amended standards and interpretations has not had a significant impact on the group's adopted accounting policies.

These results have been compiled under the supervision of Jarrod Friedman CA(SA), the outgoing financial director and Irwin Lipworth CA(SA), the current financial director who was appointed on 1 May 2016. The interim results have not been reviewed or reported on by the group auditors, Grant Thornton Johannesburg Partnership.

For and on behalf of the board

PD Mansour
Chief Executive Officer

IM Lipworth
Financial Director

13 May 2016

HISTORICAL FINANCIAL INFORMATION ON enX

Set out below is an extract of:

- the five year review of the summarised, consolidated historical financial information of enX for the five years ended 31 August 2015; and
- the consolidated annual financial statements of enX for the year ended 31 August 2015, together with comparatives for the year ended 31 August 2014,

which information is the responsibility of the enX Directors.

FIVE-YEAR REVIEW

Condensed consolidated statements of profit or loss and other comprehensive income

	Audited for the year ended 31 August 2015 R'000	Audited for the year ended 31 August 2014 R'000	Audited for the year ended 31 August 2013 R'000	Audited for the year ended 31 August 2012 R'000	Audited for the year ended 31 August 2011 R'000
Revenue	**882 835**	585 006	502 709	417 531	384 967
Cost of sales	**(628 468)**	(410 416)	[348 401)	(290 911)	(256 856)
Gross profit	**254 367**	174 590	154 308	126 620	128 111
Other operating income	**6 232**	6 025	1 759	4 525	1 877
Net operating expenses	**(214 081)**	(156 772)	(151 486)	(153 592)	(133 479)
Profit/(loss) from operations	**46 518**	23 843	4 581	(22 447)	(3 491)
Impairment of goodwill	**(10 961)**	–	–	(134 197)	–
Operating profit/(loss)	**35 557**	23 843	4 581	(156 644)	(3 491)
Net interest (paid)/received	**(2 165)**	1 293	142	1 950	2 862
Interest received	**1 997**	1 719	1 865	6 015	6 804
Interest paid	**(4 162)**	(426)	(1 723)	(4 065)	(3 942)
Loss from equity accounted investments	**(77)**	–	–	–	–
Profit/(loss) before taxation	**33 315**	25 136	4 723	(154 694)	(629)
Taxation (expense)/income	**(11 473)**	(625)	2 972	(4 702)	6 550
Total comprehensive income/(loss) for the year	**21 842**	24 511	7 695	(159 396)	5 921
Attributable to:					
Owners of the parent	**21 842**	24 718	7 904	(159 395)	5 921
Non-controlling interest	**–**	(207)	(209)	(1)	–
Total comprehensive income/(loss) for the year	**21 842**	24 511	7 695	(159 396)	5 921
Number of shares in issue	**421 689 018**	395 292 923	395 292 923	395 292 923	395 292 923
Weighted average number of shares	**415 089 994**	395 292 923	395 292 923	395 292 923	395 292 923
Earnings/(loss) per share and diluted earnings/(loss) per share (cents)	**5,3**	6,3	2,0	(40,3)	1,4
Headline earnings/(loss) per share and diluted headline earnings/(loss) per share (cents)	**7,6**	6,1	1,8	(6,5)	1,6
Adjusted headline earnings per share (cents)[1]	**8,7**	8,7	5,2	1,5	3,3
Dividend per share (cents)	**–**	–	–	–	4,0
EBITDA (R'000)	**49 173**	32 402	13 389	(7 942)	5 650
Adjusted EBITDA (1 = 2.00011)	**66 342**	49 379	30 909	23 654	12 127

1. Adjusted headline earnings per share and adjusted EBITDA are adjusted for one-off, non-recurring items and are intended to reflect a more meaningful presentation of sustainable performance.

Condensed consolidated statements of financial position

	Audited as at 31 August 2015 R'000	Audited as at 31 August 2014 R'000	Audited as at 31 August 2013 R'000	Audited as at 31 August 2012 R'000	Audited as at 31 August 2011 R'000
ASSETS					
Non-current assets	**246 315**	157 152	158 173	149 404	277 161
Property, plant and equipment	**80 271**	42 853	40 987	39 165	38 018
Goodwill	**125 931**	95 544	95 544	95 544	229 742
Loans receivable	**–**	–	–	–	482
Deferred taxation	**17 626**	18 755	21 642	14 695	8 919
Intangible assets other than goodwill	**21 809**	–	–	–	–
Investment in associate	**678**	–	–	–	–
Current assets	**636 981**	356 798	304 489	339 195	303 626
Inventories	**353 736**	145 467	170 298	196 995	179 284
Trade and other receivables	**248 630**	128 943	88 662	103 249	73 890
Taxation receivable	**655**	8 744	5 191	4 536	1 464
Cash and cash equivalents	**33 960**	73 644	40 338	34 415	48 988
Total assets	**883 296**	513 950	462 662	488 599	580 787
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent	**461 346**	389 614	364 896	356 992	516 591
Stated capital	**345 387**	295 497	295 497	295 497	295 701
Retained income	**115 959**	94 117	69 399	61 495	220 890
Non-controlling interest	**–**	(417)	(210)	(1)	–
Total capital and reserves	**461 346**	389 197	364 686	356 991	516 591
Non-current liabilities	**36 894**	1 820	8 022	17 554	–
Interest-bearing liabilities	**30 041**	1 820	3 984	5 263	–
Deferred tax	**6 853**	–	4 038	–	–
Provision for onerous lease	**–**	–	–	12 291	–
Current liabilities	**385 056**	122 933	89 954	114 054	64 196
Interest-bearing liabilities	**65 169**	1 785	2 512	2 523	3 426
Trade and other payables	**296 631**	119 368	87 440	110 557	60 662
Provision for onerous lease	**–**	–	–	967	–
Current tax payable	**1 930**	1 780	2	7	108
Bank overdraft	**21 326**	–	–	–	–
Total equity and liabilities	**883 296**	513 950	462 662	488 599	580 787
Net asset value per share (cents)	**109,4**	98,6	92,3	90,3	130,8
Net tangible asset value per share (cents)	**74,4**	74,4	68,1	66,1	72,7

Condensed consolidated statements of cash flow

	Audited for the year ended 31 August 2015 R'000	Audited for the year ended 31 August 2014 R'000	Audited for the year ended 31 August 2013 R'000	Audited for the year ended 31 August 2012 R'000	Audited for the year ended 31 August 2011 R'000
Cash (utilised in)/generated by operations	**(69 204)**	48 204	27 346	15 444	79 859
Interest received	**1 997**	1 719	1 865	6 015	6 804
Interest paid	**(4 162)**	(426)	(1 723)	(4 065)	(3 942)
Dividend paid	**–**	–	–	–	(8 628)
Taxation paid	**(1 932)**	(3 551)	(597)	(13 651)	(8 113)
Cash flow from operating activities	**(73 301)**	45 946	26 891	3 743	65 980
Cash flow from investing activities	**(74 963)**	(9 749)	(9 678)	(14 387)	(4 282)
Cash flow from financing activities	**87 254**	(2 891)	(11 290)	(3 929)	(29 832)
Net (decrease)/increase in cash and cash equivalents	**(61 010)**	33 306	5 923	(14 573)	31 866
Cash and cash equivalents at beginning of the year	**73 644**	40 338	34 415	48 988	17 122
Cash and cash equivalents at end of the year	**12 634**	73 644	40 338	34 415	48 988

STATEMENTS OF FINANCIAL POSITION
for the year ended 31 August 2015

		Group		Company	
		2015	2014	**2015**	2014
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	**80 271**	42 853	**844**	16
Goodwill	3	**125 931**	95 544	**–**	–
Loan receivable	10	**–**	–	**–**	503
Deferred tax	6	**17 626**	18 755	**8 376**	6 830
Intangible assets other than goodwill	4	**21 809**	–	**–**	–
Investments in subsidiaries	7	**–**	–	**321 308**	253 956
Investment in associate	5	**678**	–	**755**	–
		246 315	157 152	**331 283**	261 305
Current assets					
Inventories	8	**353 736**	145 467	**–**	–
Trade and other receivables	9	**248 630**	128 943	**492**	93
Taxation receivable		**655**	8 744	**–**	–
Loans to group companies	10	**–**	–	**148 497**	96 015
Cash and cash equivalents	11	**33 960**	73 644	**3**	804
		636 981	356 798	**148 992**	97 912
Total assets		**883 296**	513 950	**480 275**	359 217
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of parent					
Stated capital	12	**345 387**	295 497	**345 387**	295 497
Retained income		**115 959**	94 117	**58 523**	29 793
		461 346	389 614	**403 910**	325 290
Non-controlling interest		**–**	(417)	**–**	–
Total equity		**461 346**	389 197	**403 910**	325 290
Liabilities					
Non-current liabilities					
Interest-bearing liabilities	13	**30 041**	1 820	**8 000**	–
Deferred tax	6	**6 853**	–	**–**	–
		36 894	1 820	**8 000**	–
Current liabilities					
Loans from group companies	10	**–**	–	**–**	11 510
Interest-bearing liabilities	13	**65 169**	1 785	**27 000**	–
Trade and other payables	14	**296 631**	119 368	**32 397**	22 417
Current tax payable		**1 930**	1 780	**570**	–
Bank overdraft	11	**21 326**	–	**8 398**	–
		385 056	122 933	**68 365**	33 927
Total liabilities		**421 950**	124 753	**76 365**	33 927
Total equity and liabilities		**883 296**	513 950	**480 275**	359 217
Net asset value per share (cents)		**109,40**	98,56		
Net tangible asset value per share (cents)		**74,37**	74,39		

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 August 2015

		Group		Company	
	Notes	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Revenue	15	**882 835**	585 006	**57 718**	26 345
Cost of sales and services		**(628 468)**	(410 416)	**–**	–
Gross profit		**254 367**	174 590	**57 718**	26 345
Other income		**6 232**	6 025	**25**	–
Operating expenses		**(214 081)**	(156 772)	**(30 579)**	(29 936)
Impairment of goodwill		**(10 961)**	–	**–**	–
Operating profit/(loss)	16	**35 557**	23 843	**27 164**	(3 591)
Interest received	17	**1 997**	1 719	**958**	9
Loss from equity accounted investments		**(77)**	–	**–**	–
Interest paid	18	**(4 162)**	(426)	**(368)**	(1 819)
Profit/(loss) before taxation		**33 315**	25 136	**27 754**	(5 401)
Taxation (expense)/income	19	**(11 473)**	(625)	**976**	1 464
Profit/(loss) for the year		**21 842**	24 511	**28 730**	(3 937)
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income/ (loss)		**21 842**	24 511	**28 730**	(3 937)
Total comprehensive income/ (loss) attributable to:					
Owners of the parent		**21 842**	24 718	**28 730**	(3 937)
Non-controlling interest		**–**	(207)	**–**	–
		21 842	24 511	**28 730**	(3 937)
Earnings per share					
Earnings per share and diluted earnings per share (cents)	31	**5,3**	6,3		

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 August 2015

	Stated capital R'000	Retained income R'000	Total attributable to equity holders of the parent R'000	Non-controlling interest R'000	Total equity R'000
Group					
Balance at 1 September 2013	295 497	69 399	**364 896**	(210)	**364 686**
Total comprehensive income for the year	–	24 718	**24 718**	(207)	**24 511**
Balance at 1 September 2014	295 497	94 117	**389 614**	(417)	**389 197**
Total comprehensive income for the year	–	21 842	**21 842**	–	**21 842**
Issue of shares	49 890	–	**49 890**	–	**49 890**
Disposal of subsidiary	–	–	**–**	417	**417**
Balance at 31 August 2015	345 387	115 959	**461 346**	–	**461 346**
Company					
Balance at 1 September 2013	295 497	33 730	**329 227**	–	**329 227**
Total comprehensive loss for the year	–	(3 937)	**(3 937)**	–	**(3 937)**
Balance at 1 September 2014	295 497	29 793	**325 290**	–	**325 290**
Total comprehensive income for the year	–	28 730	**28 730**	–	**28 730**
Issue of shares	49 890	–	**49 890**	–	**49 890**
Balance at 31 August 2015	345 387	58 523	**403 910**	–	**403 910**

STATEMENTS OF CASH FLOWS
for the year ended 31 August 2015

	Notes	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Cash flows from operating activities					
Cash (utilised in)/generated from operations	20	**(69 204)**	48 204	**36 896**	17 062
Interest received		**1 997**	1 719	**958**	9
Interest paid		**(4 162)**	(426)	**(368)**	(1 819)
Taxation paid	21	**(1 932)**	(3 551)	**–**	–
Net cash (outflows)/inflows from operating activities		**(73 301)**	45 946	**37 486**	15 252
Cash flows from investing activities					
Additions to property, plant and equipment	2	**(42 454)**	(11 920)	**(954)**	(10)
Proceeds on disposal of property, plant and equipment	22	**6 597**	2 171	**–**	–
Business combination	23	**(39 598)**	–	**–**	–
Acquisition of investment		**–**	–	**(41 247)**	–
Loss of control in subsidiary	24	**492**	–	**–**	–
Movement in loans with group companies		**–**	–	**(40 232)**	(13 434)
Decrease in loans receivable		**–**	–	**–**	(17)
Movement in investment in associate		**–**	–	**(252)**	–
Net cash outflows from investing activities		**(74 963)**	(9 749)	**(82 685)**	(13 461)
Cash flows from financing activities					
Proceeds from interest-bearing liabilities		**89 781**	–	**35 000**	–
Instalment sale liability paid		**(2 527)**	(2 891)	**–**	–
Net cash inflows/(outflows) from financing activities		**87 254**	(2 891)	**35 000**	–
Net (decrease)/increase in cash and cash equivalents		**(61 010)**	33 306	**(10 199)**	1 791
Cash and cash equivalents at beginning of the year		**73 644**	40 338	**1 804**	13
Cash and cash equivalents at end of the year	11	**12 634**	73 644	**(8 395)**	1 804

CONDENSED SEGMENTAL ANALYSIS
for the year ended 31 August 2015

	Power			Fuel			Head office		Consol		Total	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Revenue	**454 620**	389 859	**218 215**	195 147	**210 000**	–	**26 481**	26 345	**(26 481)**	(26 345)	**882 835**	585 006
– External	**454 620**	389 859	**218 215**	195 147	**210 000**	–	**–**	–	**–**	–	**882 835**	585 006
– Intercompany	**–**	–	**–**	–	**–**	–	**26 481**	26 345	**(26 481)**	(26 345)	**–**	–
Gross profit	**136 984**	107 775	**72 109**	67 361	**47 932**	–	**26 481**	26 345	**(29 139)**	(26 891)	**254 367**	174 590
Gross profit %	**30**	28	**33**	35	**23**	–	**100**	100	**–**	–	**29**	30
Operating profit/ (loss)	**39 645**	13 679	**7 514**	14 302	**2 938**	–	**27 164**	(3 592)	**(41 704)**	(546)	**35 557**	23 843
EBITDA[1]	**64 791**	38 095	**17 249**	24 772	**8 026**	–	**27 290**	(3 548)	**(68 183)**	(26 917)	**49 173**	32 402
Adjusted EBITDA	**55 583**	42 091	**17 431**	24 831	**8 026**	–	**(14 843)**	(17 113)	**145**	(430)	**66 342**	49 379
Capital expenditure	**22 213**	7 539	**7 495**	4 372	**11 792**	–	**954**	9	**–**	–	**42 454**	11 920
Depreciation and amortisation	**3 992**	3 323	**5 691**	5 191	**3 662**	–	**126**	45	**145**	–	**13 616**	8 559
Taxation expense/ (income)	**10 787**	4 329	**2 103**	(2 240)	**(101)**	–	**(976)**	(1 464)	**(340)**	–	**11 473**	625
Total assets[2]	**445 675**	287 891	**132 704**	123 372	**215 498**	–	**331 778**	262 693	**(242 359)**	(160 006)	**883 296**	513 950
Total liabilities[2]	**198 897**	61 613	**49 344**	41 817	**158 125**	–	**76 365**	22 417	**(60 781)**	(1 094)	**421 950**	124 753
Net tangible operating assets[3]	**258 306**	175 006	**96 005**	68 358	**138 505**	–	**338 483**	6 429	**(259 200)**	–	**572 099**	249 793
Number of employees	**271**	258	**157**	147	**42**	–	**7**	5	**–**	–	**477**	410

1. *All subsidiary EBITDA figures exclude intercompany management fees.*
2. *Excludes inter-company loans.*
3. *Excludes goodwill and intangibles which are attributable to the Power and Fuel segments.*

1. **PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The financial statements of the company and the group have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Board, the requirements of the South African Companies Act, No 71 of 2008 (as amended) and the JSE Limited Listings Requirements.

1.1 **Basis of preparation**

The company and group financial statements are prepared on the historical cost basis except for the measurement of certain financial interests at fair value.

1.2 **Standards and interpretations not yet effective or relevant**

At the date of authorisation of the financial statements of the group for the year ended 31 August 2015, the following Standards and Interpretations were in issue but not yet effective:

Standard	Details of amendment	Annual periods beginning on or after
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 16: Leases	Accounting of leases on balance-sheet" by recognising a -right-of-use" asset and a lease liability IFRS 16 also: • Changes the definition of a lease • Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods • Provides exemptions for short-term leases and leases of low value assets • Changes the accounting for sale and leaseback arrangements • Largely retains IAS 17's approach to lessor accounting • Introduces new disclosure requirements	1 January 2019
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 7	Financial Instruments: Disclosures	1 July 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to 4 standards	Improvements to IFRSs 2012 — 2014 Cycle	1 January 2016
IFRS 10, IFRS 12 and IAS 27	Investment Entities: Applying the Consolidation Exception	1 January 2016
IAS 1	Disclosure Initiative	1 January 2016

The aggregate impact of the initial application of the statements and interpretations on the company's annual financial statements has not yet been assessed by management.

1.3 **Basis of consolidation**

Subsidiary companies and other controlled entities

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect the amount of the investor's returns.

The company records its investment in subsidiaries at cost less any impairment charges. These interests include any inter-group loans receivable which represent by nature a further investment in subsidiaries.

Business combinations

Business combinations are accounted for in accordance with the acquisition method of accounting. Subsidiaries are consolidated from the dates on which the group acquires effective control of the entity. They are deconsolidated from the date control ceases.

The cost of an acquisition is measured as the fair value of assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Cost is the aggregate of:

(a) The consideration transferred, measured in accordance with IFRS 3, which generally requires acquisition-date fair value;

(b) The amount of any non-controlling interest in the acquiree measured in accordance with IFRS 3; and

(c) In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

Transaction costs are expensed in terms of IFRS.

Investments in subsidiaries are accounted for at cost in the company accounts. The carrying amount of these investments are reviewed annually and written down for impairment where considered necessary. An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

The group treats transactions with non-controlling interest holders as transactions with equity holders of the group. Disposals to non-controlling interest holders that do not result in the loss of control result in gains and losses for the group that are recorded directly in the statement of changes in equity. The difference between any consideration paid and the relevant share of the net asset value acquired from non-controlling interest holders is recorded directly in the statement of changes in equity.

Intra-group transactions, balances and unrealised gains or losses on transactions are eliminated on consolidation.

Associates

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

Associates are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the associate.

The consolidated financial statements include the group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued, except to the extent that the group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the group and associate are eliminated to the extent of the group's interest in associate. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the investment in the associate. The investments in associates are accounted for at cost less accumulated impairment in the group.

1.4 **Property, plant and equipment**

Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment tosses.

Property, plant and equipment is 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.

Where an item is replaced the cost of the replacement is capitalised and the cost of the replaced item is written off.

Items of property, plant and equipment are depreciated to their residual values, on a component basis, on a straight-line basis over the estimated useful lives commencing from the date they are available for use over the following periods:

Item	**Average useful life**
Plant and equipment	5 – 10 years
Office equipment	5 years
Computer equipment	3 years
Motor vehicles	5 – 10 years
Leasehold improvements	Lesser of used life or period of lease

The residual value, which is defined as the estimated amount that an entity will currently obtain from the disposal if the asset was already of the age and in the condition expected at the end of its useful life, is re-assessed at each year-end together with the useful life of the asset.

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

The profit or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised as income or an expense.

Carrying amounts of property, plant and equipment 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.

Assets under construction's cost includes expenditure that is directly attributable to the construction of the asset and includes cost of materials, direct labour and any other cost directly attributable to bringing the asset to a working condition.

Once the asset under construction is ready for its intended use, it will be depreciated over its useful live.

1.5 **Goodwill**

Goodwill represents the excess of the cost of acquisition over the fair value of the group's share of the net identifiable assets, fairly valued, on the acquisition date of the subsidiary.

Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (discount on acquisition) is credited to profit or loss in the period of acquisition.

The carrying amount of goodwill is tested at least annually for impairment.

1.6 **Intangible assets other than goodwill**

Intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset 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 profit or loss over their estimated useful lives. The estimated useful lives for the current period are as follows:

Item	**Useful life**
Supplier and distributorship agreements	2 – 3 years

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

Intangible assets that are acquired by the group and have indefinite useful lives are measured at cost less accumulated impairment losses.

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.

1.7 **Inventories**

Inventory comprises raw materials, finished goods, consumables and work-in-progress.

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Work-in-progress includes personnel costs and overheads directly attributable to the allowance of goods.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense 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 a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

1.8 **Financial instruments**

Classification

The group classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the statement of financial position at fair value when the group becomes a party to the contractual provisions of the instrument. Transaction costs are included in the initial carrying value of the financial instrument, except in the case of financial instruments classified at fair value through profit or loss, in which case the transaction costs are expensed as they are incurred.

Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the group's obligation specified in the contract expire or are discharged or cancelled. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the group had a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade receivables, loans and other receivables are subsequently measured at amortised cost using the effective interest rate method and reduced by appropriate allowances for estimated irrecoverable amounts.

The group makes an assessment at each reporting date whether there is any objective evidence that trade, loans and other receivables are impaired. Where objective evidence exists as a result of the occurrence of one or more events that occurred subsequent to the initial recognition of the receivable, the amount of the impairment is determined by estimating the impact of these loss events on the future cash flows expected to be generated from the receivable.

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.

If loans are impaired, the impairment is written off against the carrying amount of the loan. For trade receivables an allowance is raised against the receivable and movements in the allowance are written off in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

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 and call deposits.

Financial liabilities

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

1.9 **Revenue recognition**

Revenue is recognised at fair value of the consideration received or receivable.

Revenue comprises the net invoiced amount of goods supplied and services rendered to customers, excluding value-added tax. Revenue from the sale of goods is recognised when:

- significant risk and rewards of ownership are transferred to customers;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- costs incurred in respect of the transaction can be measured reliably.

Interest income is accrued on a time proportion basis by reference to the principal balance outstanding and the interest rate applicable.

Dividend income is recognised when the right to receive payment has been established.

Revenue from services is recognised on the accrual basis in accordance with the substance of the relevant agreements.

1.10 Cost of sales and services

Cost of sales and services comprise the cost of inventories expensed during the year, inventory impairments, personnel costs, overheads and depreciation of property, plant and equipment on assets directly attributable to the provision of goods and services in revenue generation.

1.11 Finance costs

Borrowing costs are recognised as an expense 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.

1.12 Taxation

Current

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

Deferred tax

Deferred tax is calculated at the tax rates enacted or substantially enacted at statement of financial position date and are expected to apply when the related deferred tax 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 tax is also dealt with in equity.

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

1.13 Lease obligations

Leases of assets, where the group obtains substantially all the risks and rewards of ownership, are classified as finance leases. Assets acquired in terms of finance lease agreements are capitalised at fair value or, if lower, at the present value of the minimum lease payments. Finance lease payments are allocated using the effective interest rate method between finance costs and capital repayments.

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of comprehensive income over the terms of the leases so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Operating leases are those leases which do not meet the above definition. Operating lease rentals are charged against profit on a straight-line basis over the terms of the leases, and the difference between the actual lease payments and the straight-lined amount is accounted for as an asset or liability that is net present valued. CPI linked leases are not straight-lined.

1.14 Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount. They are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are recognised at the present value of the estimated costs required to settle the obligation. Contingent liabilities or contingent assets are not recognised in the financial statements.

