TRANS HEX GROUP

NOTICE OF
ANNUAL GENERAL MEETING 2019

CONTENTS

TRANS HEX GROUP

405 VOORTREKKER ROAD, PO BOX 723, PAROW 7499, CAPE TOWN • REPUBLIC OF SOUTH AFRICA
TEL +27 21 937 2000, FAX +27 21 937 2100 • www.transhex.co.za

25 July 2019

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

In this booklet you will find a detailed notice of the annual general meeting ("Notice") in respect of Trans Hex Group Limited's 39th Annual General Meeting, which will be held on Monday, 26 August 2019 ("Annual General Meeting"). Also included are the audited summary consolidated annual financial statements for the year ended 31 March 2019, with explanatory notes and commentary, and a form of proxy.

Kindly note that a printed Annual Integrated Report will not be mailed to shareholders in order to contain costs.

The full Annual Integrated Report is, however, available for viewing and downloading on the Company's website at www.transhex.co.za. Printed copies will be available for collection at the Company's registered office and will be mailed to shareholders upon request. Please contact Amber Hensberg on 021 417 8800 or amber@statucor.co.za to request a printed copy.

Yours faithfully

STATUCOR (PTY) LTD
PER: AJ RICH
Company Secretary

TRANS HEX GROUP LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 1963/007579/06
JSE share code: TSX
ISIN: ZAE000018552
("**Trans Hex**" or the "**Company**" or the **"Group"**)

NOTICE OF ANNUAL GENERAL MEETING

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant (CSDP), broker, banker, attorney, accountant or other professional advisor immediately.

Notice is hereby given in terms of section 62(1) of the Companies Act, No. 71 of 2008, as amended (the "Companies Act"), that the 39^{th} Annual General Meeting of shareholders of Trans Hex will be held at the Company's registered offices, 405 Voortrekker Road, Parow, Cape Town, on Monday, 26 August 2019, at 09h00 for purposes of considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions set out hereafter.

The Board of Directors of the Company (the "Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for shareholders to be recorded on the securities register of the Company in order to receive Notice is Friday, 19 July 2019. Further, the record date determined by the Board for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 16 August 2019. Accordingly, the last day to trade in Trans Hex shares in order to be recorded in the Register to be entitled to participate in and vote at the Annual General Meeting is Tuesday, 13 August 2019.

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

AGENDA

- Presentation of the audited annual financial statements of the Company, including the reports of the directors, and the Audit and Risk Committee for the year ended 31 March 2019. The summarised consolidated annual financial statements are contained in **Annexure 1** to this Notice. The 2019 Annual Integrated Report, containing the audited annual financial statements and the relevant reports for the preceding year (including the report of the Human Resources & Social and Ethics Committee), is available on the Company's website at www.transhex.co.za, or may be requested and obtained in person, at no charge, at the registered office of the Company during office hours.

- To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

Ordinary resolutions 1 to 5 require the support of more than 50% of the total number of votes exercised by shareholders present or represented by proxy at the Annual General Meeting; ordinary resolution number 6 requires the support of more than a 75% majority of the total number of votes exercised by shareholders present or represented by proxy at the meeting:

ORDINARY RESOLUTION NUMBERS 1.1 and 1.2: Re-electing two directors

"Resolved as separate resolutions that the following directors, who retire by rotation in terms of clause 7.3 of the Company's memorandum of incorporation (MoI), and being eligible and offering themselves for re-election be and are hereby re-elected as directors:

1.1. Mr Marco Wentzel; and

1.2. Dr Albertus Marais."

Brief biographies of the aforementioned directors are set out in **Annexure 2** to this document.

The re-elections numbered 1.1 and 1.2 constitute separate ordinary resolutions and will be considered by separate votes.

ORDINARY RESOLUTION NUMBER 2: Ratifying the appointment of Dr John Bristow as a Director

"Resolved that the appointment of Dr John Bristow as a Director of the Company with effect from 11 July 2019 be ratified and approved."

A brief biography of Dr Bristow is set out in Annexure 2 to this document.

ORDINARY RESOLUTIONS NUMBER 3: Appointment of the external auditors

"Resolved that Mazars Inc. be and is hereby appointed as the independent external auditors of the Company, and that Mr Duncan Dollman be and is hereby appointed as the individual designated auditor of the Company, for the ensuing period terminating on the conclusion of the next Annual General Meeting of the Company."

