

TRANS HEX GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1963/007579/06)

Share code: TSX

ISIN: ZAE000018552

("Trans Hex" or the "Company")

FIRM INTENTION OF A MANDATORY OFFER TO ACQUIRE THE REMAINING ORDINARY SHARE CAPITAL OF TRANS HEX AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Trans Hex shareholders ("**Shareholders**") are referred to the SENS announcement released on Monday, 8 August 2016 ("**Announcement**"), advising Shareholders that Cream Magenta 140 Proprietary Limited ("**Cream Magenta**") and Metcap 14 Proprietary Limited ("**Metcap**"), collectively acquired issued ordinary shares in the Company totalling 49,762,778 or 47,08% of the issued ordinary shares of Trans Hex, excluding treasury shares ("**Acquisition**"). These shares were acquired from MCubed Holdings Limited at 375 cents per share and Business Ventures Investments No 1952 Proprietary Limited at 394 cents per share.

Furthermore, Shareholders were advised that Cream Magenta, Metcap and RAC Investment Holdings Proprietary Limited ("**RAC**"), acting in concert, (collectively, the "**Offerors**"), have extended a mandatory cash offer, in terms of section 123 of the Companies Act, No 71 of 2008, as amended, ("**Companies Act**"), to Shareholders to acquire the entire issued ordinary share capital of Trans Hex, other than the issued ordinary shares already held by the Offerors and the issued ordinary shares held as treasury shares ("**Offer Shares**") (the "**Offer**").

2. Offer consideration

The Offerors shall offer to acquire all the Offer Shares in exchange for a cash offer consideration of R3,94 per Offer Share ("**Offer Consideration**"), being the highest price paid by the Offerors within the six month period before the date of this announcement.

Settlement of the Offer Consideration pursuant to the Offer will be implemented in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offerors may otherwise be, or claim to be, entitled against any Shareholder which holds Offer Shares ("**Offer Shareholder**").

3. Cash confirmation

The Offerors have, in accordance with regulations 111(4) and 111(5) of the Companies Regulations, 2011 ("**Regulations**"), provided the Takeover Regulation Panel ("**TRP**"), to its satisfaction, with an irrevocable unconditional guarantee in the amount of R117 million, issued by Nedbank Limited on 11 August 2016, in favour of the Offer Shareholders for the sole purpose of fully satisfying the Offer Consideration, pursuant to the Offer.

4. Offerors beneficial interest in Trans Hex

The Offerors collectively hold 76,398,715 ordinary shares in Trans Hex, constituting approximately 72,28% of the issued ordinary share capital of the Company, excluding treasury shares.

Concert party	Number of ordinary shares	Shareholding (%)
Cream Magenta	24,881,389	23,54%
Metcap	24,881,389	23,54%
RAC	26,635,937	25,20%
Total	76,398,715	72,28%

5. Conditions precedent

The implementation of the Offer will be subject to, but only to the extent that same may be applicable, the approval of the JSE Limited ("**JSE**"), the TRP, the Competition Authorities in terms of the Competition Act, No 89 of 1998, as amended, and any other relevant regulatory authorities (either unconditionally or subject to conditions acceptable to the Offerors) being obtained.

6. Termination of listing on the JSE and compulsory acquisition

It is the intention of the Offerors, subject to the approval of the JSE, that Trans Hex be delisted from the exchange operated by the JSE ("**Exchange**").

Should the Offerors acquire 75% of the Trans Hex issued ordinary shares as a result of the Offer, Shareholders may be approached by Trans Hex to approve the delisting from the Exchange.

Should the Offer be accepted by the Shareholders holding at least 90% of the Offer Shares, then the Offerors reserve the right to implement a compulsory acquisition of the remaining Trans Hex issued ordinary shares in accordance with section 124 of the Companies Act.

Should the Offerors acquire 100% of the Trans Hex issued ordinary share capital as a result of the Offer (and / or applicable compulsory acquisition), application will be made to the JSE to automatically delist Trans Hex from the Exchange.

7. Posting of the Offer circular

Full details of the Offer will be included in a combined Offer circular which will contain, *inter alia*, the terms of the Offer, pertinent dates relating to the Offer and a form of acceptance, surrender and transfer for use by certificated Shareholders ("**Offer Circular**").

The posting of the Offer Circular will be subject to the fulfilment of the requisite approvals from the TRP and the JSE.

It is expected that the Offer Circular will be posted to Shareholders on or about 8 September 2016. Shareholders will be provided with further information regarding pertinent dates to the Offer, in due course.

8. Independent board

The board of directors of Trans Hex has constituted an independent board of directors in accordance with the Regulations ("**Independent Board**"). The Independent Board will appoint an independent expert to provide an opinion as to whether the Offer is fair and reasonable to Offer Shareholders. The independent expert's opinion and the opinion of the Independent Board will be included in the Offer Circular.

9. Responsibility Statement

The Independent Board and the Offerors accept responsibility for the information contained in this announcement. To the best of their respective knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

10. Withdrawal of cautionary

Shareholders are advised that following the cautionary stated in the Announcement, caution is no longer required while dealing in ordinary shares of Trans Hex.

Cape Town
11 August 2016

Sponsor to Trans Hex
One Capital

Advisors to the Offerors
Mettle Corporate Finance

Attorneys to the Offerors
Werksmans Attorneys