1.15 Impairment of assets

The carrying amount of the group's 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. For impairment calculation purposes, goodwill is allocated to the cash-generating units expected to benefit from the business combination.

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 cash-generating unit to which the asset belongs is determined. An impairment loss on a cash-generating unit will be allocated first to goodwill and then to the other assets in the cash-generating 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.

1.16 Employee benefits

Medical aid obligation

Medical aid costs are recognised as an expense in the period in which the employees render 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

Certain group companies provide for retirement benefits for employees by payments to independently administered defined contribution pension and provident funds. Current contributions are charged against income as incurred. The group's 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 recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.17 **Operating segments**

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

1.18 **Foreign currencies**

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, 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 profit or loss.

1.19 **Management 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 is depreciated over its 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.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment is considered for impairment if there is any reason to believe that an impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of the unit.

Future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current asset value and, if lower, the assets are impaired to the present value.

Intangible assets

Future cash flows, the expected useful lives and appropriate discount rates are key management estimates.

Allowances for doubtful debts

Based on past experience, allowances are raised for doubtful debtors. Accounts are written off when they are delinquent.

Allowances for slow-moving, damaged and obsolete inventory

Allowances for inventory that is slow-moving and/or obsolete are made. Any inventory that is physically identified as damaged is written off when discovered.

1.20 Share-based payments

The group operates a share-related incentive plan that is accounted for as a cash-settled share-based payment plan. The plan is recognised at the fair value of the group's obligation in the statement of financial position over the vesting period up to and including settlement date with a corresponding charge to profit or loss. 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 in profit or loss.

1.21 Related party disclosure

We define key management personnel and prescribed officers as the directors of enX Group Limited.

	Cost 2015 R'000	Accumulated depreciation 2015 R'000	Carrying value 2015 R'000	Cost 2014 R'000	Accumulated depreciation 2014 R'000	Carrying value 2014 R'000
2. **PROPERTY, PLANT AND EQUIPMENT**						
Group						
Plant and equipment	**96 703**	**(42 473)**	**54 230**	60 637	(36 277)	24 360
Motor vehicles	**25 664**	**(10 689)**	**14 975**	24 181	(12 119)	12 062
Computer and office equipment	**18 346**	**(12 901)**	**5 445**	13 403	(10 011)	3 392
Leasehold improvements	**6 771**	**(3 169)**	**3 602**	5 053	(2 014)	3 039
Assets under construction	**2 019**	**–**	**2 019**	–	–	–
Total	**149 503**	**(69 232)**	**80 271**	103 274	(60 421)	42 853
Company						
Computer and office equipment	**944**	**(293)**	**651**	212	(196)	16
Leasehold improvements	**222**	**(29)**	**193**	–	–	–
Total	**1 166**	**(322)**	**844**	212	(196)	16

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation allocated to cost of sales R'000	Depreciation included in operating expenses R'000	Closing net carrying value R'000
Reconciliation of property, plant and equipment						
Group						
2015						
Plant and equipment	**24 360**	**37 811**	**(2 834)**	**(4 531)**	**(576)**	**54 230**
Motor vehicles	**12 062**	**8 048**	**(1 254)**	**(438)**	**(3 443)**	**14 975**
Computer and office equipment	**3 392**	**5 566**	**(1 271)**	**–**	**(2 242)**	**5 445**
Leasehold improvements	**3 039**	**1 886**	**(152)**	**–**	**(1 171)**	**3 602**
Assets under construction	**–**	**2 019**	**–**	**–**	**–**	**2 019**
	42 853	**55 330**	**(5 511)**	**(4 969)**	**(7 432)**	**80 271**
Group						
2014						
Plant and equipment	24 742	4 263	(554)	(4 019)	(72)	24 360
Motor vehicles	11 704	3 457	(824)	–	(2 275)	12 062
Computer and office equipment	3 258	1 615	(61)	–	(1 420)	3 392
Leasehold improvements	1 283	2 585	(56)	–	(773)	3 039
	40 987	11 920	(1 495)	(4 019)	(4 540)	42 853

	Opening balance R'000	Additions R'000	Depreciation R'000	Closing net carrying value R'000
2. **PROPERTY, PLANT AND EQUIPMENT**				
Reconciliation of property, plant and equipment				
Company 2015				
Computer and office equipment	**16**	**732**	**(97)**	**651**
Leasehold improvements	**–**	**222**	**(29)**	**193**
	16	**954**	**(126)**	**844**
Company 2014				
Computer and office equipment	51	10	(45)	16

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

Motor vehicles and equipment with a book value of R7,9 million (2014: R3,6 million) are held under instalment sale agreements (refer to note 13).

	Cost 2015 R'000	Impairments 2015 R'000	Carrying value 2015 R'000	Cost 2014 R'000	Impairments 2014 R'000	Carrying value 2014 R'000
3. **GOODWILL**						
Group						
Goodwill	271 090	(145 159)	125 931	229 742	(134 198)	95 544

	Carrying value opening balance R'000	Goodwill due to acquisition and business combinations R'000	Impairment loss R'000	Closing net carrying value R'000
Reconciliation of goodwill				
Group				
2015				
Goodwill	**95 544**	**41 348**	**(10 961)**	**125 931**
Goodwill is made up as follows:				
Power	**95 544**	**–**	**–**	**95 544**
Fuel	**–**	**41 348**	**(10 961)**	**30 387**
	95 544	**41 348**	**(10 961)**	**125 931**
Group				
2014				
Goodwill	95 544	–	–	95 544
Goodwill is made up as follows:				
Power	95 544	–	–	95 544

3. GOODWILL

Impairment review

In accordance with IAS 36 the group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of goodwill relating to all cash-generating units ("CGU"), which are the segments, has been determined on the basis of value-in-use calculations.

The group prepares cash flow forecasts for the next five years, based on the CGU's results and on management's budgets and business plans.

A terminal value is calculated based on a growth rate of 5%. The after-tax rate used to discount the forecast cash flows is 17,5%. This discount rate represents the weighted average cost of capital for enX.

While the Power CGU calculations showed that there is no need to impair goodwill, the Fuel CGU goodwill was assessed to be at a value lower than the carrying value.

The R11 million impairment of goodwill relates to the Centlube acquisition and arose as a result of an increase in the enX share price between the R1,45 issue price agreed in the acquisition agreement and the share price at the effective date of the transaction. The company elected to immediately impair this portion of goodwill since the value placed on the Centlube acquisition as a result of the application of IFRS does not reflect the value placed on Centlube by the board at the date of concluding the transaction.

On 1 December 2014, Centlube acquired the assets and inventory of Centlube Atlantic. Centlube Atlantic was previously a related party to Centlube due to common directorship. As a result of this acquisition, goodwill of R1 million was raised. This goodwill was determined to be at fair value and no impairment is required.

	Cost/ valuation 2015 R'000	**Accumulated amortisation 2015 R'000**	**Carrying value 2015 R'000**	Cost/ valuation 2014 R'000	Accumulated amortisation 2014 R'000	Carrying value 2014 R'000
4. INTANGIBLE ASSETS OTHER THAN GOODWILL						
Group						
Intangible assets subject to amortisation	**4 855**	**(4 046)**	**809**	–	–	–
Indefinite life intangible assets	**21 000**	**–**	**21 000**	–	–	–
Total	**25 855**	**(4 046)**	**21 809**	–	–	–

	Opening balance R'000	**Acquisition through business combination R'000**	**Amortisation R'000**	**Total R'000**
Reconciliation of intangible assets other than goodwill				
Group				
2015				
Supplier and distributorship agreements subject to amortisation	**–**	**2 023**	**(1 214)**	**809**
Supplier and distributorship agreements with indefinite useful lives	**–**	**21 000**	**–**	**21 000**
	–	**23 023**	**(1 214)**	**21 809**

4. **INTANGIBLE ASSETS OTHER THAN GOODWILL**

Other information

Refer to note 23 for more details on the asset acquisitions, which includes all of the above intangibles.

Impairment review

In accordance with IAS 38 the group tests intangible assets with indefinite useful lives for impairment by comparing its recoverable amount with its carrying amount on an annual basis, or whenever there is an indication that the intangible asset may be impaired.

The impact of the supplier and distributorship agreements on the group's cash flows were considered and formulated into a discounted cash flow model.

The forecast cash flows were discounted using a rate of 17,5% which represents the weighted average cost of capital for enX. A terminal value was calculated based on a growth rate of 5%.

Based on the above calculations, management is of the view that the recoverable amount is not lower than the carrying amount. Therefore no impairment is required.

	Interest	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
5. **INVESTMENT IN ASSOCIATE**					
Investment in associate Matase Industrial **Solutions Proprietary Limited**	25%				
Acquisition during the current period		**755**	–	**755**	–
Share of loss from continuing operations		**(77)**	–	**–**	–
		678	–	**755**	–
The carrying amounts of associates are shown net of impairment losses.					
The share of loss in the current period under review equals:					
Share of loss from continuing operations		**(77)**	–	**–**	–

enX has embarked on an Enterprise Development initiative with associate Matase, an Enterprise Development vehicle aimed at establishing the economic participation of black persons in the sale of generators and lubricants and to secure additional markets for our products. On 1 September 2014, enX reduced its shareholding in Matase from 49,9% to 25%.

Matase is located at 30 – 38 Jacoba Street, Alberton North and is situated on the same premises as the 100% owned subsidiary New Way Power.

The investment in Matase is measured using the equity method.

5. **INVESTMENT IN ASSOCIATE**

Summarised financial information on Matase

	Current assets R'000	Non-current assets R'000	Total assets R'000	Current liabilities R'000	Capital and reserves R'000	Total equity and liabilities R'000
Summarised statement of financial position 2015						
Matase	**3 359**	**475**	**3 834**	**4 971**	**(1 137)**	**3 834**

Summarised statement of profit or loss and other comprehensive income

	Revenue R'000	Loss from continuing operations R'000	Total comprehensive loss R'000
2015			
Matase	**8 170**	**(421)**	**(421)**

	Loan to associate R'000	Expenses capitalised R'000	Group share of accumulated loss R'000	Total carrying value R'000
Reconciliation to carrying amounts 2015				
Matase	**503**	**252**	**(77)**	**678**

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
6. DEFERRED TAX				
The balance consists of:				
Allowance for leave pay and bonuses	**3 111**	4 178	**172**	1 536
Capital allowances	**(13 745)**	(4 801)	**–**	–
Allowance for bad debts	**1 394**	663	**–**	–
Share-related incentives	**8 564**	3 989	**8 236**	3 989
Lease obligations	**3 290**	5 005	**–**	–
Allowance for royalties	**209**	–	**–**	–
Income received in advance	**3 347**	2 303	**–**	–
Prepayments	**(646)**	(796)	**(32)**	(19)
Estimated tax losses	**4 848**	8 214	**–**	1 324
Straight-lining of operating leases	**49**	–	**–**	–
Other	**352**	–	**–**	–
	10 773	18 755	**8 376**	6 830
Reconciliation of deferred taxation				
At beginning of the year	**18 755**	17 604	**6 830**	5 366
Capital allowances acquired as part of Centlube acquisition	**(1 011)**	–	**–**	–
Intangibles acquired as part of Centlube acquisition	**(6 447)**	–	**–**	–
Matase sale	**(333)**	–	**–**	–
Leave pay and bonuses	**(1 252)**	1 135	**(1 364)**	982
Allowance for bad debts	**597**	(1 032)	**–**	–
Capital allowances	**695**	1 431	**–**	–
Share-related incentives	**4 489**	3 618	**4 247**	3 618
Prepayments	**151**	(704)	**(13)**	(1)
Lease obligations	**(3 460)**	939	**–**	–
Allowance for royalties	**195**	(50)	**–**	–
Income received in advance	**1 044**	(400)	**–**	–
Estimated tax losses	**(3 051)**	(3 827)	**(1 324)**	(3 135)
Straight-lining of operating expenses	**49**	–	**–**	–
Other	**352**	41	**–**	–
Balance at end of the year	**10 773**	18 755	**8 376**	6 830
Disclosed on the statement of financial position as follows:				
Deferred tax asset	**17 626**	18 755	**8 376**	6 830
Deferred tax liability	**(6 853)**	–	**–**	–
	10 773	18 755	**8 376**	6 830
Tax losses				
Tax losses at end of the year	**(17 314)**	(29 332)	**–**	(4 728)
Utilised to raise a deferred tax asset in the prior year	**5 486**	29 332	**–**	4 728
Utilised to raise a deferred tax asset in the current year	**3 051**	–	**–**	–

Recognition of deferred tax asset

Deferred tax assets are raised only to the extent that future taxable income will be available against which the deferred tax asset can be set-off. A deferred tax asset of R4,8 million (2014: R8,2 million) was raised based on tax losses available for set-off against future taxable income. Management has projected that future taxable income will be in excess of the tax losses.

	Issued share capital	**Percentage held in subsidiaries 2015**	Percentage held in subsidiaries 2014	**Shares at cost 2015**	Shares at cost 2014
7. **INVESTMENTS IN SUBSIDIARIES**					
Name of company					
New Way Power Proprietary Limited	100	**100**	100	**219 120**	219 120
Austro Proprietary Limited	10	**100**	100	**34 836**	34 836
PowerO^2 Proprietary Limited	300	**100**	100	*	*
Matase Industrial Solutions Proprietary Limited	1 000	**–**	49,9	–	*
Centlube Holdings Proprietary Limited	1 000	**100**	–	**17 909**	–
Friedshelf 1320 Proprietary Limited	1 000	**100**	–	**49 443**	–
				321 308	253 956

**Amount is less than R1 000.*

The carrying amounts of subsidiaries are shown net of impairment losses.

From 1 September 2014 enX's shareholding in Matase is only 25%. Matase is therefore accounted for as an associate in the current reporting period (refer to note 5).

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
8. **INVENTORIES**				
Raw materials	**118 090**	28 426	**–**	–
Finished goods	**185 272**	107 562	**–**	–
Work in progress	**47 636**	10 258	**–**	–
Consumables	**2 916**	8 803	**–**	–
Goods in transit	**7 493**	–	**–**	–
Gross inventories	**361 407**	155 049	**–**	–
Impairment allowance raised against inventories	**(7 671)**	(9 582)	**–**	–
	353 736	145 467	**–**	–

Inventories are valued at the lower of cost and net realisable value.
Refer to note 13 for details of the value of inventory ceded to FirstRand Bank Limited.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
9. TRADE AND OTHER RECEIVABLES				
Gross trade receivables	**227 111**	129 429	**–**	–
Impairment allowance raised against trade receivables	**(6 389)**	(3 003)	**–**	–
Net trade receivables	**220 722**	126 426	**–**	–
Prepayments	**2 318**	1 914	**112**	68
Deposits	**26**	275	**–**	–
VAT	**11 702**	69	**–**	–
Foreign exchange contract	**6 102**	–	**–**	–
Other receivables	**7 760**	259	**380**	25
	248 630	128 943	**492**	93

There is a cession of the gross trade receivables of R180,4 million (2014: R129,4 million) to Standard Bank Limited and R46,7 million to FirstRand Bank Limited. This is a pledge of collateral against the banking facilities. The overdraft at year-end amounted to R92,966 million (2014: nil) (refer to note 11).

Trade receivables are stated at cost less impairment allowances which normally approximate their fair value due to their short-term maturity.

The foreign exchange contract is a level 2 fair value item in terms of fair value hierarchy.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
Movement in impairment provision raised against receivables				
Balance at beginning of the year	**3 003**	8 501	**–**	–
Impairment provision raised	**3 386**	684	**–**	–
Impairment provision utilised	**–**	(6 041)	**–**	–
Impairment provision reversed	**–**	(141)	**–**	–
	6 389	3 003	**–**	–

Basis of raising provisions against receivables

All trade and other receivables are continuously reviewed on an individual basis.

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 provision for impairment is raised.

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

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
10. **LOANS TO/(FROM) GROUP COMPANIES**				
Subsidiaries				
New Way Power Proprietary Limited	**–**	–	**8 024**	(11 510)
Austro Proprietary Limited	**–**	–	**92 386**	96 015
Matase Industrial Solutions Proprietary Limited	**–**	–	**–**	503
Centlube Holdings Proprietary Limited	**–**	–	**24 294**	–
Centlube Proprietary Limited	**–**	–	**21 266**	–
PowerO² Proprietary Limited	**–**	–	**2 527**	–
	–	–	**148 497**	85 008
Non-current assets	**–**	–	**–**	503
Current assets	**–**	–	**148 497**	96 015
Current liabilities	**–**	–	**–**	(11 510)
	–	–	**148 497**	85 008
The loans are interest-free and are current accounts settled on an ongoing basis.				
11. **CASH AND CASH EQUIVALENTS**				
Cash and cash equivalents consist of:				
Bank	**33 820**	73 520	**–**	1 804
Petty cash	**140**	124	**3**	–
Bank overdraft	**(21 326)**	–	**(8 398)**	–
	12 634	73 644	**(8 395)**	1 804
Current assets	**33 960**	73 644	**3**	1 804
Current liabilities	**(21 326)**	–	**(8 398)**	–
	12 634	73 644	**(8 395)**	1 804
Banking facilities				
Available facilities				
Other interest-bearing group short-term banking facilities, incorporating vehicle and asset finance, letters of credit, fleet management services and credit cards, performance guarantees and a derivative product trading facility	**164 750**	129 600	**35 000**	63 500
Utilised facilities				
Other interest-bearing group short-term banking facilities, incorporating vehicle and asset finance, letters of credit, fleet management services and credit cards, performance guarantees and a derivative product trading facility	**92 966**	42 550	**33 075**	30 502

Details of securities are presented in note 13.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
12. STATED CAPITAL				
Authorised				
Stated capital				
1 000 000 000 ordinary shares of no par value	**10**	10	**10**	10
Issued				
421 689 018 (2014: 395 292 923) no par value shares	**345 387**	295 497	**345 387**	295 497
The unissued shares are under the control of the directors until the next annual general meeting subject to the provisions of the Companies Act, No 71 of 2008 (as amended).				
13. INTEREST-BEARING LIABILITIES				
Held at amortised cost				
Instalment sale agreements				
Minimum payments due				
– within one year	**3 904**	2 170	**–**	–
– in second to fifth year inclusive	**4 856**	1 819	**–**	–
	8 760	3 989	**–**	–
Less: Future finance charges	**(856)**	(384)	**–**	–
Present value of minimum payments	**7 904**	3 605	**–**	–
Present value of minimum payments due				
– within one year	**3 374**	1 785	**–**	–
– in second to fifth year inclusive	**4 530**	1 820	**–**	–
	7 904	3 605	**–**	–

Certain motor vehicles and equipment are financed under instalment sale agreements (refer to note 2).

The average term is three years for motor vehicles and five years for equipment and the average effective borrowing rate was 9,6%.

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
13. **INTEREST-BEARING LIABILITIES**				
Other financial liabilities				
Standard Bank loan	**10 000**	–	**10 000**	–
The loan is secured by the conditions below in favour of Standard Bank, bears interest at the three-month JIBAR rate plus 3,75%, variably linked and is repayable in 20 quarterly instalments in arrears.				
Standard Bank loan — revolving facility	**25 000**	–	**25 000**	–
The loan is secured by the conditions below in favour of Standard Bank, bears interest at the three-month JIBAR rate plus 4,6%, variably linked and is repayable within the next 12 months.				
FirstRand Bank loan	**3 265**	–	**–**	–
The loan is secured by the conditions below in favour of FirstRand Bank, bears interest at prime plus 1%, variably linked over a period of 60 months and is repayable in quarterly instalments in arrears.				
FirstRand Bank loan	**19 151**	–	**–**	–
The loan is secured by the conditions below in favour of FirstRand Bank, bears interest at prime plus 0,5%, variably linked over a period of 60 months and is repayable in monthly instalments in advance.				
Wild Rose Capital (previously Ricophase Proprietary Limited) loan	**29 890**	–	**–**	–
The loan bears interest at prime plus 2% and is repayable within the next 12 months.	**87 306**	–	**35 000**	–

enX conditions on Standard Bank loans:

(a) Cession of debtors of New Way Power, PowerO² and Wood;

(b) Guarantee and cross suretyships between enX, New Way Power, PowerO² and Wood;

(c) Pledge of New Way Power's CFC account.

13. **INTEREST-BEARING LIABILITIES**

Centlube conditions on FirstRand Bank loans:

(a) General notarial bond over moveable assets, including stock, for R7 000 000 and R20 000 000 loans respectively, including waiver of landlord's lien and a cession of short-term insurance for the amount of the bond and noting of the lender's interest in the policy with the insurer (refer to note 8);

(b) Cession of debtors and written confirmation of no prior cession and noting of the lender's interest in the annual financial statements of Centlube (refer to note 9);

(c) Unlimited cession of the credit balances, including written confirmation of no prior cession and noting of the lender's interest in the annual financial statements of Centlube;

(d) Cession in favour of the lender given by Centlube Holdings Proprietary Limited of any and all its rights in and to its loan account held in Centlube;

(e) Inward guarantee given by enX for R5 000 000 in favour of the bank for the obligations of Centlube to the bank.

	Group		**Company**	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Non-current liabilities	**30 041**	1 820	**8 000**	–
Current liabilities	**65 169**	1 785	**27 000**	–
	95 210	3 605	**35 000**	–

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
14. **TRADE AND OTHER PAYABLES**				
Trade payables	**232 294**	62 430	**–**	–
Accruals	**53 983**	50 511	**31 080**	20 659
Income received in advance	**8 316**	1 583	**–**	–
Other payables	**1 555**	928	**1 113**	516
VAT	**483**	3 916	**204**	1 242
	296 631	119 368	**32 397**	22 417

The directors consider the carrying amount of trade 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 company has financial risk policies in place to ensure that all payables are paid within the credit time frame.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
15. **REVENUE**				
Services rendered	**74 262**	64 509	**26 481**	26 345
Sale of goods	**808 573**	520 497	**–**	–
Dividends received	**–**	–	**31 237**	–
	882 835	585 006	**57 718**	26 345
16. **OPERATING (PROFIT)/LOSS**				
Operating (profit)/loss for the year is stated after accounting for the following:				
Operating Lease charges				
Premises	**20 357**	19 514	**648**	–
Computer and office equipment	**356**	206	**38**	–
Lease rentals	**403**	–	**5**	–
	21 116	19 720	**691**	–
(Profit)/loss on sale of property, plant and equipment	**(1 100)**	(676)	**26**	–
Gain on loss of control	**(417)**	–	**–**	–
Loss/(profit) on foreign exchange	**15 494**	(3 450)	**–**	–
Fair value measurement of forward exchange contract	**606**	2 456	**–**	–
Amortisation on intangible assets	**1 214**	–	**–**	–
Depreciation on plant and equipment	**12 401**	8 559	**126**	45
Employee costs and directors' emoluments	**156 496**	120 856	**22 193**	26 668
Share-related incentive expense	**15 480**	13 766	**15 168**	12 933
Audit fees – audit services	**2 109**	1 517	**653**	600
Non-audit services provided by auditors	**77**	70	**59**	17

Lease agreements for premises terms of renewal or purchase options and escalation clauses:

Lessee	Province	Escalation clause and renewal option	Lessor	Expiry date of lease
New Way Power	Cape	Monthly rental increases by 8% each year with renewal option	Neptune Investments Proprietary Limited	31 May 2016
New Way Power	Natal	Monthly rental increases by 7% each year, renewal escalation to be agreed upon	MBD Family Trust	31 Mar 2017
New Way Power	Cape	Monthly rental increases by 8% each year with renewal option	Septay Investments Proprietary Limited	30 Nov 2016
New Way Power	Gauteng	Monthly rental increases by CPI plus 1%, minimum increase of 6% and maximum increase of 8% each year with renewal option	30-38 Jacoba, Alberton North Proprietary Limited	1 Mar 2025
enX on behalf of Wood	Gauteng	Monthly rental increases by 9% each year with renewal option	Austrian Woodworking Machinery Proprietary Limited	31 Aug 2019
Wood	Natal	Monthly rental increases by 9% each year with renewal option	The Grid Group – Wingay Development Company Proprietary Limited	31 May 2016
Wood	Gauteng	Monthly rental increases by 8% each year with renewal option	Richard Road Properties Investments CC	31 Mar 2016
Wood	Cape	Monthly rental increases by 8% each year with renewal option	Edgepro Proprietary Limited	31 Aug 2016
Wood	East London	Monthly rental increases by 8% each year with renewal option	Flanegan's Property Trust	31 May 2017
Wood	Mpumalanga	Monthly rental increases by 8% or market-related rate, whichever is the lowest	Silver Pebble Trading 3 CC	31 Dec 2016
enX	Gauteng	Monthly rental increases by 9% each year	The Melrose Arch Joint Venture	31 May 2018
Centlube	Gauteng	Monthly rental increases by 7% each year	Horatio Trading Proprietary Limited	31 Dec 2020
Centlube	Gauteng	Monthly rental increases by 8% each year	CIB Insurance Administrators Proprietary Limited	28 Feb 2018
Centlube	Cape	Monthly rental increases by 8% each year	Gorhams Properties CC	31 Jan 2019
Centlube	Natal	No escalation	GMA Logistics Proprietary Limited	Indefinite with 3 months notice period

No contingent rent is payable.
No restrictions are imposed by lease arrangements concerning dividends, additional debt and further leasing.