The Board and the Audit and Risk Committee have evaluated the independence and qualifications of Mazars Inc. and Mr Duncan Dollman and recommend their appointment as external auditor and individual designated auditor of the Company.

ORDINARY RESOLUTION 4.1, 4.2 AND 4.3: Appointing the Audit and Risk Committee members for the ensuing period

"Resolved that the following directors, who are eligible and offer themselves for election be, and are hereby appointed as, members of the Audit and Risk Committee for the ensuing period terminating on the conclusion of the next Annual General Meeting of the Company, as recommended by the Board in accordance with section 94(2) of the Companies Act.

3.1 Mr Athol Rhoda (Independent Non-executive Director);

3.2 Subject to his re-election in terms of ordinary resolution 1.2 above, Dr Albertus Marais (Independent Non-executive Director); and

3.3 Mr Piet Viljoen (Non-executive Director)."

Brief biographies of the aforementioned directors are set out in **Annexure 2** to this document.

The appointments numbered 3.1, 3.2 and 3.3 constitute separate ordinary resolutions and will be considered by separate votes.

ORDINARY RESOLUTION NUMBER 5 – Control of authorised but unissued ordinary shares

"Resolved that the authorised but unissued ordinary shares in the capital of the Company be, and are hereby placed, under the control and authority of the Board, and that the Board be and are hereby, authorised and empowered to allot/issue and otherwise dispose of all or any such ordinary shares, or to issue any options in respect of all or any such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 38 and 41 of the Companies Act, the MoI and the Listings Requirements of the JSE Limited ("JSE"), as amended from time to time ("JSE Listings Requirements"), and that such authority remains in force until the next Annual General Meeting of the Company."

ORDINARY RESOLUTION NUMBER 6 – Signature of documents

"Resolved that each director of the Company be, and is hereby, individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions and non-binding advisory resolutions, or are passed and registered by the Companies and Intellectual Property Commission, in the case of special resolutions and if applicable. "

ORDINARY RESOLUTION NUMBER 7: General authority to issue ordinary shares

"Resolved that the Board be and is hereby authorised, by way of a general authority, to issue the authorised but unissued ordinary shares in the capital of the Company, or to allot, issue and grant options to subscribe for the authorised but unissued ordinary shares in the capital of the Company, for cash, as and when they in their sole discretion deem fit, subject to the provisions of the Companies Act, the MoI and the JSE Listings Requirements, provided that:

- this authority shall be valid until the Company's next Annual General Meeting or for 15 (fifteen) months from the date of this resolution, whichever period is shorter;
- the equity securities that are the subject of the general issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible, into a class already in issue;
- such shares may only be issued to public shareholders as defined in the JSE Listings Requirements and not to related parties;
- the securities that are the subject of a general issue for cash may not exceed 10% (ten per cent) of the number of listed securities, excluding treasury shares, as at the date of this Notice, being 115,135,785 securities. The calculation of the Company's listed equity securities must be a factual assessment of the Company's listed equity securities as at the date of this Notice, excluding treasury shares. Any securities issued under this authorisation will be deducted from the aforementioned 115,135,785 listed securities. In the event of a sub-division or a consolidation during the period contemplated above, the authority will be adjusted to represent the same allocation ratio;
- any such general issues are subject to exchange control regulations and approval, where applicable, at that point in time;
- in determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party/parties subscribing for the securities;
- an announcement in accordance with paragraph 11.22 of the JSE Listings Requirements will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five per cent) or more of the number of securities in issue prior to the issue; and
- whenever the Company wishes to use repurchased shares, held as treasury shares by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

NON-BINDING ADVISORY RESOLUTIONS

Non-binding advisory resolutions 1 and 2 require the support of more than 50% (fifty per cent) of the total number of votes exercised by shareholders present or represented by proxy at the annual general meeting:

NON-BINDING ADVISORY RESOLUTION NUMBER 1: Approval of the Company's remuneration policy

"Resolved by way of a non-binding advisory vote, that the remuneration policy of the Company as set out in **Annexure 3** of this document be and is hereby approved."

In terms of the King IV Report on Corporate Governance for South Africa 2016 ("King IV") and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the Company's remuneration policy. The vote allows shareholders to express their views on the remuneration policy adopted, but will not be binding on the Company. The Company's Remuneration Policy is set out in **Annexure 3** of this document.

NON-BINDING ADVISORY RESOLUTION NUMBER 2 – Approval of the Company's implementation report

"Resolved by way of a non-binding advisory vote, that the implementation report of the remuneration policy as set out in **Annexure 4** of this document be and is hereby approved."

In terms of King IV and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the implementation report of the Company's remuneration policy. The vote allows shareholders to express their views on the extent of implementation of the Company's remuneration policy, but will not be binding on the Company. The Company's implementation report on the Remuneration Policy is set out in **Annexure 3** of this document.

Shareholders are reminded that in terms of King IV and the JSE Listings Requirements, should 25% (twenty-five per cent) or more of the votes cast be against one or both of these non-binding advisory resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

SPECIAL RESOLUTIONS

To consider and, if deemed fit, pass the following special resolutions (numbers 1 to 3), with or without modification (in order to be adopted, these resolutions require the support of at least 75% (seventy-five per cent) of the total number of votes exercised by shareholders present or represented by proxy at the Annual General Meeting):

SPECIAL RESOLUTION NUMBER 1: Authority to pay non-executive directors' remuneration for the year ending 31 March 2020

"Resolved that the Board's recommendation, set out in the table on page 6, in respect of remuneration of non-executive directors, in their capacity as non-executive directors, as contemplated in section 66(9) of the Companies Act, with effect from 1 April 2019 be and is hereby approved."

Designation	Fees for the year ended 31 March 2019	Proposed fees for the year ending 31 March 2020
Annual retainer:		
Non-executive director	R95 400	R95 400
Chairman of the Human Resources and Social & Ethics Committee	R143 100	R143 100
Chairman of the Audit and Risk Committee	R166 925	R166 925
Chairman of the Board	R609 180	R609 180
Fee per meeting:		
Board meeting	R19 080	R19 080
Audit and Risk Committee meeting	R17 175	R17 175
Human Resources and Social & Ethics Committee meeting	R11 450	R11 450

Note: If the same person is chairman of both Board sub-committees, then the annual retainer amount will be R214,625.

Further details on the basis of calculation of the remuneration are included in the Remuneration Policy as set out in **Annexure 3** of this document.

Reason and effect

The reason for, and the effect of, special resolution number 1 is to approve the remuneration payable by the Company to its non-executive directors for their services as non-executive directors of the Company for the period ending 31 March 2020.

SPECIAL RESOLUTION NUMBER 2: General authority to repurchase issued shares

"Resolved that the Company (or any of its subsidiaries) be authorised, with effect from the date of this Annual General Meeting, by means of a general authority, to repurchase or purchase, as the case may be, such number of ordinary shares issued by the Company and at such price and on such other terms and conditions as the directors may from time to time determine, but subject always to the provisions of section 48 of the Companies Act and the JSE Listings Requirements, which as at the date of this Notice include, amongst others, the following:

- this authority shall not extend beyond 15 (fifteen) months from the date of this resolution or the date of the next Annual General Meeting of the Company, whichever is the earlier;
- the repurchase or purchase of shares shall be effected through the order book operated by the trading system of the JSE and be done without any prior understanding or arrangement between the Company and the counterparty (reported trades being prohibited);
- the repurchase or purchase must be authorised by the MoI;
- the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 10% (ten per cent) of the Company's issued ordinary share capital at the time that this authority is given, provided that a subsidiary of the Company or subsidiaries of the Company collectively, shall not hold in excess of 10% (ten per cent) of the number of shares issued by the Company;
- the acquisition must not be made at a price greater than 10% (ten per cent) above the weighted average traded price of traded price of the ordinary shares of the Company for the 5 (five) business days immediately preceding the date of acquisition;
- at any point in time, the Company may only appoint 1 (one) agent to effect any repurchase/s on the Company's behalf;
- the Company or its subsidiary/subsidiaries may not repurchase securities during a prohibited period, unless there is a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- an announcement containing full details of such repurchase or purchase of shares must be published as soon as the Company and/or its subsidiary/subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% (three per cent) of the number of shares in issue at the date of this Annual General Meeting at which this special resolution is considered and, if approved, passed, and for each 3% (three per cent) in aggregate of the initial number acquired thereafter; and
- prior to entering the market to proceed with a repurchase, the Board must pass a resolution confirming that the Board has authorised the repurchase, that the Company satisfied the solvency and liquidity test contemplated in section 4 of the Companies Act, and that since the test was done there have been no material changes to the financial position of the Company and its subsidiaries (the "Group")."