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
17. INTEREST RECEIVED				
Funds on deposit with banks	**1 916**	1 662	**374**	9
Interest received from related parties	**–**	–	**584**	–
Interest received from taxation authorities	**–**	52	**–**	–
Other	**81**	5	**–**	–
	1 997	1 719	**958**	9
18. INTEREST PAID				
Funds borrowed from banks	**1 047**	–	**368**	–
Bank overdraft	**916**	368	**–**	11
Interest paid to related parties	**2 166**	–	**–**	1 756
Interest paid to taxation authorities	**33**	58	**–**	52
	4 162	426	**368**	1 819
19. TAXATION				
Major components of the tax expense/(income)				
Current				
Current year	**11 283**	–	**570**	1 776
Deferred				
Current year	**190**	(4 097)	**(1 546)**	(1 464)
Prior year	**–**	2 946	**–**	–
	11 473	625	**(976)**	(1 464)
Reconciliation of taxation				
Accounting profit/(loss)	**33 315**	25 136	**27 754**	(5 401)
Taxation at South African normal taxation rate (28%)	**9 328**	7 038	**7 771**	(1 512)
Tax effect of adjustments on taxable income				
Permanent differences	**549**	1 289	**–**	48
Deferred tax raised on assessed losses	**–**	(11)	**–**	–
Temporary differences	**303**	–	**(8 747)**	–
Tax losses carried forward	**(1 776)**	(4 745)	**–**	–
Prior period over provision		(2 946)	**–**	–
Non-deductible expenses	**3 069**	–	**–**	–
Taxation per statement of comprehensive income	**11 473**	625	**(976)**	(1 464)

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
20. CASH (UTILISED IN)/GENERATED FROM OPERATIONS				
Profit/(loss) before taxation	**33 315**	25 136	**27 754**	(5 401)
Adjustments for:				
Depreciation and amortisation	**13 616**	8 559	**126**	45
(Profit)/loss on sale of property, plant and equipment	**(1 100)**	(676)	**26**	–
Loss from equity accounted investments	**(77)**	–	**–**	–
Interest received	**(1 997)**	(1 719)	**(958)**	(9)
Interest paid	**4 162**	426	**368**	1 819
Impairment of goodwill	**10 961**	–	**–**	–
Movements in operating lease assets and accruals	**(9 272)**	–	**–**	–
Movements in provisions	**6 046**	(7 853)	**–**	–
Gain on loss of control	**(417)**	–	**–**	–
Changes in working capital:				
(Increase)/decrease in inventories	**(171 138)**	27 186	**–**	–
(Increase)/decrease in trade and other receivables	**(102 562)**	(34 783)	**(400)**	2 302
Increase in trade and other payables	**149 259**	31 928	**9 980**	18 306
	(69 204)	48 204	**36 896**	17 062
21. TAXATION PAID				
Balance at beginning of the year	**6 964**	5 189	**–**	–
Current tax for the year recognised in profit or loss	**(11 283)**	(1 776)	**(570)**	–
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	**1 112**	–	**–**	–
Balance at end of the year	**1 275**	(6 964)	**570**	–
	(1 932)	(3 551)	**–**	–
22. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT				
Book value of assets disposed	**5 235**	1 495	**–**	–
Profit on disposal of plant and equipment	**1 362**	676	**26**	–
Proceeds on disposal of plant and equipment	**6 597**	2 171	**26**	–

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
23. **BUSINESS COMBINATIONS**				
Total asset and liability acquisition of Centlube Proprietary Limited and Centlube Atlantic CC				
Property, plant and equipment	**12 875**	–	**–**	–
Intangible assets other than goodwill	**23 023**	–	**–**	–
Inventories	**37 131**	–	**–**	–
Taxation receivable	**1 098**	–	**–**	–
Trade and other receivables	**18 140**	–	**–**	–
Cash and cash equivalents	**3 246**	–	**–**	–
Interest-bearing liabilities	**(4 351)**	–	**–**	–
Deferred tax	**(7 457)**	–	**–**	–
Trade and other payables	**(32 317)**	–	**–**	–
Total identifiable net assets	**51 388**	–	**–**	–
Goodwill	**41 347**	–	**–**	–
	92 735	–	**–**	–
Total consideration transferred				
Cash	**(42 844)**	–	**–**	–
Equity instruments issued	**(49 891)**	–	**–**	–
	(92 735)	–	**–**	–
Net cash outflow on total acquisition				
Cash consideration paid	**(42 844)**	–	**–**	–
Cash acquired	**3 246**	–	**–**	–
	(39 598)	–	**–**	–

Acquisition of business – Centlube Proprietary Limited

On 1 December 2014, the group acquired an effective 100% in Centlube Proprietary Limited through the acquisition of 100% of the shares of Friedshelf 1320 Proprietary Limited and 50% of the shares of Centlube Holdings Proprietary Limited. Friedshelf 1320 Proprietary Limited owns the other 50% of Centlube Holdings Proprietary Limited which in turn owns 100% of Centlube Proprietary Limited (collectively known as "Centlube").

Centlube manufactures, markets and distributes a diverse range of oil and lubricating products in Southern Africa. Based in Wadeville, Johannesburg, Centlube has a production capacity in excess of 12 million litres per annum and forms the foundation of the Fuel segment being developed by enX. Centlube has been appointed as a distributor of Mobil lubricants for its Automotive and Industrial lines of business and in respect of certain Strategic Global Accounts.

In the nine months to 31 August 2015, Centlube contributed revenue of R210 million and a loss after tax of R0,2 million to the group's results. If the acquisition had occurred on 1 September 2014, management estimates that the revenue contributed would have been R239,4 million and the loss after tax R1,2 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on 1 September 2014.

	2015 R'000	2014 R'000	2015 R'000	2014 R'000
23. BUSINESS COMBINATIONS				
Identifiable assets acquired and liabilities assumed				
Property, plant and equipment	**12 817**	–	**–**	–
Intangible assets other than goodwill	**23 023**	–	**–**	–
Inventories	**36 593**	–	**–**	–
Taxation receivable	**1 098**	–	**–**	–
Trade and other receivables	**18 140**	–	**–**	–
Cash and cash equivalents	**3 246**	–	**–**	–
Interest-bearing liabilities	**(4 351)**	–	**–**	–
Deferred tax	**(7 457)**	–	**–**	–
Trade and other payables	**(32 317)**	–	**–**	–
Total identifiable net assets	**50 792**	–	**–**	–
Goodwill	**40 347**	–	**–**	–
	91 139	–	**–**	–
Total consideration transferred				
Cash	**(41 248)**	–	**–**	–
Equity instruments issued*	**(49 891)**	–	**–**	–
	(91 139)	–	**–**	–
Net cash outflow on Centlube Proprietary Limited acquisition				
Cash consideration paid	**(44 494)**	–	**–**	–
Cash acquired	**3 246**	–	**–**	–
	(41 248)	–	**–**	–

Equity issued as part of consideration paid.

* *The fair value of the ordinary shares issued was based on the listed share price of enX on 1 December 2014 of R2,10 per share. A total of 26 396 095 shares were issued with R1 million of listing and related fees deducted from stated capital.*

Measurement of fair values

The valuation techniques used for measuring fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Third-party valuation. A third-party valuation was used in order to determine the fair value of the assets. After taking into account the depreciation of the assets from the date of the third-0party valuation, the net book value and fair value per the third-party valuation did not differ materially and therefore the net book value at acquisition date was determined as the fair value of the property, plant and equipment.
Intangible assets	Discounted cash flow method. Intangible assets consist of supplier and distributorship agreements. The impact of these agreements on the company's cash flows were considered and formulated into a discounted cash flow model. Revenue per litre sold, operating costs specifically relating to the relevant contract, possible capex and working capital requirements were some of the inputs used in order to determine the free cash flow. The cash flow was discounted at a rate of 17,5% which equals the weighted average cost of capital for enX. As it is impossible for management to determine if and when these agreements will come to an end, the useful life of the intangible assets were noted as indeterminable and therefore these intangibles have an indefinite useful life with no amortisation accounted for annually. The intangibles will be assessed each year for signs of impairment.
Inventories	Lower of cost or net realisable value. Inventory is in the form of oil lubricants and does not easily lose its value. The inventory was measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and to make the sale. As the selling price less costs of the inventory items were higher than the cost of the inventory, the inventory's fair value was determined as its cost price.
Trade and other receivables	Comprise ordinary debtors and were valued at their net book value as at acquisition date. None of the trade receivables are expected to be uncollectible at acquisition date.
Trade and other payables	Comprise ordinary creditors and were valued at their net book value as at acquisition date.

The fair values of the assets are now determined to be final.

Acquisition of business – Centlube Atlantic CC

On 1 December 2014 Centlube Proprietary Limited acquired the assets of Centlube Atlantic CC, which was previously a related party due to common directorship.

Identifiable assets acquired and liabilities assumed

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
Property, plant and equipment	**58**	–	**–**	–
Inventories	**538**	–	**–**	–
Total identifiable net assets	**596**	–	**–**	–
Goodwill	**1 000**	–	**–**	–
	1 596	–	**–**	–
Total consideration transferred				
Cash	**(1 596)**	–	**–**	–
Net cash outflow on Centlube Atlantic CC acquisition				
Cash consideration paid	**(1 596)**	–	**–**	–

Measurement of fair values

The valuation techniques used for measuring fair value of material assets acquired were as follows:

Assets acquired	**Valuation technique**
Inventories	Lower of cost or net realisable value. Inventory is in the form of oil lubricants and does not easily lose its value. The inventory was measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and to make the sale. As the selling price less costs of the inventory items were higher than the cost of the inventory, the inventory's fair value was determined as its cost price.
Property, plant and equipment	Were valued at their net book value which management is of the view reflects a fair value of the assets.

The fair values of the assets are now determined to be final.

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
24. **SALE OF BUSINESS**				
Carrying value of assets sold				
Property, plant and equipment	**13**	–	**–**	–
Deferred tax assets	**333**	–	**–**	–
Trade and other receivables	**991**	–	**–**	–
Trade and other payables	**(1 086)**	–	**–**	–
Tax assets	**8**	–	**–**	–
Cash and cash equivalents	**280**	–	**–**	–
Loans from group companies	**(1 374)**	–	**–**	–
Non-controlling interest	**417**	–	**–**	–
Total net liabilities sold	**(418)**	–	**–**	–
Net liabilities sold	**(418)**	–	**–**	–
Fair value of net liabilities disposed of	**(418)**	–	**–**	–
Proceeds	**–**	–	**–**	–
Net cash outflow on acquisition				
Loan payment received	**772**	–	**–**	–
Cash balances disposed of	**(280)**	–	**–**	–
Net cash inflow	**492**	–	**–**	–

On 1 September 2014, the group's enterprise development vehicle, Matase Industries Solutions Proprietary Limited, was restructured to become an associate of enX, with the group reducing its shareholding to 25% (previously 49,9%, but consolidated in terms of IFRS).

	Group		Company mil	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
25. **COMMITMENTS**				
Operating lease commitments				
Computer and office equipment	**444**	994	**80**	–
Premises	**214 300**	99 587	**2 232**	–
	214 744	100 581	**2 312**	–
These commitments accrue in the following periods:				
Due by August 2015	**–**	20 918	**–**	–
Due by August 2016	**25 093**	21 828	**781**	–
Due by August 2017	**23 597**	20 105	**848**	–
Due by August 2018	**23 926**	26 533	**683**	–
Due by August 2019	**24 647**	11 197	**–**	–
Thereafter	**117 481**	–	**–**	–
	214 744	100 581	**2 312**	–

26. **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.

27. **CONTINGENT LIABILITIES**

enX has provided a corporate guarantee for a maximum amount of USD3,5 million to ExxonMobil Petroleum & Chemical BVBA ("ExxonMobil") in respect of the purchase by Centlube of petroleum, petrochemical and/or related products from ExxonMobil.

enX has provided a limited indemnity to the shareholders of CapLeverage for a period of four years, in terms of which it indemnifies each of such shareholders against any claims made against any of them in terms of an agreement entered into between such shareholders, as guarantors, and the Industrial Development Corporation of South Africa Limited ("IDC-1 (in terms of which they jointly and severally guarantee amounts which may become owing by Samvenice Trading 1 to the IDC under certain funding agreements, with the CapLev shareholders' aggregate liability being limited to a maximum amount of R20 million, provided that such claim arose from an act or omission of enX, the conduct of its business, its financial performance or the impact of its share price, with enX's liability limited to only such portion of the claims made against any of the CapLev shareholders in terms of such guarantee which exceeds R5 million, and with the aggregate liability of enX limited to R15 million.

enX has provided a letter of support to FirstRand Bank Limited ("FNB") in respect of certain credit facilities provided by FNB to Centlube. The letter confirms that enX:

- will not dispose of its shareholding in Centlube without prior written consent from FNB;
- will ensure that Centlube is properly managed;
- undertakes to ensure that FNB and its subsidiaries will not suffer any loss as a result of Centlube not being able to meet its obligations to FNB. This undertaking is limited to R5 million;
- will not permit Centlube to enter into liquidation or enter into any compromise with any of its creditors without the prior written consent of FNB;
- will ensure Centlube is sufficiently capitalised to meet its obligations to FNB and its subsidiaries; and
- enX's exposure to all of the above will not exceed R5 million.

New Way Power has entered into certain rental discounting facility agreements with Sunlyn Proprietary Limited ("Sunlyn") in connection with a generator leasing product it provides to its customers. enX has provided a corporate guarantee to Sunlyn in respect of New Way Power's obligations under such agreements to Sunlyn.

	Financial assets at fair value R'000	Loans and receivables at amortised cost R'000	Financial liabilities at amortised cost R'000	Non-financial assets and liabilities R'000	Equity R'000	Total R'000
28. **FINANCIAL INSTRUMENTS**						
Categories of financial instruments						
2015						
Group						
Assets						
Non-current assets						
Property, plant and equipment	**–**	**–**	**–**	**80 271**	**–**	**80 271**
Goodwill	**–**	**–**	**–**	**125 931**	**–**	**125 931**
Deferred taxation	**–**	**–**	**–**	**17 626**	**–**	**17 626**
Intangible assets	**–**	**–**	**–**	**21 809**	**–**	**21 809**
Investment in associates	**–**	**–**	**–**	**678**	**–**	**678**
Current assets						
Inventories	**–**	**–**	**–**	**353 736**	**–**	**353 736**
Trade and other receivables	**–**	**228 508**	**–**	**14 020**	**–**	**242 528**
Forward exchange contract asset	**6 102**	**–**	**–**	**–**	**–**	**6 102**
Taxation receivable	**–**	**–**	**–**	**655**	**–**	**655**
Cash and cash equivalents	**–**	**33 960**	**–**	**–**	**–**	**33 960**
	6 102	**262 468**	**–**	**614 726**	**–**	**883 296**

	Financial assets at fair value R'000	Loans and receivables at amortised cost R'000	Financial liabilities at amortised cost R'000	Non-financial assets and liabilities R'000	Equity R'000	Total R'000
28. **FINANCIAL INSTRUMENTS**						
Equity and liabilities						
Equity						
Stated capital	**–**	**–**	**–**	**–**	**345 387**	**345 387**
Retained income	**–**	**–**	**–**	**–**	**115 959**	**115 959**
Non-current liabilities						
Interest-bearing liabilities	**–**	**–**	**30 041**	**–**	**–**	**30 041**
Deferred taxation	**–**	**–**	**–**	**6 853**	**–**	**6 853**
Current liabilities						
Interest-bearing liabilities	**–**	**–**	**65 169**	**–**	**–**	**65 169**
Trade and other payables	**–**	**–**	**233 848**	**62 783**	**–**	**296 631**
Taxation payable	**–**	**–**	**–**	**1 930**	**–**	**1 930**
Bank overdraft	**–**	**–**	**21 326**	**–**	**–**	**21 326**
	–	**–**	**350 384**	**71 566**	**461 346**	**883 296**
2014						
Group						
Assets						
Non-current assets						
Property, plant and equipment	–	–	–	42 853	–	42 853
Goodwill	–	–	–	95 544	–	95 544
Deferred taxation	–	–	–	18 755	–	18 755
Current assets						
Inventories	–	–	–	145 467	–	145 467
Trade and other receivables	–	126 960	–	1 983	–	128 943
Taxation receivable	–	–	–	8 744	–	8 744
Cash and cash equivalents	–	73 644	–	–	–	73 644
	–	200 604	–	313 346		513 950
Equity and liabilities						
Equity						
Stated capital	–	–	–	–	295 497	295 497
Retained income	–	–	–	–	94 117	94 117
Non-controlling interest	–	–	–	–	(417)	(417)
Non-current liabilities						
Interest-bearing liabilities	–	–	1 820	–	–	1 820
Current liabilities						
Interest-bearing liabilities	–	–	1 785	–	–	1 785
Trade and other payables	–	–	63 358	56 010	–	119 368
Taxation payable	–	–	–	1 780	–	1 780
	–	–	66 963	57 790	389 197	513 950

	Financial assets at fair value R'000	Loans and receivables at amortised cost R'000	Financial liabilities at amortised cost R'000	Non-financial assets and liabilities R'000	Equity R'000	Total R'000
28. FINANCIAL INSTRUMENTS						
2015						
Company						
Assets						
Non-current assets						
Property, plant and equipment	**–**	**–**	**–**	**844**	**–**	**844**
Deferred taxation	**–**	**–**	**–**	**8 376**	**–**	**8 376**
Investment in subsidiaries	**–**	**–**	**–**	**321 308**	**–**	**321 308**
Investment in associates	**–**	**–**	**–**	**755**	**–**	**755**
Current assets						
Trade and other receivables	**–**	**492**	**–**	**–**	**–**	**492**
Loans to group companies	**–**	**148 497**	**–**	**–**	**–**	**148 497**
Cash and cash equivalents	**–**	**3**	**–**	**–**	**–**	**3**
	–	**148 992**	**–**	**331 283**	**–**	**480 275**
Equity and liabilities						
Equity						
Stated capital	**–**	**–**	**–**	**–**	**345 387**	**345 387**
Retained income	**–**	**–**	**–**	**–**	**58 523**	**58 523**
Non-current liabilities						
Interest-bearing liabilities	**–**	**–**	**8 000**	**–**	**–**	**8 000**
Current liabilities						
Interest-bearing liabilities	**–**	**–**	**27 000**	**–**	**–**	**27 000**
Trade and other payables	**–**	**–**	**32 397**	**–**	**–**	**32 397**
Taxation payable	**–**	**–**	**–**	**570**	**–**	**570**
Bank overdraft	**–**	**–**	**8 398**	**–**	**–**	**8 398**
	–	**–**	**75 795**	**570**	**403 910**	**480 275**
2014						
Company						
Assets						
Non-current assets						
Property, plant and equipment	–	–	–	16	–	16
Loans receivable	–	503	–	–	–	503
Deferred taxation	–	–	–	6 830	–	6 830
Investment in subsidiaries	–	–	–	253 956	–	253 956
Current assets						
Trade and other receivables	–	25	–	68	–	93
Loans to group companies	–	96 015	–	–	–	96 015
Cash and cash equivalents	–	1 804	–	–	–	1 804
	–	98 347	–	260 870	–	359 217
Equity and liabilities						
Equity						
Stated capital	–	–	–	–	295 497	295 497
Retained income	–	–	–	–	29 793	29 793
Current liabilities						
Loans from group companies	–	–	11 510	–	–	11 510
Trade and other payables	–	–	516	21 901	–	22 417
	–	–	12 026	21 901	325 290	359 217

Interest rate risk management

The group held surplus cash at times throughout the year. The significance of this surplus cash to the company's statement of financial position can expose the group to interest rate risk.

This interest rate risk is managed through commercial banking facilities by the group's executive.

At year-end, cash was invested with two large commercial banks. The investment of surplus funds is reviewed from time to time. The group's interest rate profile consists of floating rate loans and bank balances which expose the group to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

	Group		Company	
	2015 R'000	2014 R'000	**2015 R'000**	2014 R'000
Financial assets				
Loans granted and bank deposits at no interest	**234 610**	126 960	**148 989**	96 543
Loans granted and bank deposits linked to South African money market rates	**33 960**	73 644	**3**	1 804
	268 570	200 604	**148 992**	98 347
Financial liabilities				
Financing received and banking facilities at no interest	**233 848**	63 358	**32 397**	516
Financing received and banking facilities linked to South African prime rates/JIBAR rates	**116 537**	3 605	**43 398**	11 510
	350 385	66 963	**75 795**	12 026

	Carrying value at statement of financial position date R'000	Reasonable possible change	Pre-tax statement of comprehensive income impact R'000
Interest rate sensitivity analysis			
Group			
2015			
Financial assets			
Loans granted and bank deposits linked to South African money market rates	**33 960**	**1**	**340**
	33 960		**340**
2014			
Financial assets			
Loans granted and bank deposits linked to South African money market rates	73 644	1	736
	73 644		736
2015			
Financial liabilities			
Financing received on banking facilities linked to South African prime rates/JIBAR rates	**116 537**	**1**	**1 165**
	116 537		**1 165**
2014			
Financial liabilities			
Financing received on banking facilities linked to South African prime rates/JIBAR rates	3 605	1	36
	3 605		36
Company			
2015			
Financial assets			
Loans granted and bank deposits linked to South African money market rates	**3**	**1**	**–**
	3		**–**
2014			
Financial assets			
Loans granted and bank deposits linked to South African money market rates/JIBAR rates	1 804	1	18
	1 804		18
2015			
Financial liabilities			
Financing received on banking facilities linked to South African prime rates/JIBAR rates	**43 398**	**1**	**434**
	43 398		**434**
2014			
Financial liabilities			
Financing received on banking facilities linked to South African prime rates/JIBAR rates	11 510	1	115
	11 510		115

Credit risk management

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the group. Trade accounts receivable consist of a large widespread customer base. Group companies regularly monitor the financial position of their customers. The granting of credit is controlled by application and account limits.

The group's cash and cash equivalents and short-term deposits are placed with major banks with strong credit ratings.

The carrying amounts of financial assets included in the consolidated statement of financial position represent the group's maximum exposure to credit risk in relation to these assets.

	Government/ parastatals R'000	Major listed corporates R'000	Other corporates R'000	Small and medium enterprises R'000	Other R'000	Total R'000
2015						
Financial assets that are neither past due nor impaired	**705**	**71 391**	**19 456**	**26 990**	**1 570**	**120 112**
Financial assets that are past due but not impaired						
Overdue less than 30 days	**538**	**13 714**	**8 154**	**39 220**	**321**	**61 947**
Between 30 and 60 days	**24**	**6 248**	**1 044**	**22 971**	**(12)**	**30 275**
Between 60 and 90 days	**19**	**2 558**	**926**	**9 560**	**20**	**13 083**
90 days and more	**172**	**13 134**	**1 580**	**21 081**	**(373)**	**35 594**
	753	**35 654**	**11 704**	**92 832**	**(44)**	**140 899**
Financial assets that are impaired						
Carrying amount	**–**	**–**	**–**	**6 389**	**–**	**6 389**
Allowance for impairment	**–**	**–**	**–**	**(6 389)**	**–**	**(6 389)**
Advance receipts (debtors)	**–**	**–**	**–**	**–**	**1 457**	**1 457**
Total credit exposure	**1 458**	**107 045**	**31 160**	**119 822**	**2 983**	**262 468**

There is a cession of the gross trade receivables to Standard Bank and FirstRand Bank (refer to notes 9 and 11).

28. **FINANCIAL INSTRUMENTS**

	Government/ parastatals R'000	Major listed corporates R'000	Other corporates R'000	Small and medium enterprises R'000	Other R'000	Total R'000
2014						
Financial assets that are neither past due nor impaired	991	61 485	3 142	3 777	18 849	88 244
Financial assets that are past due but not impaired						
Overdue less 30 days	457	13 722	16 152	15 771	1 870	47 972
Between 30 and 60 days	168	5 939	17 589	4 221	648	28 565
Between 60 and 90 days	(26)	5 654	1 970	1 927	203	9 728
90 days and more	3	9 570	9 259	8 341	(511)	26 662
	602	34 885	44 970	30 260	2 210	112 927
Financial assets that are impaired						
Carrying value	–	–	–	2 436	–	2 436
	1 593	96 370	48 112	36 473	21 059	203 607
Allowance for impairment	–	–	–	(3 003)	–	(3 003)
Total credit exposure	1 593	96 370	48 112	33 470	21 059	200 604

There is a cession of the gross trade receivables to Standard Bank (refer to notes 9 and 11).

Liquidity risk management

Liquidity risk is the risk that the group will be unable to meet a financial commitment when it falls due. This risk is minimised through the holding of cash balances and banking facilities.

In addition, cash forecasts are monitored so that the cash needs of the group are managed according to its requirements. The following tables detail the group's remaining contractual maturity for its financial liabilities based on the expected repayment profile.

The tables have been prepared based on the undiscounted cash flows of financial liabilities and are based on the earliest date on which the group can be expected to pay.

The tables include both interest and principal cash flows.

28. FINANCIAL INSTRUMENTS

	No terms R'000	Within one year R'000	Two years R'000	Three to five years R'000	Longer than five years R'000	Total R'000
Group						
2015						
Interest-bearing liabilities	**–**	**65 169**	**9 081**	**17 129**	**3 831**	**95 210**
Trade and other payables	**–**	**233 849**	**–**	**–**	**–**	**233 849**
Bank overdraft	**–**	**21 326**	**–**	**–**	**–**	**21 326**
	–	**320 344**	**9 081**	**17 129**	**3 831**	**350 385**
2014						
Interest-bearing liabilities	–	1 785	1 820	–	–	3 605
Trade and other payables	–	63 358	–	–	–	63 358
	–	65 143	1 820	–	–	66 963
Company						
2015						
Interest-bearing liabilities	**–**	**27 000**	**2 000**	**6 000**	**–**	**35 000**
Trade and other payables	**–**	**32 397**	**–**	**–**	**–**	**32 397**
Bank overdraft	**–**	**8 398**	**–**	**–**	**–**	**8 398**
	–	**67 795**	**2 000**	**6 000**	**–**	**75 795**
2014						
Loan from group companies	11 510		–	–	–	11 510
Trade and other payables	–	516	–	–	–	516
	11 510	516	–	–	–	12 026

Foreign exchange risk

The group is exposed to foreign exchange risk. This risk is managed by covering material inventory orders with foreign exchange contracts.

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from exposure in the operations due to trading transactions in currencies other than the functional currency. Foreign currency imports within the group are managed using forward exchange contracts.

The following significant exchange rates applied during the year:

	Average rate		**Reporting date**	
	2015 R	2014 R	**2015 R**	2014 R
Euro	**13,69**	14,27	**14,86**	13,79
US Dollar	**11,79**	10,49	**13,29**	10,65

	Carrying value at statement of financial position date R'000	Reasonable possible change	Pre-tax statement of comprehensive income impact R'000
Foreign exchange sensitivity analysis Group			
2015			
Financial liabilities			
Trade payables exposed to foreign currency	**125 257**	**10**	**12 526**
	125 257		**12 526**
Group			
2014			
Financial liabilities			
Trade payables exposed to foreign currency	28 638	10	2 864
	28 638		2 864

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern.

The capital structure of the company consists of debt, cash and cash equivalents and equity attributable to holders of the parent, comprising issued capital, reserves and retained earnings.

29. DIRECTORS' EMOLUMENTS

Directors of enX Group Limited

Directors' emoluments, including direct and indirect benefits for the period ended 31 August 2015 are as follows:

	Director fees R'000	Salary R'000	Commission R'000	Incentives R'000	Unrealised long-term incentive R'000	Contribution to medical aid R'000	Other benefits R'000	Total R'000
2015								
Paid by enX								
PC Baloyi*	**263**	**–**	**–**	**–**	**–**	**–**	**–**	**263**
JS Friedman	**–**	**1 825**	**–**	**–**	**4 356+**	**–**	**–**	**6 181**
SB Joffe*	**329**	**–**	**–**	**–**	**–**	**–**	**–**	**329**
NV Lila*	**276**	**–**	**–**	**–**	**–**	**–**	**–**	**276**
PM Makwana*	**257**	**–**	**–**	**–**	**–**	**–**	**–**	**257**
PD Mansour	**–**	**1 806**	**–**	**–**	**6 223+**	**19**	**–**	**8 048**
PS O'Flaherty*°	**609**	**–**	**–**	**–**	**–**	**–**	**–**	**609**
AJ Phillips*	**337**	**–**	**–**	**–**	**–**	**–**	**–**	**337**
	2 071	**3 631**	**–**	**–**	**10 579**	**19**	**–**	**16 300**

* *Non-executive director.*

\+ *The unrealised gain earned by PD Mansour and JS Friedman relates to their share of the IFRS 2 charge raised on the additional fee that will become payable in future as detailed in note 32.*

° *Includes R420 000 paid to D'Flaherty Projects Proprietary Limited, of which PS D'Flaherty is a director and shareholder, for consulting services.*

For details of directors' participation in the group's share appreciation rights plan, refer to note 32.

29. DIRECTORS' EMOLUMENTS

Directors' emoluments, including direct and indirect benefits for the period ended 31 August 2014 are as follows:

	Director fees R'000	Salary R'000	Commis-sion R'000	Incentives R'000	Unrealised long-term incentive R'000	Contri-bution to medical aid R'000	Other benefits R'000	Total R'000
2014								
Paid by enX								
PC Baloyi [(a)*]	121	–	–	–	–	–	–	121
DS Brouze [(b)*]	107	–	–	–	–	–	–	107
JS Friedman	–	1 722	–	1 378°	3 710'	–	–	6 810
SB Joffe [(c)*]	45	–	–	–	–	–	–	45
NV Lila [(d)*]	124	–	–	–	–	–	–	124
PM Makwana [(e)*]	115	–	–	–	–	–	–	115
PD Mansour	–	1 722	–	1 378°	5 301'	–	–	8 401
GS Nzalo [(f)*]	179	–	–	–	–	–	–	179
PS O'Flaherty [(g)]	491	–	–	–	–	–	–	491
AJ Phillips [*]	484	–	–	–	–	–	–	484
U Schackermann [(h)*]	188	–	–	–	–	–	–	188
	1 854	3 444	–	2 756	9 011	–	–	17 065

* *Non-executive director*

[#] *Wild Rose Management (previously JFN Management Proprietary Limited) was awarded a cash incentive of R4 132 800 for the year ended 31 August 2014, calculated as 80% of the annual remuneration earned by PD Mansour, JS Friedman and C Neuberger. Save for this incentive paid to Wild Rose Management, PD Mansour and JS Friedman are not entitled to receive any other incentive from enX. No incentive was awarded for the year ended 31 August 2015.*

[+] *The unrealised gain earned by PD Mansour and JS Friedman relates to their share of the IFRS 2 charge raised on the additional fee that will become payable in future as detailed in note 32.*

° *Includes R385 000 paid to O'Flaherty Projects Proprietary Limited, of which PS O'Flaherty is a director and shareholder, for consulting services.*

(a) *PC Baloyi was appointed on 12 February 2014.*
(b) *DS Brouze resigned on 14 May 2014.*
(c) *SB Joffe was appointed on 14 May 2014.*
(d) *NV Lila was appointed on 12 February 2014.*
(e) *PM Makwana was appointed on 12 February 2014.*
(f) *GS Nzalo resigned on 14 May 2014.*
(g) *PS O'Flaherty was appointed on 12 February 2014*
(h) *U Schackermann resigned on 14 May 2014.*

For details of directors' participation in the group's share appreciation rights plan, refer to note 32.

30. RELATED PARTIES

DS Brouze, who was a director of enX until 14 May 2014, is an indirect shareholder of Austrian Woodworking Machinery Proprietary Limited.

DS Brouze, who was a director of enX until 14 May 2014, is an indirect shareholder of 30 – 38 Jacoba, Alberton North Proprietary Limited.

HT Heye, who was a director of New Way Power until 13 February 2014, is connected to Neptune Investments Proprietary Limited via his parents who are beneficiaries of a trust that owns 100% of Neptune Investments Proprietary Limited.

PS O'Flaherty, who is a director of enX, is a director and shareholder of O'Flaherty Projects Proprietary Limited.

Wild Rose Management (previously JFN Management Proprietary Limited) was contracted to provide strategic and business support services to enX. SB Joffe and JS Friedman, who are directors of enX, are also directors and indirect shareholders of Wild Rose Management. PD Mansour, who is a director of enX, and C Neuberger, who is a director of New Way Power, PowerO² and Wood, are also directors and shareholders of Wild Rose Management.

30. RELATED PARTIES

Wild Rose Capital (previously Ricophase Proprietary Limited) is a 21,9% shareholder in enX and is owned by DS Brouze (via the David Brouze Trust), who was a director of enX until 14 May 2014, SB Joffe (via the SADES Family Trust), who is a director of enX, PD Mansour, who is a director of enX, JS Friedman (via The JSF Family Trust), who is a director of enX and C Neuberger, who is a director of New Way Power, PowerO² and Wood.

enX Group Limited holds 25% of the shares in Matase Industrial Solutions Proprietary Limited.

All transactions between group companies are concluded at arm's length. On consolidation, intercompany transactions are eliminated.

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
Related party balances				
Loan accounts – Owing (to)/by related parties				
New Way Power Proprietary Limited	**–**	–	**8 024**	(11 510)
Austro Proprietary Limited	**–**	–	**92 386**	96 015
Matase Industrial Solutions Proprietary Limited	**503**	–	**–**	503
Centlube Holdings Proprietary Limited	**–**		**24 294**	–
PowerO² Proprietary Limited	**–**	–	**2 527**	–
Centlube Proprietary Limited	**–**	–	**21 266**	–
Wild Rose Capital Proprietary Limited	**(29 890)**	–	**–**	–
	(29 387)	–	**148 497**	85 008
Amounts included in trade receivables relating to related parties				
Matase Industrial Solutions Proprietary Limited	**2 745**	–	**–**	–
	2 745	–	**–**	–
Intercompany sales				
Matase Industrial Solutions Proprietary Limited	**5 232**	–	**–**	–
	5 232	–	**–**	–
Related party transactions				
Interest received from/(paid to) related parties				
New Way Power Proprietary Limited	**–**	–	**507**	(1 756)
Centlube Proprietary Limited	**–**	–	**77**	–
Wild Rose Capital Proprietary Limited	**(2 090)**	–	**–**	–
	(2 090)	–	**584**	(1 756)
Management/administration fees received from related parties				
New Way Power Proprietary Limited	**–**	–	**15 844**	21 076
PowerO² Proprietary Limited	**–**	–	**5 310**	–
Austro Proprietary Limited	**–**	–	**3 978**	5 269
Centlube Proprietary Limited	**–**	–	**1 350**	–
	–	–	**26 482**	26 345

	Group		Company	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
30. RELATED PARTIES				
Management and incentive fees paid				
Wild Rose Management				
– Management fees	**2 328**	1 722	**2 328**	1 722
– Incentive	–	4 133	**–**	4 133
– IFRS 2 charge	**15 168**	12 921	**15 168**	12 921
	17 496	18 776	**17 496**	18 776
Other fees paid				
Austrian Woodworking Machinery Proprietary Limited: rent paid	**3 936**	3 611	**–**	–
30 – 38 Jacoba, Alberton North Proprietary Limited: rent paid	**13 179**	11 750	**–**	–
Neptune Investments Proprietary Limited: rent paid	**385**	300	**–**	–
O'Flaherty Projects Proprietary Limited: consulting fees paid	**420**	385	**420**	385
Wild Rose Capital Proprietary Limited: raising fee paid	**300**	–	**–**	–
	18 220	16 046	**420**	385

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
31. **EARNINGS PER SHARE**				
Basic earnings per share				
Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.				
Basic earnings per share and diluted earnings per share				
From continuing operations (cents)	**5,3**	6,3	**–**	–
Basic earnings per share and diluted earnings per share were based on earnings of R21,8 million (2014: R24,7 million) and a weighted average number of ordinary shares of 415 089 994 (2014: 395 292 323).				
Headline earnings per share and diluted headline earnings per share				
Headline earnings per share and diluted headline earnings per share (cents)	**7,6**	6,1	**–**	–
Reconciliation between earnings and headline earnings				
Basic earnings	**21 842**	24 718	**–**	–
Adjusted for:				
Net profit on disposal of property, plant and equipment	**(1 100)**	(676)	**–**	–
Gains on loss of control	**(417)**	–	**–**	–
Impairment of goodwill	**10 961**	–	**–**	–
Tax effect thereon	**308**	189	**–**	–
Headline earnings	**31 594**	24 231	**–**	–
Reconciliation between headline earnings and adjusted headline earnings				
Headline earnings	**31 594**	24 231	**–**	–
Adjusted for:				
Release of straight-line provision for operating lease	**(9 272)**	–	**–**	–
Share-based payment expense	**15 480**	13 766	**–**	–
Legal costs relating to Freed litigation		3 211	**–**	–
Deferred taxation adjustment		(2 946)	**–**	–
Tax effect thereon	**(1 738)**	(3 854)	**–**	–
Adjusted headline earnings	**36 064**	34 408	**–**	–

Refer to note 32 for details of the settlement of this incentive.

32. **EMPLOYEE BENEFITS**

PD Mansour, JS Friedman and C Neuberger, through Wild Rose Management, are beneficiaries of this additional fee as detailed below:

	Number of units 2015 '000	Number of units 2014 '000
PD Mansour		
At beginning of the year	**8 000**	8 000
Balance at end of the year	**8 000**	8 000
JS Friedman		
At beginning of the year	**5 600**	5 600
Balance at end of the year	**5 600**	5 600
C Neuberger		
At beginning of the year	**5 600**	5 600
Balance at end of the year	**5 600**	5 600
Remaining in Wild Rose Management		
At beginning of the year	**300**	300
Balance at end of the year	**300**	300
Total Wild Rose Management Incentive	**19 500**	19 500

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 during the year. 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 3 050 000 (2014: 7 300 000) enX shares. These share-related incentives were granted at various strike prices and vesting dates.

	Valuation 2015 R'000	Valuation 2014 R'000
IFRS 2 share-related incentive valuation		
Balance at beginning of the year	**15 091**	1 324
Fair value of cash-settled share-based payment transactions	**15 415**	12 921
Allocation of units	**65**	846
Liability at end of the year	**30 571**	15 091

Share-related incentives are valued using the Black-Scholes model. The 30-day Volume Weighted Average Price ("VWAP") of the enX share as at 31 August 2015 and a risk-free rate of 6,75% was used to value the share incentive at year-end.

33. POST-STATEMENT OF FINANCIAL POSITION

Empowerment transaction

Building on enX's commitment to grow its asset base and transform into a truly empowered company, the board is pleased to announce that the introduction of an additional 25,01% B-BBEE equity participation in enX was successfully completed on 7 September 2015. A total of 140 637 983 ordinary shares in enX were issued to Samvenice Trading 1 Proprietary Limited, a wholly-owned subsidiary of CapLeverage Proprietary Limited, for an aggregate subscription price of R213,8 million.

On the strength of this ownership transaction and the group's various other empowerment initiatives, enX has recently been awarded a Level 4 B-BBEE rating.

Business combination

In line with management's intention to expand the Temporary Power segment, the group announced on 17 September 2015 the acquisition of the diesel generator rental business of Galeprops 2661 CC (trading as Genmatics).

Genmatics operates a diesel generator rental business offering generators ranging in size from 30 kVa to 1 500 kVa to clients across South Africa.

The transaction will give enX's diesel generator rental business an immediate and substantial presence in KwaZulu-Natal, thereby establishing a national footprint. The combined fleet will be in excess of 240 units, ranging in size from 4 kVa to 1 500 kVa. This national presence and enhanced fleet will enable enX to service large customers and projects more effectively. In addition, enX will be better equipped to meet the higher demand for temporary power and be able to improve the overall utilisation of its fleet.

The assets were acquired for a consideration of R60,4 million paid in cash. In addition, there are a further three instalments of R5 million each payable on the first, second and third anniversaries of the effective date on the basis that the vendor, Mr Tony Vassilatos, remains employed by the group. These instalments have been fair valued at approximately R12,5 million. The fair value of the assets acquired on a provisional basis is R35 million, with goodwill of R40,7 million recognised. Assets mainly consist of inventory of R3,1 million and property, plant and equipment of R31,6 million, of which the majority is the generator fleet. The purchase price acquisition accounting has yet to be finalised and all assets and fair values are still being confirmed.

Specific issue of shares for cash

In terms of the management agreement dated 18 April 2013 entered into between enX and Wild Rose Management, Wild Rose Management has become entitled to an additional management fee of R35 490 000 payable by enX to Wild Rose Management in accordance with the terms of the management agreement.

Paul Mansour, Jarrod Friedman and Christian Neuberger ("the subscribers"), in their capacity as shareholders of Wild Rose Management, have become entitled to a portion of the aforesaid management fee on terms and conditions agreed to between themselves and Wild Rose Management. In order to increase their shareholding in enX and provide enX with additional capital in its existing business operations and to fund potential acquisitions, the subscribers (or their nominees) will, subject to the fulfilment and/or waiver of certain conditions precedent, use a portion of the management fee received by them to subscribe for 7 629 694 shares in enX at a price of R2,29 per share for an aggregate amount of R17 472 000.

The subscription price of R2,29 per subscription share represents the 40-day volume weighted average traded price ("VWAP") per enX share as at 31 December 2015 and represents a 9,63% premium to the 30-day VWAP per enX share at the date the subscription agreement was entered into.

Apart from the above, there have been no material events subsequent to year-end that have not been taken into account in the financial statements.

INFORMATION FOR FOREIGN EQSTRA ORDINARY SHAREHOLDERS

1. DISTRIBUTIONS TO FOREIGN EQSTRA ORDINARY SHAREHOLDERS

The distribution of the enX Consideration Shares to foreign Eqstra Ordinary Shareholders, in terms of the Unbundling, may be affected by the laws of such foreign shareholders' relevant jurisdiction. Those foreign Eqstra Ordinary Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

This section sets out the restrictions applicable to Eqstra Ordinary Shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold Eqstra Ordinary Shares for the account or benefit of any such foreign Eqstra Ordinary Shareholder.

It is the responsibility of any foreign Eqstra Ordinary Shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up their entitlement to the enX Consideration Shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or taxes due in such territories. Foreign Eqstra Ordinary Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

Receipt of this circular will not constitute an offer of the enX Consideration Shares ("offer") in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular if sent, will be sent for information only and should not be copied or redistributed. No person receiving a copy of this circular in any territory, other than South Africa, may treat the same as constituting an offer to such person unless, in the relevant territory, such offer could lawfully be made to him without contravention of any registration or other legal requirements.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any other jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does distribute this circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this annexure.

Eqstra reserves the right, but shall not be obliged, to treat as invalid any distribution of the enX Consideration Shares, in terms of the Unbundling, which appears to Eqstra or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Eqstra believes or its agents believe the same may violate applicable legal or regulatory requirements.

An "excluded foreign shareholder" includes any foreign Eqstra Ordinary Shareholder who is unable to receive any of the enX Consideration Shares to be distributed to him because of the laws of the jurisdiction of that shareholder, or any foreign Eqstra Ordinary Shareholder that Eqstra is not permitted to distribute any of the enX Consideration Shares to because of the laws of the jurisdiction of that shareholder. The enX Consideration Shares to which excluded foreign Eqstra Ordinary Shareholders would be entitled in terms of the Unbundling may be aggregated and disposed of on the JSE by the Transfer Secretaries on behalf of and for the benefit of excluded foreign Eqstra Ordinary Shareholders as soon as it is reasonably practical after the implementation of the Unbundling at the best price that can reasonably be obtained at the time of sale. CSDPs will be responsible for informing the Transfer Secretaries of all Dematerialised Shares held by them on behalf of such excluded foreign Eqstra Ordinary Shareholders. The Transfer Secretaries will determine which foreign Certificated Shareholders are excluded foreign shareholders.

Excluded foreign Eqstra Ordinary Shareholders will, in respect of their entitlement to the enX Consideration Shares, receive the average consideration per enX Consideration Share (net of transaction and currency conversion costs) received by the Transfer Secretaries pursuant to the sale process as set out in the preceding paragraph. The average consideration per enX Consideration Share due to each excluded foreign Eqstra Ordinary Shareholder will only be paid once all such enX Consideration Shares have been disposed of.

2. EXCHANGE CONTROL

The enX Consideration Shares are not freely transferable from the Common Monetary Area and must be dealt with in terms of the Exchange Control Regulations. The following is a summary of the Exchange Control Regulations, is not comprehensive and is intended as a guide only. In the event that Eqstra Ordinary Shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisers.

2.1 Emigrants from the Common Monetary Area

The enX Consideration Shares received by the Eqstra Ordinary Shareholders who are emigrants from the Common Monetary Area and whose registered address is outside the Common Monetary Area will:

2.1.1 in the case of Dematerialised Shareholders be credited to their blocked share accounts at the CSDP controlling their blocked portfolios; or

2.1.2 in the case of Certificated Shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be endorsed "non-resident" and will be sent to the authorised dealer in foreign exchange controlling their blocked assets.

The CSDP or broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

2.2 All other non-residents of the Common Monetary Area

The enX Consideration Shares received by the Eqstra Ordinary Shareholders who are not non-residents of the Common Monetary Area and who have never resided in the Common Monetary Area and whose registered address is outside of the Common Monetary Area will:

2.2.1 in the Dematerialised Shareholders be credited to their share accounts at the CSDP controlling their portfolios; or

2.2.2 in the case of Certificated Shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an authorised dealer in foreign exchange in South Africa nominated by such shareholder. It will be incumbent on the Eqstra Ordinary Shareholder concerned to nominate the authorised dealer and to instruct the nominated authorised dealer as to the disposal of the relevant shares. If the information regarding the authorised dealer is not given, the enX Consideration Shares will be held in trust for the shareholder concerned pending the receipt of the necessary information or instruction.

The CSDP or broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

TAXATION CONSIDERATIONS RELATING TO THE UNBUNDLING

The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the unbundling provisions in terms of South African taxation law. It is not intended to be, nor should it be considered as legal or taxation advice. Eqstra and its advisers cannot be held responsible for the taxation consequences of the Unbundling and therefore, Eqstra Ordinary Shareholders are advised to consult their own taxation advisers in this regard.

The Unbundling will constitute a disposal by Eqstra of the enX Consideration Shares to Eqstra Ordinary Shareholders. The disposal will be effected utilising the tax concessions provided for in Section 46 of the Income Tax Act.

The concessions provided for in Section 46 of the Income Tax Act are outlined below:

1. **DISPOSAL OF THE enX CONSIDERATION SHARES BY EQSTRA**

   The distribution of enX Consideration Shares by Eqstra, in terms of the Unbundling, will be disregarded by Eqstra in determining its taxable income or assessed loss in the tax year that the Unbundling takes place. On the basis that Eqstra holds the enX Consideration Shares as capital assets, the Unbundling should not attract CGT.