Disclosure in terms of the JSE Listings Requirements

In terms of the JSE Listings Requirements, the following disclosures are required with reference to the repurchase of the Company's shares as set out in special resolution number two above:

Statement of directors

It is the intention of the Board to use such authority should prevailing circumstances (including tax dispensation and market conditions) in their opinion warrant it. The Board undertakes that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of sections 4 and 48 of the Companies Act will be complied with and for a period of 12 (twelve) months after shareholder approval for such general repurchase:

(i) the Company and the Group will be able, in the ordinary course of business, to pay its debts;

(ii) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, recognised and measured in accordance with International Financial Reporting Standards;

(iii) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and

(iv) the working capital resources of the Company and the Group will be adequate for ordinary business purposes.

The Company and the Group have complied with the applicable provisions of the Companies Act and the JSE Listings Requirements.

Directors' responsibility statement

The directors, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the JSE Listings Requirements.

The following further disclosures required in terms of the JSE Listings Requirements are set out in the annexures detailed below and attached to this Notice:

- Major shareholders – **Annexure 4**
- Material changes – **Annexure 5**
- Share capital of the Company – **Annexure 6**

Please refer to the additional disclosure of information contained in this Notice, which disclosure is required in terms of the JSE Listings Requirements.

Reason and effect

The reason for and effect of special resolution number two is to grant the Board a general authority to approve the repurchase of Company's shares or to permit a subsidiary of the Company to purchase shares in the Company.

SPECIAL RESOLUTION NUMBER 3: General authority to provide financial assistance to related and inter-related companies and corporations in terms of sections 44 and/or 45 of the Companies Act

"Resolved that the directors of the Company be and are hereby authorised in terms of, and subject to, the provisions of sections 44 and/or 45 of the Companies Act to cause the Company to, from time to time, provide any direct and/or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) for a period of 2 (two) years commencing on the date of this special resolution to any of its present or future subsidiaries and/or any other company or corporation which is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company or corporation or for the purchase of any securities of the Company or related or inter-related company or corporation; provided that the Board is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test contemplated in section 4 of the Companies Act; that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and, that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the MoI have been satisfied."

Reason and effect

The reason for, and effect of, special resolution number three is to grant the directors of the Company the authority, subject to the provisions of the Companies Act, to provide financial assistance to any company or corporation that is related or inter-related to the Company.

TRANSACTING ANY OTHER BUSINESS AS MAY BE CONDUCTED AT AN ANNUAL GENERAL MEETING

IMPORTANT NOTICE REGARDING ATTENDANCE AT THE ANNUAL GENERAL MEETING

Certificated and "*own name*" dematerialised shares – proxy

Shareholders holding certificated shares and shareholders of the Company who have dematerialised their shares and have elected own-name registration in the sub-register maintained by the Central Securities Depository Participant (CSDP), may attend, speak and vote at the Annual General Meeting or furnish a proxy.

Dematerialised shareholders other than with "*own name*" registration

Shareholders who have dematerialised their shares through a CSDP or broker and who have not elected own-name registration in the sub-register maintained by a CSDP and who wish to attend the Annual General Meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend, or if they do not wish to attend the Annual General Meeting, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Satisfactory identification

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a shareholders' meeting, such as the meeting convened in terms of this Notice, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. The Company will regard presentation of an original of a meeting participant's valid driver's licence, identity document or passport to be satisfactory identification.

Voting

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

Proxies

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the Annual General Meeting in person. Forms of proxy must be completed and returned to the Company's transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, (postal address: PO Box 61051, Marshalltown 2107), by no later than 09h00 on Thursday, 22 August 2019. Thereafter, a form of proxy must be handed to the chairperson of the Annual General Meeting before the appointed proxy may exercise any rights of the shareholder at the Annual General Meeting. If required, additional proxy forms may be obtained from the Company's transfer secretaries. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting to the exclusion of their appointed proxy/proxies should such shareholders wish to so do.

Each shareholder holding certificated shares and each shareholder of the Company who has dematerialised its shares and has elected own-name registration is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in his/her stead.

Shares held by a share trust or scheme of the Company will not have their votes at the Annual General Meeting taken into account for purposes of the resolutions proposed in terms of the JSE Listings Requirements.

Shares held as treasury shares will not have their votes taken into account at the Annual General Meeting.

The Company may provide for any shareholders' meeting to be conducted by electronic communication, or for one or more shareholders, or proxies for shareholders to participate in any shareholders' meeting by electronic communication. However, such participation does not provide / enable electronic voting.