2. **EQSTRA ORDINARY SHARES HELD AS TRADING STOCK**

   Any Eqstra Ordinary Shareholder holding Eqstra Ordinary Shares as trading stock will be deemed to acquire the unbundled enX Consideration Shares as trading stock. The combined expenditure of such Eqstra Ordinary Shares and enX Consideration Shares will be the amount originally taken into account by the Eqstra Ordinary Shareholder in respect of those ordinary shares, as contemplated in Section 11(a), Section 22(1), or Section 22(2) of the Income Tax Act.

   The expenditure to be allocated to the unbundled enX Consideration Shares will be determined by applying the ratio that the market value of the enX Consideration Shares bears to the sum of the market value of the enX Consideration Shares and the Eqstra Ordinary Shares at the end of the day after the Unbundling (i.e. the day after the last day to trade in order to participate in the Unbundling). Eqstra will advise the Eqstra Ordinary Shareholders of the specified ratio by way of an announcement to be released on SENS on or about Wednesday, 16 November 2016. This ratio must be used in the determination of any profits or losses derived on any future disposals of the unbundled enX Consideration Shares or Eqstra Ordinary Shares.

3. **EQSTRA ORDINARY SHARES HELD AS CAPITAL ASSETS**

   Any Eqstra Ordinary Shareholder holding Eqstra Ordinary Shares as capital assets will be deemed to acquire the unbundled enX Consideration Shares as capital assets. The original expenditure incurred in respect of the Eqstra Ordinary Shares, in terms of paragraph 20 of the eighth schedule to the Income Tax Act, and (where applicable) the CGT valuation of the Eqstra Ordinary Shares, as contemplated in paragraph 29 of the eighth schedule to the Income Tax Act, will be apportioned between the enX Consideration Shares and the Eqstra Ordinary Shares by applying the ratio that the market value of the enX Consideration Shares bears to the sum of the market values of the enX Consideration Shares and Eqstra Ordinary Shares at the end of the day after the Unbundling (i.e. the day after the last day to trade in order to participate in the Unbundling). Eqstra will advise Eqstra Ordinary Shareholders of the specified ratio by way of an announcement to be released on SENS on or about Wednesday, 16 November 2016. This ratio must be used in the determination of the capital gain or loss derived on any future disposals of the unbundled enX Consideration Shares or Eqstra Ordinary Shares.

   The base cost so allocated to the unbundled enX Consideration Shares will reduce the base cost of the Eqstra Ordinary Shares held, thus allocating the base cost between the Eqstra Ordinary Shares and the unbundled enX Consideration Shares.

   Eqstra Ordinary Shareholders will be deemed to have acquired the unbundled enX Consideration Shares on the date on which the Eqstra Ordinary Shares were originally acquired.

4. **SECURITIES TRANSFER TAX**

The registration of the unbundled enX Consideration Shares in the names of the Eqstra Ordinary Shareholders will be exempt from the payment of any STT.

5. **DIVIDENDS TAX AND RETURNS OF CAPITAL**

In terms of Sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the enX Consideration Shares must be disregarded for dividends tax purposes and must also not be treated as a return of capital for the purposes of paragraph 76B of the eighth schedule to the Income Tax Act.

6. **EXEMPT PERSONS**

The provisions of Section 46 of the Income Tax Act will not apply to any unbundling of the unbundled enX Consideration Shares to a Eqstra Ordinary Shareholder who is not a resident, the government, provincial administration or a municipality, a Public Benefit Organisation (as defined in Section 30 of the Income Tax Act), a recreational club (as defined in Section 30A of the Income Tax Act), a company or trust contemplated in Section 37A of the Income Tax Act, a fund contemplated in Section 10(1)(d)(i) or (ii) of the Income Tax Act or a person contemplated in Section 10(1)(cA) or (t) of the Income Tax Act who either alone or together with any connected person in relation to that Eqstra Ordinary Shareholder, immediately after the Unbundling, holds 20% or more of the ordinary issued share capital of Eqstra.

7. **NON-RESIDENT SHAREHOLDERS**

Eqstra Ordinary Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisers regarding the tax treatment of the Unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

EXTRACTS FROM THE COMPANIES ACT

"115: Required approval for transactions contemplated in Part A

1. Despite section 65, and any provision of a company's memorandum of incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
   (a) the disposal, amalgamation or merger, or scheme of arrangement:
      (i) has been approved in terms of this section; or
      (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
   (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
      (i) dispose of all or the greater part of its assets or undertaking;
      (ii) amalgamate or merge with another company; or
      (iii) implement a scheme of arrangement,

   the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
2. A proposed transaction contemplated in subsection (1) must be approved:
   (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's memorandum of incorporation, as contemplated in section 64(2); and
   (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
      (i) the holding company is a company or an external company;
      (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
      (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
   (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
3. Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
   (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
   (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction is in accordance with subsection (7).
4. For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
   (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

4A. In subsection (4), "act in concert" has the meaning set out in section 117(1)(b).

5. If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:

   (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

   (b) treat the resolution as a nullity.

6. On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:

   (a) is acting in good faith;

   (b) appears prepared and able to sustain the proceedings; and

   (c) has alleged facts which, if proved, would support an order in terms of subsection (7).

7. On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:

   (a) the resolution is manifestly unfair to any class of holders of the company's securities; or

   (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the memorandum of incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

8. The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:

   (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

   (b) was present at the meeting and voted against that special resolution.

9. If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is to be transferred, may apply to a court for an order to effect:

   (a) the transfer of the whole or any part of the undertaking, assets and liabilities of company contemplated in that transaction;

   (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

   (c) the transfer of shares from one person to another;

   (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

   (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completeness of the transaction; or

   (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

"**164. Dissenting Shareholders appraisal rights**

1. This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

2. If a company has given notice to shareholders of a meeting to consider adopting a resolution to:

   a. amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

   b. enter into a transaction contemplated in section 112, 113, or 114,

   that notice must include a statement informing shareholders of their rights under this section.

3. At any time before a resolution referred to in subsection (2) is to be voted on, a Dissenting Shareholder may give the company a written notice objecting to the resolution.
4. Within 10 Business Days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
    a. gave the company a written notice of objection in terms of subsection (3); and
    b. has neither:
        i. withdrawn that notice; or
        ii. voted in support of the resolution.
5. Shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
    a. the shareholder-
        i. sent the company a notice of objection, subject to subsection (6); and
        ii. in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
    b. the company has adopted the resolution contemplated in subsection (2); and
    c. the shareholder:
        i. voted against that resolution; and
        ii. has complied with all of the procedural requirements of this section.
6. The requirement of subsection (5)*(a)*(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
7. A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
    a. 20 Business Days after receiving a notice under subsection (4); or
    b. if the shareholder does not receive a notice under subsection (4), within 20 Business Days after learning that the resolution has been adopted.
8. A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
    a. the shareholder's name and address;
    b. the number and class of shares in respect of which the shareholder seeks payment; and
    c. a demand for payment of the fair value of those shares.
9. A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
    a. the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)*(b)*;
    b. the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
    c. the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
10. If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
11. Within five Business Days after the later of:
    a. the day on which the action approved by the resolution is effective;
    b. the last day for the receipt of demands in terms of subsection (7)*(a)*; or
    c. the day the company received a demand as contemplated in subsection (7)*(b)*, if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

12. Every offer made under subsection (11):

    a. in respect of shares of the same class or series must be on the same terms; and

    b. lapses if it has not been accepted within 30 Business Days after it was made.

13. If a shareholder accepts an offer made under subsection (12):

    a. the shareholder must either in the case of:
        i. shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
        ii. uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

    b. the company must pay that shareholder the agreed amount within 10 Business Days after the shareholder accepted the offer and
        i. tendered the share certificates; or
        ii. directed the transfer to the company of uncertificated shares.

14. A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

    a. failed to make an offer under subsection (11); or

    b. made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

15. On an application to the court under subsection (14):

    a. all Dissenting Shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

    b. the company must notify each affected Dissenting Shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

    c. the court:
        i. may determine whether any other person is a Dissenting Shareholder who should be joined as a party;
        ii. must determine a fair value in respect of the shares of all Dissenting Shareholders, subject to subsection (16);
        iii. in its discretion may:
            aa. appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
            bb. allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date the action approved by the resolution is effective, until the date of payment;
        iv. may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
        v. must make an order requiring:
            aa. the Dissenting Shareholders to either withdraw their respective demands, or to comply with subsection (13)*(a)*; and
            bb. the company to pay the fair value in respect of their shares to each Dissenting Shareholder who complies with subsection (13)*(a)*, subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

15A. At any time before the court has made an order contemplated in subsection (15) (*c*) (v), a Dissenting Shareholder may accept the offer made by the company in terms of subsection (11), in which case:

    a. that shareholder must comply with the requirements of subsection 13 (*a*); and

    b. the company must comply with the requirements of subsection 13 (*b*).

16. The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

17. If there are reasonable grounds to believe that compliance by a company with subsection (13)*(b)*, or with a court order in terms of subsection (15)*(c)*(v)*(bb)*, would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:

a. the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

b. the court may make an order that:
   i. is just and equitable, having regard to the financial circumstances of the company; and
   ii. ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

18. If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

19. For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

a. the provisions of that section; or

b. the application by the company of the solvency and liquidity test set out in section 4.

20. Except to the extent:

a. expressly provided in this section; or

b. that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

SUMMARY OF THE PROPOSED AMENDMENTS TO THE EQSTRA MOI

In accordance with the requirements of Section 16(1)(c)(ii) of the Companies Act and the provisions of article 38 of the MOI of the Company, the MOI of the Company be and is hereby amended:

1.1 by the deletion of article 6.1 of the MOI in its entirety and replacing same with the following new article 6.1:

"6.1 The Company is authorised to issue 1 500 000 000 (one billion five hundred million) ordinary Shares of no par value, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –"

1.2 by the deletion of article 6.3 in its entirety and replacing same with the following new articles 6.3, 6.4 and 6.5, with a consequential renumbering of the subsequent sub-articles of article 6:

"6.3 Subject to article 6.4 if, pursuant to any corporate action or event, including any capitalisation issue or rights issue, Securities holders would, but for the provisions of this article 6, become entitled to fractions of Securities ("**Fractional Entitlements**"), such Fractional Entitlements shall be dealt with in accordance with the Listings Requirements and any other requirements of the JSE from time to time.

6.4 If no Securities of the Company are listed on the JSE at the time a Fractional Entitlement arises (and, accordingly, the Listings Requirements have ceased to apply to the Company), the Board shall, subject to any contrary provisions in any Shareholders' resolution which may be required to authorise the corporate action or event in question, be entitled to:

6.4.1 round off the number of Securities to be received by a Securities holder to the nearest whole number; or

6.4.2 sell the Securities resulting from the aggregation of those fractions, on such terms and conditions as the Board deems fit, for the benefit of the relevant Securities holders,

and any Director shall be empowered to sign any instrument of transfer or other instrument necessary to give effect to the provisions of this article 6.4.

6.5 Subject to the Listings Requirements and other requirements of the JSE from time to time, the provisions of article 32 shall apply, *mutatis mutandis*, to any amounts that become payable to Security Holders in terms of this article 6.";

1.3 the deletion of these words "*not less than 48 hours (forty eight hours) (or such lesser period as the Directors may determine in relation to any particular meeting before the time appointed for holding the meeting*" in each of articles 20.3.3, 20.3.5, 20.3.6 and 20.3.7 and the replacement thereof in each case with the words "*before the proxy exercises any rights of the Shareholder*";

1.4 the deletion of article 20.4 in its entirety with a consequential renumbering of the remaining sub-articles of article 20;

1.5 by the insertion of the following new article 20.5:

"20.5 If a proxy appointment is revocable, the revocation of such appointment in accordance with the Companies Act constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of:

20.5.1 the date stated in the instrument revoking the appointment ("**Revocation Instrument**"), if any; and

20.5.2 the date on which the Revocation Instrument was delivered as required by the Companies Act.

20.6 Each proxy instrument and Revocation Instrument shall be accompanied by such proof of the identity and authority of the signatory as may reasonably be required by the Board or the chairperson of any meeting at which the proxy wishes to exercise any rights of the Shareholder.";

1.6 by the insertion of the words "and the JSE Listings Requirements" after the words "article 22.4" in the second line of article 22.1; and

1.7 by the insertion of the following new article 22.5 after the existing article 22.4:

"22.5 Without limiting the types of resolutions to which this article 23 may apply from time to time, the following resolutions may be proposed as written resolutions in accordance with article 22.1 and section 60 of the Company:

22.5.1 a change of the name of the Company;

22.5.2 the authorisation of any odd-lot offers;

22.5.3 any increase in the authorised Share capital of the Company; and

22.5.4 the approval of amendments to this Memorandum of Incorporation."

In accordance with section 16(1)(c)(ii), read together with section 16(5)(b)(i), of the Companies Act, the name of the Company is changed to "eXtract Group Limited", with effect from the date set out in the amended registration certificate issued by the Companies and Intellectual Property Commission to the Company.

PRO FORMA FINANCIAL INFORMATION OF EQSTRA

The *pro forma* consolidated income statements for the financial periods 31 December 2015 and *pro forma* consolidated statements of financial position as at such dates (together, the "*pro forma* consolidated financial information") are presented below to provide information on how the Proposed Transaction might have impacted the results and financial position of the Eqstra Group. The *pro forma* financial information is presented in accordance with the Listings Requirements of the JSE, the *Guide on Pro Forma Financial Information* issued by The South African Institute of Chartered Accountants, ISAE 3420 and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS").

The *pro forma* consolidated financial information has been prepared for illustrative purposes only, in order to provide information about the financial position and results of Eqstra assuming the Proposed Transaction had been implemented at 31 December 2015 for statement of financial position purposes and with effect from 1 July 2015 for statement of comprehensive income purposes.

The *pro forma* consolidated financial information has been presented for illustrative purposes only and, because of its nature may not fairly present Eqstra's financial position, changes in equity, or results of operations or cash flows after the Proposed Transaction.

The compilation, contents and preparation of the *pro forma* consolidated financial information is the responsibility of the Eqstra Directors.

The *pro forma* consolidated financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the Eqstra Group's accounting policies.

The *pro forma* consolidated financial information as set out below should be read in conjunction with the Independent Reporting Accountant's report set out in Annexure 12 to this circular.

Pro forma condensed consolidated income statement for the six months ended 31 December 2015

The *pro forma* consolidated income statement for the six months ended 31 December 2015 has been prepared to show the impact of the Proposed Transaction as if the Proposed Transaction was effective 1 July 2015.

			The Proposed Transaction			
	Notes	***Pro forma* after the Excess Assets Disposal**	**Annexure 2 Subject Companies' adjustments**	**Issue of Eqstra Subscrip-tion Shares and MCC Preference Shares**	**Other *pro forma* adjust-ments**	***Pro forma* After the Proposed Transaction**
		Note 1	**Notes 2,3**	**Note 2**	**Notes 4,5,6,7,8,9**	**Note 2**
		R'million	**R'million**	**R'million**	**R'million**	**R'million**
Revenue		**4 113**	(2 531)	–	–	**1 582**
Profit from operations before depreciation, amortisation and recoupments		**1 372**	(1 051)	–	–	**321**
Depreciation and amortisation		**(910)**	690	–	–	**(220)**
Recoupments		**4**	(4)	–	–	**–**
Operating profit		**466**	(365)	–	–	**101**
Net foreign exchange losses		**(16)**	21	–	–	**5**
Transaction costs	**4**			–	(40)	**(40)**
Net impairment of tangible assets		**–**	30	–	(32)	**(2)**
Loss on sale of Subject Companies	**5**	**–**		–	(815)	**(815)**
Loss on sale of asset		**(767)**	–	–		**(767)**
Loss before net finance costs		**(317)**	(314)	–	(887)	**(1 518)**
Net finance costs	**6,7**	**(276)**	171	–	(45)	**(150)**
Loss before taxation		**(593)**	(143)	–	(932)	**(1 669)**
Income tax	**8**	**171**	50	–	1	**222**
Loss for the period from continuing operations		**(422)**	(93)	–	(931)	**(1 446)**
Loss from discontinued operations		**(616)**	104	–	–	**(512)**
Loss for the period		**(1 038)**	11	–	(931)	**(1 958)**
Attributable to:						
Owners of the parent		**(1 040)**	13	–	(931)	**(1 958)**
– Loss for the period from continuing operations		**(424)**	(91)	–	(931)	**(1 446)**
– Loss for the period from discontinued operations		**(616)**	104	–	–	**(512)**
Non-controlling interests		**2**	(2)	–	–	**–**
Loss for the period		**(1 038)**	11	–	(931)	**(1 958)**

	Pro forma after the Excess Assets Disposal Cents	The Proposed Transaction Cents	*Pro forma* After the Proposed Transaction Cents	Percentage change (%)
Basic and diluted EPS – continued operations (cents) (note 11)	(108.2)	(182.0)	(290.2)	(168%)
Basic and diluted EPS – discontinued operations (cents) (note 11)	(157.5)	54.8	(102.7)	35%
Total basic and diluted EPS (cents)	(265.7)	(127.2)	(392.9)	48%
Basic and diluted HEPS – continued operations (cents)	32.2	(47.7)	(15.5)	(148%)
Basic and diluted HEPS – discontinued operations (cents)	(27.3)	41.3	14.0	151%
Total basic and diluted HEPS (cents)	4.9	(6.4)	(1.5)	131%
NAV (cents)	703.3	(518.4)	184.9	(74%)
TNAV (cents)	646.9	(470.1)	176.8	(73%)
Eqstra Ordinary Shares in issue (millions)	405.5	506.9	506.9	25%
Weighted average number of Eqstra Ordinary Shares in issue (millions)	391.2	498.5	498.5	27%

Basis of preperation: The *pro forma* financial information has been prepared in line with the Transaction Agreement which assumes that the MCC Prefernce Shares of R600 million have been issued to enX and not yet redeemed, nor has enX exercised the enX call option. Notwithstanding the aforementioned, according to IFRS (IAS 33 Earnings per share), the potential exercise of the enX Call Option has been taken into account when calculating diluted earnings per share.

Notes:

1. The "*Pro forma* after the Excess Assets Disposal" information has been extracted, without adjustment, from the Excess Assets Disposal circular and is with reference to Eqstra's unaudited interim results for the six months ended 31 December 2015.
2. The "*Pro forma* after the Proposed Transaction" information is based on the assumption that the Proposed Transaction is effected on 1 July 2015 for the statement of comprehensive income purposes.
3. The financial information forming the basis of the Subject Companies is extracted from the unaudited interim results at 31 December 2015 included in Annexure 2 to this circular (with the Independent Reporting Accountant's Report on such information contained in Annexure 3 to this circular). The information in Annexure 2 to this circular has been prepared by aggregating the historical financial information relating to the statutory entities that will be disposed of to enX. There is thus a deconsolidation of the Subject Companies from Eqstra, the results of which have been included in Annexure 2 to this circular. The Eqstra Directors have satisfied themselves as to the accuracy thereof.
4. Once off transaction costs of R40 million have been included.
5. Included in EPS is the loss on sale of the Subject Companies amounting to R815 million as at 1 July 2015. It is calculated using proceeds of R1 107million, being the enX Consideration Shares received and the net asset values of the Subject Companies as at 1 July 2015. This is a once off loss.
6. Interest and commitment fees have been included according to the new Eqstra Group debt structure and term sheets, which are of a continuing nature. The commitment fee is amortised over the term of the bank loan. The rates on these loans are detailed in note 9 below.
7. R1 800 million of the New MCC Facility will be drawn down to repay existing intercompany debt. The R600 million and R101 million cash received from the issue of the MCC Preference Shares and Eqstra Subscription Shares, respectively, as well as the R700 million Second enX Loan will be used to repay the New MCC Facility and thus no interest is raised on cash amounts received. Any interest saving on the debt repaid is replaced by interest paid on the new debt structure.
8. Corporate taxation restructuring rules have been applied for the Proposed Transaction.
9. Assumptions used:
   a. The preference dividend, which is of a recurring nature, classified as finance costs is calculated at 13% per annum, compounded monthly.
   b. Interest on term debt, which is of a recurring nature, is 2.9% above 3 month JIBAR, compounded quarterly.
   c. Interest on the shareholder loans, which is of a recurring nature, is 4.5% above 3 month JIBAR, compounded monthly.
   d. Annual commitment fees on the General Banking Facility (GBF), which is of a recurring nature, are calculated at 0.6%pa on the undrawn facility.
10. For purposes of calculating the diluted earnings per share, the possible exercise of the enX Call Option will have an "anti-dilutive" effect by reducing the loss per Eqstra Ordinary Share.

Pro forma condensed consolidated statement of financial position as at 31 December 2015

The *pro forma* consolidated statement of financial position as at 31 December 2015 has been prepared to show the impact of the Proposed Transaction as if the Proposed Transaction was effective 31 December 2015.

			The Proposed Transaction			
		***Pro forma* after the Excess Assets Disposal**	**Annexure 2 Subject Companies' adjustments**	**Issue of Eqstra Subscription Shares and MCC Preference Shares**	**Other *pro forma* adjustments**	***Pro forma* After the Proposed Transaction**
		Note 1	**Notes 2,3**	**Notes 4,7,9,11**	**Notes 5, 6,8**	**Note 12**
	Notes	**R'million**	**R'million**	**R'million**	**R'million**	**R'million**
ASSETS						
Non-current assets		**8 734**	**(8 860)**	**–**	**2 449**	**2 323**
Intangible assets		229	(188)	–	–	41
Property, plant and equipment		382	(284)	–	–	98
Leasing assets		8 022	(5 881)	–	–	2 141
Deferred tax assets		83	(42)	–	–	41
Finance lease receivables		4	(3)	–	–	1
Amounts owing to related parties		–	(2 436)	–	2 436	–
Other investments and loans		14	(26)	–	13	1
Current assets		**3 573**	**(2 216)**	**701**	**(731)**	**1 327**
Finance lease receivables		4	(3)	–	–	1
Other investments and loans		89	–	–	–	89
Inventories		1 108	(960)	–	–	148
Trade and other receivables and derivatives		1 887	(903)	–	13	997
Taxation in advance		18	(17)	–	–	1
Assets held for sale		34	(33)	–	–	1
Cash and cash equivalents	4	433	(300)	701	(744)	90
Total assets		**12 307**	**(11 076)**	**701**	**1 718**	**3 650**

				The Proposed Transaction		
		Pro forma after the Excess Assets Disposal	Annexure 2 Subject Companies' adjustments	Issue of Eqstra Subscription Shares and MCC Preference Shares	Other *pro forma* adjustments	*Pro forma* After the Proposed Transaction
		Note 1	Notes 2,3	Notes 4,7,9,11	Notes 5, 6,8	Note 12
	Notes	R'million	R'million	R'million	R'million	R'million
EQUITY AND LIABILITIES						
Equity						
Equity attributable to owners of the parent	5	2 852	(1 936)	99	(78)	937
Non-controlling interests		27	(26)	–	–	1
Total equity	2	**2 879**	**(1 962)**	**99**	**(78)**	**938**
Non-current liabilities		**5 819**	**(5 615)**	**600**	**1 346**	**2 150**
Interest-bearing borrowings	4,6	5 212	(5 018)	–	1 346	1 540
Preference shares	6	–	–	600	–	600
Deferred tax liabilities		607	(597)	–	–	10
Current liabilities		**3 609**	**(3 499)**	**2**	**450**	**562**
Current portion of interest-bearing borrowings	6	1 781	(2 185)	–	404	–
Amounts received from related parties		–	(13)	–	13	–
Trade and other payables, provisions and derivatives		1 772	(1 251)	–	33	554
Liabilities directly associated with assets held for sale		19	(19)	–	–	–
Current tax liabilities		37	(31)	2	–	8
Total equity and liabilities		**12 307**	**(11 076)**	**701**	**1 718**	**3 650**

Notes:

1. The "*Pro forma* after the Excess Assets Disposal" information has been extracted, without adjustment, from the Excess Assets Disposal circular with reference to Eqstra's unaudited interim results for the six months ended 31 December 2015.
2. The "*Pro forma* after the Proposed Transaction" information is based on the assumption that the Proposed Transaction was effected on 31 December 2015 for the statement of financial position purposes.
3. The financial information forming the basis of the Subject Companies is extracted from the unaudited interim results at 31 December 2015 included in Annexure 2 to this circular (with the Independent Reporting Accountant's Report on such information contained in Annexure 3 to this circular). The information in Annexure 2 to this circular has been prepared by aggregating the historical financial information relating to the statutory entities that will be disposed of to enX. There is thus a deconsolidation of the Subject Companies from Eqstra, the results of which have been included in Annexure 2 to this circular. The Eqstra Directors have satisfied themselves as to the accuracy thereof.
4. R1 800 million of the New MCC Facility will be drawn down to repay existing intercompany debt. The R600 million and R101 million cash received from the issue of the MCC Preference Shares and Eqstra Subscription Shares, respectively, as well as the R700 million Second enX Loan will be used to repay the New MCC Facility. There has been no draw down on the general banking facility (GBF).
5. The loss on sale of Subject Companies of R815 million as at 31 December 2015 was calculated for the statement of financial position, using the net asset value of the Subject Companies as at 31 December 2015.
6. Debt instruments have been included according to the new Eqstra Group debt structure and term sheets as detailed in paragraph 11.1 of this circular.
7. The MCC Preference Share terms are assumed to be at fair value and are accounted for as debt instruments. The enX Call Option held by enX to subscribe for Eqstra Ordinary Shares after 3 years from the proceeds received on the redemption of the MCC Preference Shares comprises an equity option carried at Rnil.
8. The terms of the enX Loans granted to MCC are assumed to be a fair value.
9. The value received for the Eqstra Subscription Shares of R1 per share is deemed to be at fair value at the date of the Proposed Transaction and hence has no impact on the value used as proceeds on the Disposal.
10. The enX Consideration Shares received as consideration (amounting to R1 107 million) are immediately unbundled to Eqstra Ordinary Shareholders and thus not shown in the table above.
11. Securities tax of 0.25% has been calculated on the issue of the Eqstra Subscription Shares and the MCC Preference Shares to enX. This cost has been deducted in equity.
12. There are no subsequent events that require adjustment to the *pro forma* financial information.