By order of the Board

AJ Rich on behalf of STATUCOR (PTY) LTD
Company Secretary
25 July 2019

REGISTERED OFFICE
405 Voortrekker Road
Parow
Cape Town 7500
Telephone: +27 21 937 2000
Fax: +27 21 937 2100

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Ltd
PO Box 61051
Marshalltown 2107
Telephone: +27 11 370 5000
Fax: +27 11 688 5200

ANNEXURE 1:
AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Trans Hex Group Limited

Opinion

The summary consolidated financial statements of Trans Hex Group Limited, set out on pages 14 to 32 of the Notice of the Annual General Meeting, which comprise the summary consolidated statement of financial position as at 31 March 2019, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of Trans Hex Group Limited for the year ended 31 March 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 25 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated annual financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 24 July 2019. That report also includes:

- A Material Uncertainty Relating to Going Concern section that draws attention to note 43 in the audited consolidated financial statements. Note 43 of the audited consolidated financial statements indicated that the consolidated financial statements have been prepared assuming that the Group will continue as a going concern. Management's evaluation of the events and conditions includes management's plans regarding the potential disposal of the interest in which Trans Hex Diamante Ltd holds in West Coast Resources (Pty) Ltd. The consolidated financial statements do not include any adjustments that might result should the disposal not be concluded. These events or conditions, along with other matters set forth in note 43 of the audited consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on Trans Hex Group Limited's ability to continue as a going concern. The summary consolidated financial statements are affected to the equivalent extent as the audited consolidated financial statements. These matters are addressed in note 26 of the summary consolidated financial statements.
- The communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, as set out in note 25 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

MAZARS

Registered Auditor
Partner: Duncan Dollman
Registered Auditor
24 July 2019
Cape Town

HEADLINES

Restatement of the financial results for the previous corresponding period

Business combination

The financial results of WCR have been fully consolidated within the Group as of 1 February 2018. Accordingly, a provisional valuation of identifiable assets acquired and liabilities assumed was made as at 31 March 2018, upon the conclusion of the 2018 financial year. The provisional fair values were adjusted upon the finalisation of the valuations on 7 December 2018. Comparative information presented in the previous corresponding period has been revised accordingly.

Furthermore, it should be noted that the consolidation of WCR from 1 February 2018, impacted the comparability of the results for the year ended 31 March 2019, with the results for the previous corresponding period. Prior to 1 February 2018, the investment in WCR was accounted for as an investment in an associate under the equity method.

Prior period errors

The Group's financial statements were restated retrospectively with regards to the year ended 31 March 2018.

The Group reassessed the useful life of several items still in use within property, plant and equipment, in line with current assessments.

The Group measures its investment in Somiluana at amortised cost. In the prior year the Group did not estimate the future cash flows of the loan. This has now been remeasured. Refer to note 22 for further details.

Completion of sale of the Lower Orange River operations with effect from 1 April 2018

LOR operations was sold for a cash consideration of R72 million (exclusive of value added tax), which sale became effective on 1 April 2018. In the circumstances, the results of the LOR operations for the 12 months ended 31 March 2019 are excluded from the results and only the profit from the sale is reflected, which impacts the comparability of the results with the results for the previous corresponding period (i.e. the results of the LOR operations were presented as discontinued operations in the previous corresponding period).

- Group net profit for the year amounted to R144.1 million (2018 (restated): net loss of R229. 0 million).
- Sales revenue from the South African operations increased to R312.6 million (2018 (restated): R204.7 million).
- Group net profit from continuing operations amounted to R64.7 million (2018 (restated): net loss of R16.0 million).
- Profit from the discontinued Lower Orange River (LOR) operations amounted to R77.8 million (2018: loss of R215.3 million), directly attributable to the proceeds from its sale.
- Equity accounted profit from Somiluana amounted to R50.4 million (2018 (restated): profit of R47.5 million).
- Other gains amounted to R190.2 million, primarily due to the remeasurement of rehabilitation provisions, which resulted in a gain of R111.2 million being recognised, foreign exchange gains amounting to R21.4 million and fair value gain amounting to R51.7 million.
- The Group's net cash position at the end of the year was R65.5 million (2018: R79.4 million).
- Earnings per share amounted to 127.8 cents compared to a restated loss per share of 201.6 cents in the previous corresponding period.
- Headline earnings per share amounted to 45.3 cents compared to a restated headline loss per share of 165.0 cents in the previous corresponding period.
- Adjusted headline loss per share amounted to 51.3 cents (2018 (restated): loss of 68.3 cents). The remeasurement of the rehabilitation provisions amounting to R111.2 million were reversed to arrive at the adjusted headline earnings per share. In the previous corresponding period, retrenchment costs at the LOR operations of R111.4 million were added back.
- Net asset value per share amounted to 244.0 cents (2018 (restated): 125 .0 cents).