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

"16 August 2016

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO SHAREHOLDERS

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Eqstra Holdings Limited ("the group") by the directors. The *pro forma* financial information, as set out in paragraph 15 and Annexure 11 of the circular ("the circular"), to be dated on or about 16 August 2016, consists of *pro forma* condensed consolidated income statement and pro forma condensed consolidated statement of financial position for the six months ended 31 December 2015 and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited 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 group's financial position as at 31 December 2015, and the group's financial performance for the period then ended, as if the corporate action or event had taken place at 1 July 2015, being the commencement date of the financial period for the purposes of the income statement and at 31 December 2015, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the group's financial position and financial performance has been extracted by the directors from the group's unaudited financial statements for the six months period ended 31 December 2015 and the circular containing the *pro forma* effects after the excess assets disposal.

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 Limited Listings Requirements and described in paragraph 15 and Annexure 11 of the circular.

Quality control

The firm applies International Standard on Quality Control 1 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.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountant's 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 Limited 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 Limited 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.

As 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 group 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 31 December 2015 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 group, 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 Limited Listings Requirements and described in paragraph 15 and **Annexure 11** of the circular.

Yours faithfully

Deloitte & Touche
Registered Auditors
Per M Rayfield
Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)"

PRO FORMA FINANCIAL INFORMATION OF enX

Set out below is an extract from the enX circular reflecting the *pro forma* financial effects of the transactions being considered by enX in order to give effect to the Proposed Transaction. For further information on the extracted pro forma financial effects set out below, Eqstra Ordinary Shareholders are referred to the enX circular and to enX's website (www.enxgroup.co.za).

The *pro forma* financial information (the "**financial effects**") of the transaction on enX's net asset value per share, net tangible asset value per share, earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share for the six months ended 29 February 2016 are set out below. The financial effects are the responsibility of the directors of enX and have been prepared for illustrative purposes only to provide enX's shareholders with information on how the transaction may have impacted on the historical financial results of enX for the six months ended 29 February 2016. Due to their nature, the financial effects may not give a fair reflection of enX's financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

The financial effects are presented in accordance with the JSE Listings Requirements, the Guide on *Pro forma* Financial Information issued by The South African Institute of Chartered Accountants and the measurement and recognition requirements of IFRS.

The financial effects have been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of enX's accounting policies as at 31 August 2015.

The tables below reflect the financial effects of the transaction on an enX shareholder.

Statement of financial position

Rm's	Note	enX last published results[1]	Post balance sheet events	enX after post balance sheet events[2]	enX share consoli-dation	Before Eqstra trans-action[3]	Eqstra transaction: IE/FML Acqui-sition[4.2]	Eqstra transaction: IE/FML Purchase price allocation[4.5]	Eqstra transaction: Capital raise[4.4]	Eqstra transaction: CMRP recapital-isation[4.3]	After Eqstra Trans-action[4]
Assets											
Non current assets		319	159	478	–	**478**	7 190	170	–	1 401	**9 239**
Property, plant and equipment		119	6	125	–	**125**	284	–	–	–	**409**
Goodwill and intangibles	4.6	186	150	336	–	**336**	188	163	–	–	**687**
Leased assets		–	–	–	–	**–**	5 881	–	–	–	**5 881**
Finance lease receivables		–	–	–	–	**–**	3	–	–	–	**3**
Deferred taxation		14	3	17	–	**17**	42	–	–	–	**59**
Investment in associates		–	–	–	–	**–**	114	–	–	–	**114**
Other financial assets		–	–	–	–	**–**	678	7	–	1 401	**2 086**
Current assets		657	357	1 014	–	**1 014**	2 216	–	1 434	(1 401)	**3 263**
Inventories		351	193	544	–	**544**	960	–	–	–	**1 504**
Trade and other receivables		243	203	446	–	**446**	839	–	–	–	**1 285**
Taxation receivable		–	–	–	–	**–**	17	–	–	–	**17**
Other current assets		–	–	–	–	**–**	67	–	–	–	**67**
Assets held for sale		–	–	–	–	**–**	33	–	–	–	**33**
Bank and cash		63	(39)	24	–	**24**	300	–	1 434	(1 401)	**357**
Total assets		976	516	1 492	–	**1 492**	9 406	170	1 434	–	**12 502**

Statement of financial position (continued)

R millions	enX last published results[1]	Post balance sheet events	enX after post balance sheet events[2]	enX share consoli-dation	Before Eqstra trans-action[3]	Eqstra transaction: IE/FML Acqui-sition[4.2]	Eqstra transaction: IE/FML Purchase price allocation[4.5]	Eqstra transaction: Capital raise[4.4]	Eqstra transaction: CMRP recapital-isation[4.3]	After Eqstra Trans-action[4]
Stated capital	559	76	635	–	**635**	1 107	–	1 434	–	**3 176**
Accumulated profits	133	–	133	–	**133**	953	89	–	–	**1 175**
Non-controlling interests	–	(2)	(2)	–	**(2)**	26	–	–	–	**24**
Non-current liabilities	43	140	183	–	**183**	3 815	81	–	–	**4 079**
Interest-bearing liabilities	27	59	86	–	**86**	3 218	–	–	–	**3 304**
Vendor loans payable	8	49	57	–	**57**	–	–	–	–	**57**
Other financial liabilities	–	19	19	–	**19**	–	–	–	–	**19**
Deferred taxation	8	13	21	–	**21**	597	81	–	–	**699**
Current liabilities	241	302	543	–	**543**	3 505	–	–	–	**4 048**
Trade and other payables	225	167	392	–	**392**	1 266	–	–	–	**1 658**
Interest-bearing liabilities	11	45	56	–	**56**	2 185	–	–	–	**2 241**
Vendor loans payable	5	20	25	–	**25**	–	–	–	–	**25**
Bank overdraft	–	69	69	–	**69**	–	–	–	–	**69**
Taxation payable	–	1	1	–	**1**	31	–	–	–	**32**
Liabilities associated with assets held for sale	–	–	–	–	**–**	19	–	–	–	**19**
Other current liabilities	–	–	–	–	**–**	4	–	–	–	**4**
Total equity and liabilities	976	516	1 492	–	**1 492**	9 406	170	1 434	–	**12 502**
Number of shares in issue	562 327 001	37 688 652	600 015 653	(545 468 775)	**54 546 878**	52 715 390	–	71 428 571	–	**178 690 839**
Net asset value per share (cents)	123.1		127.7		**1 404.3**					**2 448.4**
Net tangible asset value per share (cents)	91.1		72.7		**799.8**					**2 113.0**

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 29 February 2016.

2. The figures set out in the "enX after post balance sheet events" column above reflect the *pro forma* effects on the last enX published results after taking into account the following transactions and assumptions:

   2.1 The 'Shares issued for cash' totalling 7,6 million shares for an aggregate subscription amount of R17,5 million, as noted in the SENS announcement dated 8 April 2016, have been issued on 29 February 2016 for net asset value per share and tangible net asset value per share purposes.

   2.2 The acquisition of all the issued shares and shareholders claims in West African International Proprietary Limited and its subsidiaries ("**WAI Group**") for a preliminary purchase consideration of R250 million as noted in the SENS announcement dated 19 February 2016. The WAI acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements. Given the significance of the WAI acquisition, enX believes it is appropriate to include this transaction to better reflect the financial position of the Company.

      2.2.1 The WAI Group acquisition is assumed to have been implemented on 29 February 2016 for net asset value per share and tangible net asset value per share purposes.

      2.2.2 The WAI Group figures have been extracted from the reviewed management accounts of the WAI Group for the six months ended 31 December 2015. These management accounts have been reviewed by the independent reporting accountants and enX management is satisfied with the quality of these management accounts.

      2.2.3 All the shares to be issued and the funding required for the transaction have been raised.

      2.2.4 The present values of all vendor loans have been raised.

      2.2.5 The excess of R117.6 million of the purchase consideration over WAI Group tangible net asset value has been allocated to goodwill (R83.8 million) and intangible assets (R47.0 million), based on a preliminary purchase price assessment. A deferred tax liability is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition.

3. The figures set out in the "Before Eqstra transaction" column above reflect the *pro forma* effects on the "enX Post Balance sheet events" resulting from the enX share consolidation on a 11 to 1 basis, which will take place prior to the Eqstra transaction. The effect of this will be that the approximate 600 million shares in issue, after the post balance sheet events, will be consolidated to 54.5 million shares.

4. The figures set out in the "After Eqstra transaction" column above reflect the *pro forma* effects on the "Before Eqstra transaction" resulting from the Eqstra transaction and the specific issue after taking into account the following transactions and assumptions.

   4.1 The Eqstra transaction is assumed to have been implemented on 29 February 2016 for net asset value per share and tangible net asset value per share purposes.

   4.2 The Eqstra IE and FML figures have been extracted from the reviewed interim accounts of the Eqstra IE and FML divisions for the six months ended 31 December 2015. enX management is satisfied with the quality of these interim accounts. The interim accounts have been incorporated into the circular by reference, as detailed in paragraph 36 of the enX circular.

   4.3 enX's funding instruments into Eqstra CMPR division have been fairly valued, using market data at 29 February 2016.

   4.4 enX has raised R1.44 billion of cash (net of underwriters' costs) via an issue of 71 428 571 shares, which is used to fund its commitments in terms of the Eqstra transaction. Any excess money raised from the issue of shares, after estimated once off transaction costs of R18 million are deducted, will be used to settle enX's existing debt and will result in an after tax interest saving of 7.6% per annum. This interest saving adjustment will have a continuing impact.

   4.5 The excess purchase consideration arising on the Eqstra transaction has been allocated to 'gain on purchase price' (R1.1 billion), intangible assets (R163 million) and MCC preference shares (R7 million) based on a preliminary purchase price assessment. A deferred tax liability (R81 million) is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition,

   4.6 The 'gain on the purchase price' arising on the Eqstra transaction has been accounted for in terms of IFRS 3 (Business combinations).

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

Statement of comprehensive income

R millions	Notes	enX last published results[1]	Post balance sheet events[2.2]	enX after post balance sheet events[2]	enX share con-solidation	Before Eqstra trans-action[3]	Eqstra transaction: IE/FML Acquis-ition[4.2]	Eqstra transaction: IE/FML Purchase price allocation	Eqstra transaction: Capital raise[4.6]	Eqstra transaction: CMRP recapital-isation[4.4]	After Eqstra Trans-action[4]
Revenue		518	479	997	–	**997**	2 531	–	–	–	**3 528**
Other operating income	4.5	1	9	10	–	**10**	4	–	–	39	**53**
Net operating expenses		(477)	(463)	(940)	–	**(940)**	(1 501)	–	–	–	**(2 441)**
Depreciation and amortisation	4.7	(8)	(1)	(9)	–	**(9)**	(690)	(17)	–	–	**(716)**
IFRS2 share appreciation rights charge		(7)	–	(7)	–	**(7)**	–	–	–	–	**(7)**
Profit from operations before interest and taxation		27	24	51	–	**51**	344	(17)	–	39	**417**
Net impairment of assets		–	–	–	–	**–**	(30)	–	–	–	**(30)**
IFRS3 charges (gain on purchase price/transaction costs)	4.8	–	–	–	–	**–**	–	1 042	–	–	**1 042**
Loss of equity accounted investments	4.3	–	–	–	–	**–**	–	–	–	(232)	**(232)**
Net interest (paid)/ received		(2)	(11)	(13)	–	**(13)**	(171)	–	1	(5)	**(188)**
Interest received	4.5	1	–	1	–	**1**	119	–	–	42	**162**
Interest paid		(3)	(11)	(14)	–	**(14)**	(290)	–	1	(47)	**(350)**
Losses from discontinued operations		–	–	–	–	**–**	(104)	–	–	–	**(104)**
Profit before taxation		25	13	38	–	**38**	39	1 025	1	(198)	**905**
Taxation expense		(7)	(4)	(11)	–	**(11)**	(60)	5	–	1	**(65)**
Total comprehensive income		18	9	27	–	**27**	(21)	1 030	1	(197)	**840**
Number of shares in issue		562 327 001	37 688 652	600 015 653	(545 468 775)	**54 546 878**	52 715 390	–	71 428 571	–	**178 690 839**
Weighted average number of share in issue		559 252 947		600 015 653		**54 546 878**					**178 690 839**
Diluted number of shares		559 252 947	40 016 437	602 343 438	(543 140 991)	**56 874 663**					**181 018 624**
Earnings per share (cents)		3.1		4.5		**49.5**					**470.1**
– Continued operations		3.1		4.5		**49.5**					**528.3**
– Discontinued operations		–		–		**–**					**(58.2)**

Statement of comprehensive income (continued)

R millions	Notes	enX last published results(1)	Post balance sheet events(2.2)	enX after post balance sheet events(2)	enX share con-solidation	Before Eqstra trans-action(3)	Eqstra transaction: IE/FML Acquis-ition(4.2)	Eqstra transaction: IE/FML Purchase price allocation	Eqstra transaction: Capital raise(4.6)	Eqstra transaction: CMRP recapital-isation(4.4)	After Eqstra Trans-action(4)
– Continued operations		3.1		4.5		**49.5**					**76.6**
– Discontinued operations		–		–		**–**					**(51.5)**
Diluted earnings per share (cents)		3.1		4.4		**47.5**					**464.0**
– Continued operations		3.1		4.4		**47.5**					**521.5**
– Discontinued operations		–		–		**–**					**(57.5)**
Diluted headline earnings per share (cents)		3.1		4.4		**47.5**					**24.8**
– Continued operations		3.1		4.4		**47.5**					**75.6**
– Discontinued operations		–		–		**–**					**(50.8)**
Reconciliation of headline earnings											
Reconciliation of headline earnings											
Total comprehensive income		18	9	27	–	**27**	(21)	1 030	1	(197)	**840**
Continued operations:		–	–	–	–	**–**	223	(1 030)	–	–	**(807)**
– Gain on purchase price arising on IFRS 3 transaction		–	–	–	–	**–**	0	(1 060)	–	–	**(1 060)**
– Net impairments on financial assets							–	30	–	–	**30**
– Net impairments on leasing and other assets (within associate)		–	–	–	–	**–**	237	–	–	–	**237**
– Tax effects (within associate)		–	–	–	–	**–**	(15)	–	–	–	**(15)**
Discontinued operations:		–	–	–	–	**–**	12	–	–	–	**12**
– Net impairments on leasing assets		–	–	–	–	**–**	9	–	–	–	**9**
– Tax effect		–	–	–	–	**–**	3	–	–	–	**3**
Headline earnings		18	9	27	–	**27**	214	–	1	(197)	**45**

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 29 February 2016.

2. The figures set out in the "enX after post balance sheet events" column above reflect the *pro forma* effects on the last enX published results after taking into account the following transactions and assumptions:

   2.1 The 'Shares issued for cash' totalling 7,6 million shares for an aggregate subscription amount of R17,5 million, as noted in the SENS announcement dated 8 April 2016, have been issued on 1 September 2015 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.

   2.2 The acquisition of all the issued shares and shareholders claims in West African International Proprietary Limited and its subsidiaries ("**WAI Group**") for a preliminary purchase consideration of R250 million as noted in the SENS announcement dated 19 February 2016. The WAI acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements. Given the significance of the WAI acquisition, enX believes it is appropriate to include this transaction to better reflect the financial position of the Company.

      2.2.1 The WAI Group acquisition is assumed to have been implemented on 1 September 2015 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.

      2.2.2 The WAI Group figures have been extracted from the reviewed management accounts of the WAI Group for the six months ended 31 December 2015. These management accounts have been reviewed by the independent reporting accountants and enX management is satisfied with the quality of these management accounts.

      2.2.3 All the shares to be issued and the funding required for the transaction have been raised. An effective after tax interest rate of 7.8% per annum on the proposed funding raised has been recorded for the six months ended 29 February 2016, which adjustment will have a continuing effect.

      2.2.4 The excess of R117.6 million of the purchase consideration over WAI Group tangible net asset value has been allocated to goodwill (R83.8 million) and intangible assets (R47.0 million), based on a preliminary purchase price assessment. A deferred tax liability is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition.

      2.2.5 Intangible assets arising from the WAI Group acquisition are not amortised as management believe that they have an indefinite useful life.

      2.2.6 In terms of the calculation for the number of diluted shares, the 30 day VWAP at 29 February 2016 of R1.92 was used.

3. The figures set out in the "Before Eqstra transaction" column above reflect the *pro forma* effects on the "enX Post Balance sheet events" resulting from the enX share consolidation on a 11 to 1 basis, which will take place prior to the Eqstra transaction. The effect of this will be that the approximate 600 million shares in issue, after the post balance sheet events, will be consolidated to 54.5 million shares.

4. The figures set out in the "After Eqstra transaction" column above reflect the *pro forma* effects on the "Before Eqstra transaction" resulting from the Eqstra transaction and specific issue.

   4.1 The Eqstra transaction is assumed to have been implemented on 1 September 2015 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.

   4.2 The Eqstra IE and FML figures have been extracted from the reviewed interim accounts of the Eqstra IE and FML divisions for the six months ended 31 December 2015. enX management is satisfied with the quality of these interim accounts. The interim accounts have been incorporated into the circular by reference, as detailed in paragraph 36 of the enX circular.

   4.3 enX's has equity accounted its stake in Eqstra's ordinary shares, using the extracted figures from the interim accounts of Eqstra CMPR division for the six months ended 31 December 2015. enX management is satisfied with the quality of these interim accounts.

   4.4 enX's funding instruments into Eqstra CMPR division have been fairly valued, using market data at 29 February 2016.

   4.5 Interest income of R42.5 million and preference dividends of R39 million due to enX from the funding instruments into Eqstra CMPR division have been fully accounted for and is of a continuing nature.

   4.6 enX has raised R1.44 billion of cash (net of underwriters' costs) via an issue of 71 428 571 shares, which is used to fund its commitments in terms of the Eqstra transaction. Any excess money raised from the issue of shares, after estimated once off transaction costs of R18 million are deducted, will be used to settle enX's existing debt and will result in an after tax interest saving of 7.6% per annum. This interest saving adjustment will have a continuing impact.

   4.7 Intangible assets arising from the Eqstra transaction are amortised over an average period of 8.8 years due to the nature of the intangibles.

   4.8 The 'gain on purchase price' arising on the Eqstra transaction has been accounted for in terms of IFRS 3 (Business combinations).

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

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

Set out below is an extract from the enX circular reflecting the independent reporting accountant's assurance report on the *pro forma* financial effects of the transactions being considered by enX in order to give effect to the Proposed Transaction. For further information on the extracted *pro forma* financial effects set out in Annexure 13 to this circular, together with the independent reporting accountant's report, Eqstra Ordinary Shareholders are referred to the enX circular and to enX's website (www.enxgroup.co.za).

"16 August 2016

The Directors
enX Group Limited
11 Crescent Drive
Melrose Arch, Johannesburg
2196

Dear Sirs/Madam

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR FOR enX GROUP LIMITED

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of enX Group Limited (the Company) by the directors. The *pro forma* financial information, as set out in **Annexure 1** of the circular ("**the circular**"), to be dated on or about 24 August 2016, consists of the statement of comprehensive income and the 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 29 February 2016 and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 September 2015, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 29 February 2016, being the last day of the financial period for the purposes of the statement of financial position. 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 interim financial results for the six months ended 29 February 2016.

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 **Annexure 1** of the circular.

Quality control

The firm applies International Standard on Quality Control 1 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.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting accountant's 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.

As 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 29 February 2016 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 judgment, 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 **Annexure 1** of the circular.

Deloitte & Touche
Registered Auditors
Per: Sebastian Benedikt Field Carter
Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196
(Private Bag X6 Gallo Manor 2052)"

SHARE PRICE HISTORY OF EQSTRA ORDINARY SHARES

Daily

The highest, lowest and closing price of Eqstra Ordinary Shares on the JSE for each trading day over the 30 days preceding the Last Practicable Date and the daily volume are as follows:

Daily	High (cents)	Low (cents)	Close (cents)	Volume (shares)	Value (R)
August 2016					
Friday, 12	280	270	275	812 392	2 246 270
Thursday, 11	280	272	278	16 688	45 878
Wednesday, 10	280	271	280	432 080	1 193 047
Monday, 8	281	273	275	264 389	739 068
Friday, 5	276	272	275	1 008 826	2 772 362
Thursday, 4	280	270	272	508 230	1 393 879
Tuesday, 2	283	272	279	7 768 085	20 656 601
Monday, 1	286	275	280	698 847	1 968 902
July 2016					
Friday, 29	280	275	278	486 122	1 355 498
Thursday, 28	284	275	280	789 593	2 217 681
Wednesday, 27	287	276	280	482 272	1 352 207
Tuesday, 26	290	281	285	439 507	1 255 875
Monday, 25	300	288	290	1 272 335	3 730 457
Friday, 22	300	285	300	3 288 333	9 648 107
Thursday, 21	290	278	289	1 897 112	5 437 839
Wednesday, 20	282	275	282	1 213 847	3 380 341
Tuesday, 19	278	270	271	903 065	2 463 191
Monday, 18	278	270	272	368 052	999 127
Friday, 15	278	275	278	293 216	811 393
Thursday, 14	291	272	278	2 297 427	6 473 181
Wednesday, 13	273	270	270	1 544 520	4 184 738
Tuesday, 12	272	262	270	5 683 284	15 197 506
Monday, 11	266	261	266	1 644 262	4 356 783
Friday, 8	265	252	265	3 469 481	8 888 195
Thursday, 7	255	249	253	3 193 064	8 064 049
Wednesday, 6	255	240	249	3 080 226	7 763 686
Tuesday, 5	265	247	251	14 352 113	37 922 715
Monday, 4	270	260	260	1 676 335	4 436 542
Friday, 1	276	260	267	33 960 761	92 225 636
June 2016					
Thursday, 30	295	245	260	25 608 731	69 107 027

Monthly

The highest, lowest and closing highest price of Eqstra Ordinary Shares on the JSE for the previous 12 months and the aggregated monthly volume is as follows:

Monthly	High (cents)	Low (cents)	Close (cents)	Volume (shares)	Value (R)
2016					
July	300	240	278	82 334 927	222 164 747
June	295	202	260	32 571 692	84 807 126
May	228	191	205	7 781 076	16 182 423
April	240	155	221	23 759 466	48 492 074
March	214	155	155	21 004 721	37 319 134
February	278	168	187	27 360 889	61 233 142
January	260	191	246	23 910 776	50 488 702
2015					
December	249	150	221	22 189 071	42 738 253
November	269	220	240	20 675 262	50 744 881
October	288	243	259	23 242 082	62 256 798
September	334	265	285	39 177 581	117 869 345
August	317	196	282	120 550 291	293 244 675

Source: JSE

MATERIAL LOANS

Eqstra through its subsidiary, Eqstra Corporation, entered into a Common Terms Agreement ("CTA") with various banks in 2008 that determines the terms of the loans made to the Eqstra Group. Loans have been entered into to meet the requirements of the Eqstra Group and are utilised based on Group capital requirements. Each bank then negotiates separately the rates of the various facilities. Major Subsidiaries of Eqstra form part of the guarantee structure. None of the loans have conversion or redemption rights.

A. Eqstra Group's funding facilities as at 31 December 2015

Set out in the table below are details of the Eqstra Group's funding facilities as at 31 December 2015:

R'million			Facility size	Utilised	Headroom
RSA bank debt	General banking facility		900	710	190
	Liquidity facility		1 000	820	180
	Term facility		2 628	2 628	–
Botswana bank debt	General banking facility		28	–	28
	Term facility		263	263	–
ECE backed debt	US Ex-Im and Coface		136	136	–
Total			**4 955**	**4 557**	**398**
RSA non-bank debt	**Bond**	**Maturity date**		1 853	
	Commercial paper	22 Mar 2016		100	
	EQS09	29 Nov 2016		100	
	EQS05	25 Apr 2017		900	
	EQS06	09 Apr 2018		340	
	EQS07	09 Apr 2018		106	
	EQS08A	04 Oct 2018	Amortising	279	
Botswana non-bank debt	Private placement	05 Sep 2018		28	
Total CMA funding				**6 410**	**398**
			1 397	1 060	337
Rest of World – Other			334	334	–
Total funding				**7 804**	**735**
Cash and cash equivalents				(433)	433
Net funding				**7 371**	**1 168**

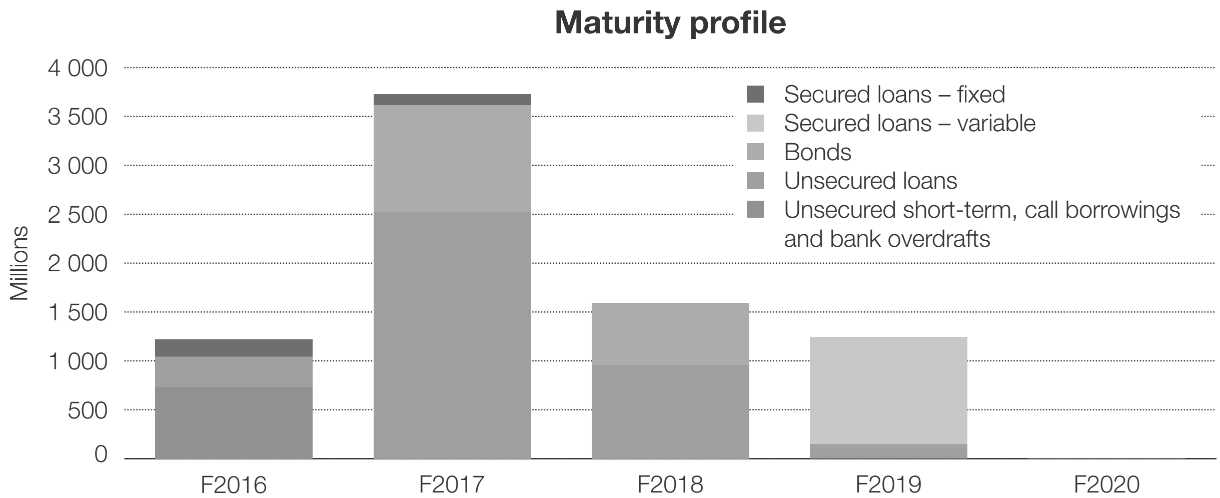
Interest rate analysis	Notes	31 December 2015 Effective rates %	31 December 2015 Analysis of debt Rm
Fixed			
– Secured loans	(1)	5.36%	259
Variable linked			
– Capitalised finance leases			
– Secured loans – UK	(2)	2.9% – 6.08%	1 060
– Secured loans – Other	(3)	2.9% – 6.08%	53
– Unsecured loans	(4)	6% – 9.48%	3 841
– Unsecured short-term, call borrowings and bank overdrafts	(5)	6.6% – 23.5%	738
– Bonds	(6)	8.11% – 11.13%	1 853
			7 804

(1) Comprises a CAT finance loan in Mozambique. The loan is secured by the leasing assets in Mozambique.
(2) Comprises a secured loan in the United Kingdom (HSBC Bank plc). The loan is secured by the leasing assets in the United Kingdom.
(3) Comprises a secured loan in Mozambique (FirstRand Bank Limited). The loan is secured by Mozambique plant hire assets.
(4) Represents unsecured loans South Africa (ABSA Bank Limited, Nedbank Limited, FirstRand Bank Limited, The Standard Bank of South Africa Limited, Standard Chartered and HSBC Bank plc), Zambia (Stanbic) and Botswana (Momentum).
(5) Represents call accounts in South Africa (ABSA Bank Limited, Nedbank Limited, FirstRand Bank Limited, The Standard Bank or South Africa Limited, Standard Bank (Swaziland) and HSBC Bank plc) and Botswana (FirstRand Bank Limited).
(6) Represents unsecured listed bonds (refer below).

December 2015 SA Bond debt – unsecured and listed

RSA non-bank debt	Bond	Maturity date	Interest rates	1 753
	EQS09	29 Nov 2016	9.0%	100
	EQS05	25 Apr 2017	9.99%	900
	EQS06	09 Apr 2018	9.78%	340
	EQS07	09 Apr 2018	8.655%	106
	EQS08A	04 Oct 2018	9.233%	279
Botswana non-bank debt	Private placement	05 Sep 2018	4%	28

The current repayment profile before finalisation of the refinancing package is as follows:



B. Subject Companies' funding facilities as at 31 December 2015

The funding facilities and interest rate tables, as disclosed above, are relevant for the Subject Companies, excluding the Botswana and Rest of World debt (separately shown in the table above). The funding facilities post the implementation of the Proposed Transaction for the Subject Companies will be entered into between enX and the New Lenders. Details of these facilities are disclosed in the enX circular.

C. Eqstra Group's funding facilities post the implementation of the Proposed Transaction

Set out in the table below are details of the Eqstra Group's funding facilities post the implementation of the Proposed Transaction. None of the loans have conversion or redemption rights save the MCC preference shares:

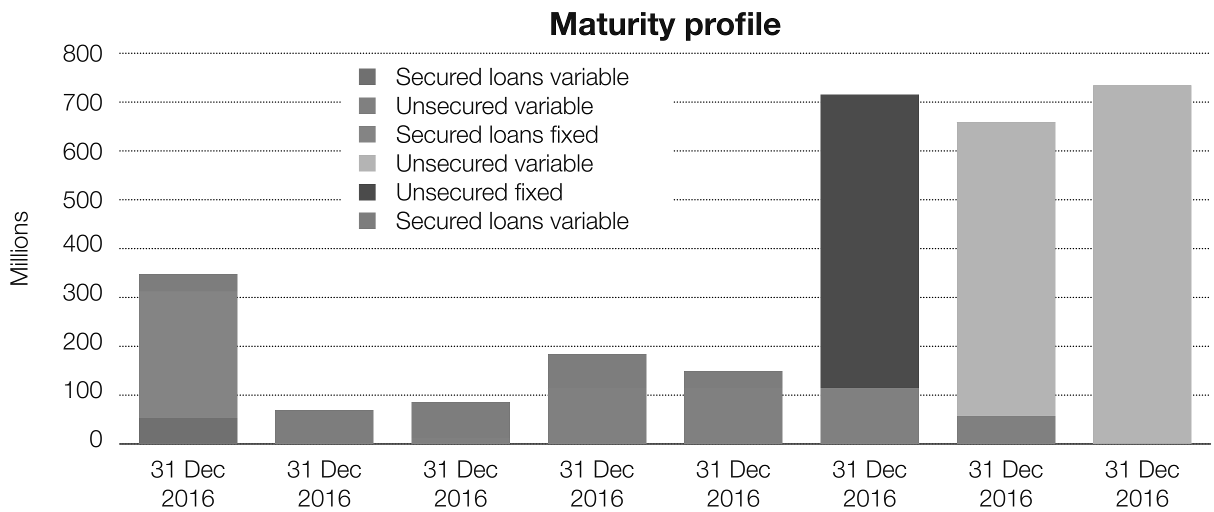
R'million		Facility size	Utilised	Headroom
RSA bank debt	General banking facility	200	–	200
	Term facility	415	415	–
Botswana bank debt	General banking facility	28	–	28
	Term facility	291	291	–
MCC Preference Shares	enX	600	600	–
Mozambique loan	CAT finance	259	259	–
	FirstRand Bank Limited, acting through its Rand Merchant Bank	54	54	–
Mezzanine loans	enX	1333	1333	–
Total		**3 180**	**2 952***	**228**

** This figure reconciles to the liabilities in Annexure 11 of R1,540 million by subtracting R812 million applicable to the Excess Assets Disposal and R600 million of MCC Preference Shares.*

Interest rate analysis	Notes	Effective rates %	Analysis of debt Rm
Fixed			
– Secured loans	(1)	5.36%	259
– Unsecured loans	(2)	4%	28
Variable linked			
– Secured loans	(3)	3.50% – 9.5%	317
– Unsecured preference shares	(4)	13% NACQ	600
– Unsecured shareholder's loans	(5)	JIBAR + 450bps	1 333
– Unsecured loans	(6)	10% – 11%	415
		3.76% – 11%	**2 952**

(1) Comprises a CAT finance loan in Mozambique. The loan is secured by the leasing assets in Mozambique.
(2) Represents unsecured loans in Botswana (Momentum).
(3) Represents secured loans in Mozambique (RMB) and Botswana (Standard Chartered).
(4) Represents the MCC Preference Shares held by enX.
(5) Represents the Second enX Loan granted by enX.
(6) Represents term debt held with the New Lenders.
(7) Proceeds from the Excess Assets Disposal, as detailed in the Excess Assets Disposal Circular, will be utilised to repay debt. The R2 952 million does not take these cash flows into account. The Group remains committed to de-gearing the Company.

The repayment profile will be as follows:



SALIENT TERMS OF THE MCC PREFERENCE SHARES

Set out below are the salient rights, privileges and conditions attaching to the MCC Preference Shares:

1. **GENERAL**

1.1 A coupon equivalent to an after tax rate of 13% NACQ.

1.2 Subordinate to bank debt, but will rank *pari passu* as to payment with the enX Loans.

1.3 No dividends may be declared or paid on any Eqstra Ordinary Share for so long as any dividend on the MCC Preference Shares is in arrears and for so long as the MCC Preference Shares have not been redeemed in full (as with any bank funding, no distributions may be made until the debt has been extinguished. Accordingly, MCC is not entitled to make a distribution to Eqstra until the MCC Preference Shares have been redeemed. As such, Eqstra will not be able to declare any dividend to the Eqstra Ordinary Shareholders, as its primary source of income is distributions from MCC).

2. **REDEMPTION**

2.1 **Redemption Amount**

Redemption Amount means in relation to each MCC Preference Share, the aggregate of the following amounts as at the applicable redemption date:

2.1.1 the issue price of such MCC Preference Share (R15 million per MCC Preference Share); plus

2.1.2 all undeclared and/or unpaid preference dividends in respect of such MCC Preference Share; and

2.1.3 any other amount payable in accordance with the terms and conditions of the MCC Preference Shares by MCC to the preference shareholder holding such MCC Preference Share.

2.2 **Voluntary Redemption**

2.2.1 MCC shall on any date be entitled to voluntarily redeem the MCC Preference Shares ("Voluntary Redemption"), provided that the MCC Preference Shares may only be redeemed during the first 3 years and 1 day ("Initial Period") from the initial subscription from the proceeds of a refinancing and further provided that during the Initial Period any such Voluntary Redemption shall be in full and not in part.

2.2.2 MCC shall be obliged to pay any and all accrued and/or accumulated preference dividends on all of the MCC Preference Shares to be redeemed pursuant to such Voluntary Redemption.

2.3 **Mandatory Redemption**

2.3.1 MCC shall on or before the date which is 5 years after the date on which the MCC Preference Shares were issued ("Scheduled Redemption Date"), be obliged to have redeemed 100% (one hundred per cent) of the MCC Preference Shares that have not been previously redeemed.

2.3.2 If a Redemption Event occurs, as defined in paragraph 2.4 below, or if, *inter alia*, it becomes illegal for the MCC preference shareholder to hold the MCC Preference Shares, then the MCC Preference Shares shall immediately become redeemable by MCC following the receipt of written notice from the MCC preference shareholder.

2.4 **Redemption Events**

The MCC Preference Shares shall forthwith be redeemed upon the occurrence of any one of the following events (each, a "Redemption Event"), whether or not caused by or for any reason whatsoever outside the control of MCC, namely:

2.4.1 the failure of MCC to declare any preference dividend on or prior to the applicable dividend date (other than as a result of or pursuant to the compliance by MCC with any applicable law) and such failure has not been remedied within 1 Business Day after receipt by MCC of written notice from the preference shareholder requiring it to declare such preference dividend; or

2.4.2 the failure by MCC to redeem all the MCC Preference Shares on or prior to the Scheduled Redemption Date or to redeem any MCC Preference Share on any early redemption date or the proposed date of Voluntary Redemption and such redemption has not occurred 1 Business Day after receipt by MCC of written notice from the preference shareholder demanding such redemption; or

2.4.3 the failure by MCC for any reason whatsoever to pay the Redemption Amount per MCC Preference Share in full on the date on which MCC is obliged or otherwise required or scheduled to make such payment and such failure is not remedied within 1 Business Day following receipt of written notice from the preference shareholder calling upon MCC to remedy such failure to pay; or

2.4.4 the breach by MCC of any term, condition, representation, warranty or undertaking given in or under the Transaction Agreement, which breach has not been remedied within 3 Business Days of receipt of written notice from the preference shareholder requiring such breach to be remedied; or

2.4.5 MCC is in breach or default of any obligation in respect of any financial indebtedness and such breach or default, as the case may be, is not remedied within 2 Business Days following receipt of written notice by MCC from the preference shareholder requiring such breach or default to be remedied; or

2.4.6 the Transaction Agreement or the provisions of the MCC Preference Shares cease to be valid, binding and enforceable against the parties thereto and such validity, binding nature or enforceability is not restored within 2 Business Days after receipt by MCC of a written notice from the preference shareholder requiring that same be restored; or

2.4.7 it is or becomes unlawful for MCC to perform any of its obligations under the Transaction Agreement or in respect of the MCC Preference Shares, and such unlawfulness is not remedied within a period of 2 Business Days of receipt of written notice from the preference shareholder to MCC calling upon MCC to remedy such unlawfulness; or

2.4.8 any Insolvency Event, as defined in Annexure A to the Transaction Agreement, occurs in respect of MCC and such Insolvency Event is not remedied within 1 Business Day of receipt by MCC of written notice from the preference shareholder requiring such event to be remedied; or

2.4.9 any asset of MCC is attached under a writ of execution issued out of any court, and MCC fails, within 5 Business Days of receipt by MCC of written notice from the preference shareholder demanding that such attachment be set aside, to take the necessary steps to have such attachment set aside or thereafter fails to pursue such steps expeditiously and diligently; or

2.4.10 the auditors of MCC qualify their report on any audited financial statements of MCC in any respect, or insert an adverse qualifying note in the supporting documents to such financial statements, and such qualification is not unconditionally withdrawn within a period of 5 Business Days of receipt by MCC of written notice from the preference shareholder requiring such qualification to be withdrawn.

3. **ILLEGALITY EVENT**

Upon the occurrence of an event or circumstances which renders the holding of any of the MCC Preference Shares unlawful or illegal (each an "Illegality Event") or the preference shareholder becoming aware that such event or circumstance will occur in the further, the preference shareholder shall give a written notice to MCC specifying:

3.1 the Illegality Event; and

3.2 that the applicable unlawfulness or illegality has already occurred, in which event the MCC Preference Shares held by the preference shareholder shall become immediately redeemable at the Redemption Amount per MCC Preference Share; or

3.3 that the applicable unlawfulness or illegality will occur in future (including the date on which it will occur, if known to the preference shareholder), in which event the MCC Preference Shares held by the preference shareholder shall become redeemable at the Redemption Amount per MCC Preference Share on the date which is the earlier to occur of the Business Day immediately preceding the date on which the applicable unlawfulness or illegality will occur.

4. **MEETINGS AND VOTING**

4.1 The preference shareholder shall be entitled to receive notice of, and to be present at, and MCC shall be obliged to give notice to the preference shareholder of, any general meeting of MCC but the preference shareholder shall not (in its capacity as preference shareholder) be entitled to vote either in person, by representation or by proxy, at any such meeting unless:

4.1.1 any one or more of the following circumstances prevails:

4.1.1.1 any Redemption Event has occurred and is continuing;

4.1.1.2 any Redemption Amount remains in arrear and unpaid;

4.1.1.3 a special resolution of MCC's shareholders is proposed in terms of section 112 of the Companies Act, in relation to the disposal of all or the greater part of the assets or undertaking of MCC; or

4.1.1.4 a resolution of MCC is proposed which affects the rights attached to the MCC Preference Shares or the interests of the preference shareholder; and

4.1.2 the preference shareholder has provided MCC with a written notice that it intends or is entitled to exercise such voting rights.

4.2 At every general meeting of MCC at which the preference shareholder is entitled to vote in terms of paragraph 4.1 above:

4.2.1 the provisions of the MOI of MCC relating to general meetings of ordinary shareholders shall apply, *mutatis mutandis*, to the preference shareholder;

4.2.2 all resolutions put to the meeting shall be voted on by way of a poll;

4.2.3 the MCC Preference Shares in aggregate shall carry that number of votes which would entitle the preference shareholder to exercise, in aggregate, 95% (ninety five per cent) of the total votes exercisable at a general meeting of MCC.

4.3 While any of the circumstances set out in paragraph 4.1 above prevail:

4.3.1 the preference shareholder shall be entitled to appoint and remove directors of MCC; and

4.3.2 the preference shareholder shall be entitled (but not obliged) to:

4.3.2.1 convene a meeting of the shareholders of MCC; and/or

4.3.2.2 appoint the chairman of a general meeting of the shareholders of MCC.

DEALINGS DISCLOSURES REQUIRED IN TERMS OF THE TAKEOVER REGULATIONS

Set out below are dealings in Eqstra Ordinary Shares by those Eqstra Ordinary Shareholders that provided the Eqstra Irrevocable Undertakings:

Eqstra Shareholder Ordinary	Acquisition/ disposal	Date (2016)	Number of Eqstra Ordinary Shares	Price (cents)	Value (R'000)
Protea Asset Management LLC**	–	–	–	–	–
Peregrine Equities Proprietary Limited*	–	–	–	–	–
PSG Asset Management	No trade	–	–	–	–
Buckley Capital Management LLC**	–	–	–	–	–
Old Mutual Investment Group	Disposal	05 April	74 912	170.37	128
	Disposal	04 April	367 352	160.54	590
	Disposal	01 April	173 573	156.54	272
	Disposal	31 March	144 891	156.98	227
	Disposal	30 March	123 800	158.16	196
	Disposal	23 March	73 049	163.67	120
	Disposal	22 March	221 794	164.02	364
	Disposal	22 March	1 844 141	164.28	3 030
	Disposal	22 March	354 300	164.28	582
	Disposal	22 March	37 500	164.28	62
	Disposal	18 March	56 944	164.04	93
	Disposal	18 March	10 800	164.04	18
	Disposal	18 March	900	164.04	1
	Disposal	17 March	380 374	164.04	624
	Disposal	17 March	72 900	164.04	120
	Disposal	17 March	7 500	164.04	12
	Disposal	16 March	285 028	165.48	472
	Disposal	16 March	54 600	165.48	90
	Disposal	16 March	5 700	165.48	9
	Disposal	15 March	42 868	171.64	74
	Disposal	15 March	8 100	171.64	14
	Disposal	15 March	600	171.64	1
	Disposal	14 March	149 442	178.83	267
	Disposal	14 March	28 500	178.83	51
	Disposal	14 March	3 000	178.83	5
	In specie transfer	**28 April**	**720 815**	**223.00**	**1 607**
Conduit Capital Limited**	–	–	–	–	–
Eric Ellerine Trust Proprietary Limited	Acquisition	1 July	10 000 000	272.00	27 200
Nozala MCC Proprietary Limited	No trade	–	–	–	–
Peregrine Nominees Proprietary Limited*	–	–	–	–	–
Midbrooke Lane Proprietary Limited**	–	–	–	–	–
Aeon Investment Management Proprietary Limited	No trade	–	–	–	–
Standard Bank Online Share Trading*	–	–	–	–	–
Cadiz Asset Management Proprietary Limited	Disposal	1 Feb	45 371	255	115
	Disposal	2 Feb	76 718	251	192
	Acquisition	8 March	30 000	182	54
	Disposal	5 April	70 072	175	122
	Acquisition	30 June	580 847	257	1 492
CoroCapital Proprietary Limited	Disposal	8 April	633 713	202.18	1 281
	Disposal	11 April	466 287	200.05	932
	Disposal	30 June	1 594 644	273.04	4 354
	Disposal	1 July	405 356	275.00	1 114
	Disposal	14 July	51 010	280.00	142
	Disposal	21 July	525 531	289.02	1 518
	Disposal	22 July	423 459	295.00	1 249

Eqstra Shareholder Ordinary	Acquisition/ disposal	Date (2016)	Number of Eqstra Ordinary Shares	Price (cents)	Value (R'000)
Mr S Joffe	Acquisition	6 July	10 746	240.00	26
	Acquisition	7 July	120 419	252.00	303
	Acquisition	8 July	2 286 800	254.97	5 831
Flagship Asset Management Proprietary Limited**	–	–	–	–	–
Mr R Friedman	Acquisition	30 June	500 000	280.00	1 400
	Acquisition	5 July	4 798	247.00	12
	Acquisition	5 July	27 202	248.00	67
	Acquisition	14 July	55 973	277.00	155
	Acquisition	14 July	76 000	278.00	211
	Acquisition	14 July	1 000	280.00	3
	Acquisition	14 July	51 000	281.00	143
	Acquisition	14 July	50 000	282.00	141
	Acquisition	14 July	50 000	286.00	143
	Acquisition	15 July	102 464	276.00	283
	Acquisition	15 July	81 563	278.00	227
Mr J Friedman	Acquisition	30 June	500 00	280.00	1 400
	Acquisition	5 July	160 000	250.00	400
	Acquisition	6 July	340 00	250.00	850
JSF Family Trust	Acquisition	5 July	351 922	250.00	880
	Acquisition	6 July	648 078	255.00	1 653
Mr B Kark**	–	–	–	–	–
Mergence Investment Managers	*In specie transfer*	7 July	990 995	–	–
Mr G Neubert	No trade	–	–	–	–
Mr HM Lindeque	No trade	–	–	–	–
Mr JL Serfontein	No trade	–	–	–	–
Mr JV Carr	No trade	–	–	–	–
Denje Investments Proprietary Limited**	–	–	–	–	–
Mr J Colling	No trade	–	–	–	–
Ms L Möller	No trade	–	–	–	–

* *Given the number of clients involved, the number of trades involved and the non-discretionary nature of their accounts as well as the confidentiality obligations such asset managers have, trading information has not been disclosed.*

** *No information disclosed due to confidentialities.*

Set out below are dealings in enX Shares by those enX Shareholders that provided the enX Irrevocable Undertakings:

enX Shareholder	Acquisition/ disposal	Date (2016)	Number of enX Shares	Price (R)	Value (R'000)
Samvenice Trading 1 Proprietary Limited	No trade	–	–	–	–
Wild Rose Capital Proprietary Limited	Acquisition	19 April	4 137 931	1.43	5 917
Peregrine Equities Proprietary Limited*	–	–	–	–	–
Peregrine Nominees Proprietary Limited	No trade	–	–	–	–
Peregrine Direct Limited	No trade	–	–	–	–
David Brouze	No trade	–	–	–	–
Hillside Trust	No trade	–	–	–	–
Brian Downs	No trade	–	–	–	–
Eric Ellerine	No trade	–	–	–	–
Paul Mansour	Acquisition	8 April	3 179 038	2.29	7 280
Christian Neuberger	Acquisition	8 April	2 225 328	2.29	5 096
Jarrod Friedman	Acquisition	8 April	2 225 328	2.29	5 096

* *Given the number of clients involved, the number of trades involved and the non-discretionary nature of their accounts as well as the confidentiality obligations such asset managers have, trading information has not been disclosed.*

EQSTRA HOLDINGS LIMITED

EQSTRA HOLDINGS LIMITED

(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
("**Eqstra**" or "**the Company**")

NOTICE OF GENERAL MEETING

The "Definitions" section, commencing on page 6 of this circular, which circular also contains this Notice of General Meeting, applies throughout this Notice of General Meeting unless the context may so otherwise require.

Notice is hereby given that a General Meeting of Shareholders of Eqstra will be held at Eqstra's Registered Office, namely 61 Maple Street, Pomona, Kempton Park, 1619 at 09:00 on Thursday, 22 September 2016 for the purposes of considering, and, if deemed fit, passing with or without modification, the Resolutions set out below, in the manner required by the Companies Act and the Listings Requirements.

Eqstra Ordinary Shareholders are reminded that:

- **Eqstra Ordinary Shareholders may attend, speak and vote at the General Meeting in person (or, if an Eqstra Ordinary Shareholder is a company or other body corporate, be represented by a duly authorised natural person). Alternatively, Eqstra Ordinary Shareholders may appoint a proxy to represent them at the General Meeting by completing the attached form of proxy in accordance with its instructions and returning it to the Transfer Secretaries, namely, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa or PO Box 61051, Marshalltown, 2107, South Africa, to be received by them by not later than 09:00 on Tuesday, 20 September 2016 or may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting;**
- **an appointed proxy need not also be an Eqstra Ordinary Shareholder; and**
- **in terms of section 63(1) of the Companies Act, any person attending and/or participating in a meeting of shareholders must present reasonably satisfactory identification, and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.**

In terms of section 59 of the Companies Act, the last date to trade in Eqstra Ordinary Shares in order to be eligible to attend, participate in and vote at the General Meeting is Tuesday, 13 September 2016 and the Record Date for the General Meeting is Friday, 16 September 2016.

Electronic Participation in the General Meeting

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders.

Eqstra Ordinary Shareholders wishing to participate electronically at the General Meeting are required to deliver a notice to the Transfer Secretaries (e-mail address: proxy@computershare.co.za or facsimile (011) 688 5238 or by post) at any time prior to commencement of the General Meeting, that they wish to participate via electronic communication at the General Meeting. Each Eqstra Ordinary Shareholder will bear its own costs of accessing the General Meeting by electronic communication. **Eqstra reserves the right to elect not to provide for electronic participation if it determines that it is not practical to do so.**

In order for the notice to the Transfer Secretaries to be valid it must:

(a) if the Eqstra Ordinary Shareholder is an individual, contain a certified copy of such Eqstra Ordinary Shareholder's identity document and/or passport;

(b) if the Eqstra Ordinary Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and

(c) provide a valid e-mail address and/or facsimile number (the "contract address/number").

Prior to the commencement of the General Meeting, Eqstra will use its reasonable endeavours to notify an Eqstra Shareholder at its chosen contact address/number who has delivered a valid notice of the relevant details which the Eqstra Ordinary Shareholder can participate at the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate in the General Meeting.

Eqstra Ordinary Shareholders or their proxies who wish to participate in the General Meeting by way of electronic communication will be required to use the dial-in facility provided on the date of the General Meeting. The dial-in facility will be limited to the venue at which the General Meeting will take place on the date of, and from the time of commencement of the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner and to commence concurrently with each other without an intermediary, and to participate in the General Meeting.

Eqstra Ordinary Shareholders or their proxies participating electronically will not be able to vote ellectronically and must follow the standard voting arrangements indicated above. Eqstra reserves the right not to provide for electronic participation in the General Meeting in the event that it determines that it is not practical to do so, or an insufficient number of Eqstra Ordinary Shareholders (or their representatives or proxies) request to so participate.

Approval requirements

For a special resolution to be approved by Eqstra Ordinary Shareholders, it must be supported by at least 75% of the total number of voting rights exercised on the resolution by Eqstra Ordinary Shareholders present in person, or represented by proxy, at the General Meeting and entitled to vote.

For an ordinary resolution to be approved by Eqstra Ordinary Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution by Eqstra Ordinary Shareholders present or represented by proxy at the General Meeting and entitled to vote, provided that for Ordinary Resolution Number 1 and Ordinary Resolution Number 2 to be approved by Eqstra Ordinary Shareholders, it must be supported by no less than 75% of the voting rights exercised on the resolution by Eqstra Ordinary Shareholders present or represented by proxy at the General Meeting and entitled vote.

Quorum requirements for the General Meeting to commence and the resolutions contemplated herein to be considered: sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the resolutions and at least three Shareholders are present at the General Meeting.

SPECIAL RESOLUTION NUMBER 1: DISPOSAL

"Resolved as a special resolution that, in accordance with the requirements of sections 112 and 115 of the Companies Act, the disposal by the Company of all its shares in Eqstra Newco (which is the holding company of each of the companies forming part of the Fleet Management and Logistics Division and the Industrial Equipment Division), being the greater part of the assets of the Company, to enX in exchange for the allotment and issue by enX of the enX Consideration Shares, as an "asset-for-share-transaction" as contemplated in terms of section 42 of the Income Tax Act, be and is hereby approved and authorised."

Recordals

It is recorded that, in accordance with the provisions of Section 112(4) of the Companies Act, the assets forming the subject matter of special resolution number 2 above, namely the Eqstra Newco shares held by the Company, have been fairly valued in the prescribed manner.

It is further recorded that this notice of a general meeting is accompanied by a written summary of the provisions of Sections 115 and 164 of the Companies Act, as is required by Section 112(3)(b) of the Companies Act.

SPECIAL RESOLUTION NUMBER 2: UNBUNDLING

"Resolved as a special resolution that, subject to the passing of Special Resolution Number 1 set out above, in accordance with the requirements of Sections 112 and 115 of the Companies Act, the unbundling, in the form of a distribution *in specie*, in accordance with Section 46 of the Income Tax Act, to Eqstra Ordinary Shareholders, *pro rata* to their respective shareholdings in the Company, of all of the enX Consideration Shares, which will constitute a disposal by the Company of the greater part of its assets at the time of its implementation, be and is hereby approved and authorised."

Recordals

It is recorded that, in accordance with the provisions of Section 112(4) of the Companies Act, the assets forming the subject matter of special resolution number 2 above, namely the enX Consideration Shares, have been fairly valued in the prescribed manner.

It is further recorded that this notice of meeting is accompanied by a written summary of the provisions of Sections 115 and 164 of the Companies Act, as is required by Section 112(3)(b) of the Companies Act.

SPECIAL RESOLUTION NUMBER 3: AMENDMENT OF THE MEMORANDUM OF INCORPORATION FOR THE COMPANY

"Resolved as a special resolution that, in accordance with the requirements of section 16(1)(c)(ii) of the Companies Act and the provisions of article 38 of the MOI of the Company, the MOI of the Company be and is hereby amended as set out in Annexure 10 to this circular.

SPECIAL RESOLUTION NUMBER 4: CHANGE OF NAME

"Resolved as a special resolution that, in accordance with the requirements of section 16(1)(c)(ii) of the Companies Act and the provisions of article 38 of the MOI of the Company, the change of the name of the Company from "*Eqstra Holdings Limited*" to "*eXtract Group Limited*" be and is hereby authorised and approved, together with the consequent amendments to the MOI of the Company, subsequent to the Final Completion Date."

ORDINARY RESOLUTION NUMBER 1: SPECIFIC ISSUE OF ORDINARY SHARES FOR CASH (EQSTRA SUBSCRIPTION SHARES)

"Resolved as an ordinary resolution that, in accordance with paragraph 5.51 of the Listings Requirements (which is required, in terms of paragraph 5.51(g) of the Listings Requirements, to be approved by 75% majority of the votes cast in favour of this resolution by all Eqstra Ordinary Shareholders present in person or represented by proxy at the General Meeting), the Eqstra Board be and is hereby authorised to allot and issue the Eqstra Subscription Shares to enX, pursuant to the Specific Issue of Ordinary Shares."

ORDINARY RESOLUTION NUMBER 2: SPECIFIC ISSUE OF ORDINARY SHARES FOR CASH (enX CALL OPTION)

"Resolved as an ordinary resolution that, in accordance with paragraph 5.53 of the Listings Requirements (which is required, in terms of paragraph 5.51(g) of the Listings Requirements, to be approved by 75% majority of the votes cast in favour of this resolution by all Eqstra Ordinary Shareholders present in person or represented by proxy at the General Meeting), the Eqstra Board be and is hereby authorised to allot and issue to enX, upon redemption of the MCC Preference Shares, up to such number of new Eqstra Ordinary Shares as determined by dividing R600 000 000.00 (six hundred million Rand) by R1.50 (one Rand fifty), at an issue price of R1.50 (one Rand fifty) per new Eqstra Ordinary Share, in terms of the enX Call Option."

ORDINARY RESOLUTION NUMBER 3: CATEGORY 1 TRANSACTION (DISPOSAL AND UNBUNDLING)

"Resolved as an ordinary resolution that, in accordance with paragraph 9.29 of the Listings Requirements, the Disposal and the Unbundling, which are each classified as a Category 1 transaction for purposes of the Listings Requirements, be and are hereby approved."

ORDINARY RESOLUTION NUMBER 4: ISSUE OF THE MCC PREFERENCE SHARES

"Resolved as an ordinary resolution that, the allotment and issue by MCC to enX of the MCC Preference Shares at an aggregate subscription price of R600 000 000.00 (six hundred million Rand), be and is hereby approved."

Recordals for the election of new Eqstra Directors

The following new Eqstra Directors are nominated in terms of article 23.2 of the MOI to become directors of the Company, subject to Eqstra Ordinary Shareholders approving the resolutions necessary to give effect to the Propose Transaction, with effect from the Final Completion Date.

To elect Messrs J Colling and DAG Chadinha as an executive Eqstra Directors, in terms of article 23.2 of the MOI of the Company. They are eligible and available and has offered themselves for election. Brief CVs of each Eqstra Director standing for election are set out in paragraph 17.7.2 of the circular.

To elect Messrs MS Teke and C Halsey as well as Mrs OM Matloa as independent non-executive Eqstra Directors. They are eligible and available and have offered themselves for election. Brief CVs of each Eqstra Director standing for election are set out in paragraph 17.7.2 of the circular.

ORDINARY RESOLUTION NUMBER 5: ELECTION OF MR JUSTIN COLLING AS A DIRECTOR

"Resolved as an ordinary resolution that Mr Justin Colling be and is hereby elected as an executive director of the Company, with effect from the Final Completion Date."

ORDINARY RESOLUTION NUMBER 6: ELECTION OF MR DAVID ALEXANDER GONSALVES CHADINHA AS A DIRECTOR

"Resolved as an ordinary resolution that Mr David Alexander Gonsalves Chadinha be and is hereby elected as an executive director of the Company, with effect from the Final Completion Date."

ORDINARY RESOLUTION NUMBER 7: ELECTION OF MR MICHAEL SOLOMON TEKE AS A DIRECTOR

"Resolved as an ordinary resolution that Mr Michael Solomon Teke be and is hereby elected as a non-executive director of the Company, with effect from the Final Completion Date."

ORDINARY RESOLUTION NUMBER 8: ELECTION OF MR CLINTON STEVEN HALSEY AS A DIRECTOR

"Resolved as an ordinary resolution that Mr Clinton Steven Halsey be and is hereby elected as a non-executive director of the Company, with effect from the Final Completion Date."

ORDINARY RESOLUTION NUMBER 9: ELECTION OF MS OCTAVIA MATSHIDISO MATLOA AS A DIRECTOR

"Resolved as an ordinary resolution that Ms Octavia Matshidiso Matloa be and is hereby elected as a non-executive director of the Company, with effect from the Final Completion Date."

ORDINARY RESOLUTION NUMBER 10: ELECTION OF MR SIPHO ABEDNEGO NKOSI AS A DIRECTOR

"Resolved as an ordinary resolution that Mr Sipho Abednego Nkosi be and is hereby elected as a non-executive director of the Company, with effect from the Final Completion Date."

ORDINARY RESOLUTION NUMBER 11: GENERAL AUTHORITY

"Resolved as an ordinary resolution that any director of the Company or the company secretary, all with the power of substitution, be and is hereby expressly authorised and empowered for and on behalf of the Company to sign all documents and to do all such things and take all such actions as may be necessary and/or required to give effect to the abovementioned resolutions, including without limitation being authorised to make, amend and sign all and any such necessary documents, letters, applications and announcements as may be required for purposes of and in connection with the implementation of the resolutions to be proposed at the General Meeting convened to consider this ordinary resolution number 4 and giving effect to them, including any Companies and Intellectual Property Commission forms that may be required and any such things and actions as may already have been performed or taken are hereby ratified."

VOTING, ATTENDANCE AND PROXIES

Eqstra Ordinary Shareholders may appoint a proxy to attend, participate and vote on their behalf at the General Meeting. A proxy need not be an Eqstra Ordinary Shareholder of the Company.

Kindly note that meeting participants (including a proxy or proxies) are required in terms of section 63(1) of the Companies Act to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include a green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport.

In accordance with the MOI, voting shall be by ballot only. Special resolutions to be adopted at the General Meeting require approval from at least 75% of the Eqstra Ordinary Shares represented in person or by proxy at the General Meeting. Ordinary resolutions to be adopted only require approval from a majority, which is more than 50% of the Eqstra Ordinary Shares represented in person or by proxy at the General Meeting.

Eqstra Ordinary Shareholders holding Dematerialised Shares not in their own name must furnish their CSDP or broker with their instructions for voting at the General Meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, he/she will be obliged to act in accordance with your mandate furnished to him/her. If the mandate is silent in this regard, he/she will be required to complete the form of proxy enclosed.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut-off time stipulated therein that you wish to attend the General Meeting or send a proxy to represent you at the General Meeting, your CSDP or broker will assume that you do not wish to attend the General Meeting or send a proxy.

If you wish to attend the General Meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of representation to you. Eqstra Ordinary Shareholders holding Dematerialised Shares and who are unable to attend the General Meeting and wish to be represented, must complete the form of proxy enclosed in accordance with the instructions therein and lodge it with or mail it to the Transfer Secretaries.

The form of proxy (which is enclosed) must be forwarded to the Transfer Secretaries. The completion of a form of proxy does not preclude any Eqstra Ordinary Shareholder registered by the Record Date from attending the General Meeting.

Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the General Meeting for the purposes of resolutions proposed in terms of the Listings Requirements.

By order of the Eqstra Board

Eqstra Holdings Limited

Company Secretary

Liezl Möller

24 August 2016

Registered office
61 Maple Street, Pomona
Kempton Park, 1619

Transfer secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001

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REF. JOB010710

EQSTRA HOLDINGS LIMITED

(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
("**Eqstra**" or "**the Company**")

FORM OF PROXY FOR USE AT GENERAL MEETING

The "Definitions" section commencing on page 5 of the circular, to which circular this form of proxy is attached and forms part, apply throughout this form of proxy unless the context may so otherwise require.

This form of proxy is for use only by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only at the General Meeting convened to be held at Eqstra's Registered Office, namely 61 Maple Street, Pomona, Kempton Park, 1619, South Africa at 09:00, on Tuesday, 22 September 2016.

If you are an Eqstra Ordinary Shareholder referred to above, and you are entitled to attend, participate and vote at the General Meeting, you can appoint a proxy or proxies to attend, participate and vote in your stead at the General Meeting. A proxy need not be an Eqstra Ordinary Shareholder.

If you are **not** a Dematerialised Shareholder with "own name" registration then you must not complete this form of proxy, but you must instruct your CSDP or broker to issue you with the necessary authority to attend the General Meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of the written custody agreement entered into with it.

I/We (PLEASE PRINT NAMES IN FULL):

of (ADDRESS):

Telephone number: Cell phone number:

Email address:

being the holder(s) of ________________ Certificated Shares or Dematerialised Shares with "own name" registration, do hereby appoint (see notes 1 and 2 on reverse of this form of proxy):

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the General Meeting,

as my/our proxy to attend, speak and vote on my/our behalf at the General Meeting (or any adjournment thereof).

I/We desire to vote as follows (see note 2 on reverse of this form of proxy):

	Number of votes on a poll (one vote per Eqstra ordinary share)		
	For	**against**	**abstain**
Special resolution number 1: Disposal			
Special resolution number 2: Unbundling			
Special resolution number 3: Amendment of the Memorandum of Incorporation for the Company			
Special resolution number 4: Change of name			
Ordinary resolution number 1: Specific issue of ordinary shares for cash (Eqstra subscription shares)			
Ordinary resolution number 2: Specific issue of ordinary shares for cash (enX Call Option)			
Ordinary resolution number 3: Category 1 transaction (disposal and unbundling)			
Ordinary resolution number 4: Issue of the MCC preference shares			
Ordinary resolution number 5: Election of Mr Justin Colling as a director			
Ordinary resolution number 6: Election of Mr David Alexander Gonsalves Chadinha as a director			
Ordinary resolution number 7: Election of Mr Michael Solomon Teke as a director			
Ordinary resolution number 8: Election of Mr Clinton Steven Halsey as a director			
Ordinary resolution number 9: Election of Ms Octavia Matshidiso Matloa as a director			
Ordinary resolution number 10: Election of Mr Siphi Abednego Nkosi as a director			
Ordinary resolution number 11: General authority			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Eqstra Ordinary Shares than you own in Eqstra, insert the number of Eqstra Ordinary Shares which you desire to vote. This proxy shall be valid only for the General Meeting of Eqstra Ordinary Shareholders of Eqstra to be held on Thursday, 22 September 2016 and any adjournment thereof.

Signed at on 2016

Signature

Telephone number

Capacity of signatory (WHERE APPLICABLE)

Note: Authority of signatory to be attached (see notes 8 and 9 below).

Assisted by me (WHERE APPLICABLE)

Full name

Capacity

Signature

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- an Eqstra Ordinary Shareholder may, and in accordance with the provisions of Section 58 of the Companies Act, appoint any individual (including an individual who is not an Eqstra Ordinary Shareholder) as a proxy to participate in, and speak and vote at, the General Meeting on behalf of such Eqstra Ordinary Shareholder;
- any appointed proxy of an Eqstra Ordinary Shareholder may delegate authority to act on behalf of that Eqstra Ordinary Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 15 below);
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Eqstra Ordinary Shareholder chooses to act directly and in person at the General Meeting in the exercise of any of such Eqstra Ordinary Shareholder's rights as an Eqstra Ordinary Shareholder (see note 5 below);
- any appointment by an Eqstra Ordinary Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, an Eqstra Ordinary Shareholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to Company; and
- a proxy appointed by an Eqstra Ordinary Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Eqstra Ordinary Shareholder without direction, except to the extent that Eqstra's MOI, or the instrument appointing the proxy, provides otherwise (see note 3 below).

SUMMARY OF RIGHTS CONTAINED IN SECTIONS 115 AND 164 OF THE COMPANIES ACT

In terms of Section 115 of the Companies Act:

- In order for special resolutions number 1 and 2 to be adopted:
  – Eqstra Ordinary Shareholders entitled to exercise at least 25% of the voting rights that are entitled to be exercised on the abovementioned special resolutions must be present or represented by proxy at the General Meeting; and
  – the support of at least 75% of the total number of votes which the Eqstra Ordinary Shareholders present or represented by proxy at the General Meeting are entitled to cast is required.
- Section 115 of the Companies Act also gives Eqstra Ordinary Shareholders the right to oppose the adoption of the abovementioned special resolutions and to have any of them set aside in certain circumstances.

In terms of Section 164 of the Companies Act:

- any Eqstra Ordinary Shareholder who is opposed to the abovementioned special resolutions may take steps to require the Company to acquire that Eqstra Ordinary Shareholder's shares in the Company in consideration for the fair value thereof.

Extracts of Sections 115 and 164 of the Companies Act are attached to, and form part of, this notice.

Notes to this form of proxy

1. Each Eqstra Ordinary Shareholder is entitled to appoint one (or more) proxies (none of whom need be an Eqstra Ordinary Shareholder) to attend, participate and vote in place of that Eqstra Ordinary Shareholder at the General Meeting.
2. An Eqstra Ordinary Shareholder may insert the name of a proxy or the names of two alternative proxies of the Eqstra Ordinary Shareholder's choice in the space/s provided with or without deleting "the chairman of the General Meeting" but the Eqstra Ordinary Shareholder must initial any such deletion. The person whose name stands first on this 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.
3. An Eqstra Ordinary Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Eqstra Ordinary Shareholder in the relevant boxes provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as such proxy deems fit, in respect of all of the Eqstra Ordinary Shareholder's votes exercisable at the General Meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa or PO Box 61051, Marshalltown, 2107, South Africa), to be received by the Transfer Secretaries by no later than 09:00 on Tuesday, 20 September 2016 or may be handed to the Chairperson of the General Meeting prior to the commencement of the General Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant of Eqstra Ordinary 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 Eqstra Ordinary Shareholder wish to do so.
6. The chairman of the General Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the MOI.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Eqstra or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Eqstra or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Eqstra Ordinary Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Eqstra Ordinary Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Eqstra or the Transfer Secretaries.
12. Dematerialised Shareholders without "own-name" registration and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the written custody agreement between the Eqstra Ordinary Shareholder and its CSDP or broker.
13. This form of proxy shall be valid at any resumption of an adjourned General Meeting to which it relates, although this form of proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been legally used at the General Meeting from which it was adjourned. This form of proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received timeously by the Transfer Secretaries.
15. Any proxy appointed pursuant to this form of proxy may not delegate his/her authority to act on behalf of the relevant Eqstra Ordinary Shareholder.
16. In terms of Section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.

SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

115 Required approval for transactions contemplated in Part

1. Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
   (a) the disposal, amalgamation or merger, or scheme of arrangement:
      (i) has been approved in terms of this section; or
      (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
   (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to:
      (i) dispose of all or the greater part of its assets or undertaking;
      (ii) amalgamate or merge with another company; or
      (iii) implement a scheme of arrangement,

   the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
2. A proposed transaction contemplated in subsection (1) must be approved:
   (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that arc entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
   (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
      (i) the holding company is a company or an external company;
      (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
      (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
   (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
3. Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
   (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
   (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
4. For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

   (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

   (b) required to be voted in support of a resolution, or actually voted in support of the resolution.

4A In subsection (4), "act in concert" has the meaning set out in section 117(1)(b).

5. If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
   (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
   (b) treat the resolution as a nullity.
6. On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
   (a) is acting in good faith;
   (b) appears prepared and able to sustain the proceedings; and
   (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
7. On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
   (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
   (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
8. The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
   (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
   (b) was present at the meeting and voted against that special resolution.
9. If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
   (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
   (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
   (c) the transfer of shares from one person to another;
   (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
   (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
   (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164 Dissenting shareholders appraisal rights

10. This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
11. If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
    (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
    (b) enter into a transaction contemplated in sections 112, 113, or 114,

    that notice must include a statement informing shareholders of their rights under this section.
12. At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
13. Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
    (a) gave the company a written notice of objection in terms of subsection (3); and
    (b) has neither:
       (i) withdrawn that notice; or
       (ii) voted in support of the resolution.
14. A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
    (a) the shareholder:
       (i) sent the company a notice of objection, subject to subsection(6); and
       (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
    (b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

15. The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

16. A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

17. A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

18. A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

19. If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

20. Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

21. Every offer made under subsection (11):

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

22. If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

23. A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

24. On an application to the court under subsection (14):

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court:

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may:

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring:

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

15A At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

25. The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

26. If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that:

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

27. If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

28. For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

29. Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.