Change statement

Shareholders of the Company ("Shareholders") are hereby advised that the Group's Integrated Annual Report for the year ended 31 March 2019 is available on the Company's website. The notice of the annual general meeting of the Group was dispatched to Shareholders today, 25 July 2019, and contains the audited summary consolidated financial statements with the following changes to the reviewed results which were announced on SENS on Friday, 28 June 2019.

The changes are due to the non-controlling interest being incorrectly included in the computation of earnings per share and net asset value per share.

Earnings per share and Net asset value per share

	Reviewed results for the year ended 31 March 2019	Final audited results for the year ended 31 March 2019	Reviewed results for the year ended 31 March 2018	Final audited results for the year ended 31 March 2018
Earnings/(loss) per share (cents)				
Continuing operations	56,2	58.9	(13,9)	(16.6)
Net asset value per share (cents)	268	244	152	125

Earnings / (loss) per share from discontinued operations and headline earnings / (loss) per share remained unchanged.

SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2019

	Notes	2019 R'000	2018 Restated R'000
Continuing operations			
Revenue from contracts with customers	1	**312 556**	204 685
Cost of goods sold		**(403 002)**	(169 477)
Gross profit/(loss)		**(90 446)**	35 208
Other gains/(losses) – net	2	**190 245**	(13 718)
Other operating expenses	3	**(63 916)**	(66 440)
Operating profit/(loss)		**35 883**	(44 950)
Share of results of associated companies	4	**50 410**	38 662
Finance income		**16 002**	25 020
Finance costs		**(39 293)**	(32 995)
Profit/(loss) before income tax		**63 002**	(14 263)
Income tax		**1 742**	(1 748)
Profit/(loss) for the year from continuing operations		**64 744**	(16 011)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	5	**79 319**	(213 033)
Profit/(loss) for the year		**144 063**	(229 044)
Attributable to:			
Continuing operations		**64 744**	(16 011)
Owners of the parent		**67 866**	(19 134)
Non-controlling interest		**(3 122)**	3 123
Discontinued operations			
Owners of the parent		**79 319**	(213 033)
		144 063	(229 044)
Earnings/(loss) per share – basic and diluted (cents)			
Continuing operations		**58.9**	(16.6)
Discontinued operations		**68.9**	(185.0)
Total		**127.8**	(201.6)
Shares in issue adjusted for treasury shares ('000)		**115 136**	115 136
Average ZAR/US$ exchange rate		**13.65**	12.19

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

	2019 R'000	2018 Restated R'000
Profit/(loss) for the year	**144 063**	(229 044)
Other comprehensive loss net of tax:	**(10 962)**	(4 376)
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	–	**320**
Before-tax amount	–	320
Tax expense	**–**	–
Items that may subsequently be reclassified to profit or loss		
Translation differences on foreign subsidiaries before and after tax	**(1 165)**	232
Recycling of foreign currency translation differences on repayment of long-term receivables from foreign operations	**(9 797)**	(4 928)
Total comprehensive income/(loss) for the year	**133 101**	(233 420)
Attributable to:		
Continuing operations	**53 782**	(20 387)
Owners of the parent	**56 904**	(23 510)
Non-controlling interest	**(3 122)**	3 123
Discontinued operations		
Owners of the parent	**79 319**	(213 033)
	133 101	(233 420)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Notes	2019 R'000	2018 Restated R'000
Assets			
Non-current assets		**654 772**	663 442
Property, plant and equipment	7	**313 753**	351 307
Intangible assets		**9 910**	–
Investment in associates	8	**170 910**	114 217
Investments held by environmental trust		**75 293**	70 459
Other financial assets		**84 906**	127 458
Current assets		**136 899**	172 286
Inventories	9	**51 270**	74 522
Trade and other receivables		**20 151**	18 399
Current income tax		**4**	3
Cash and cash equivalents		**65 474**	79 363
Assets of a disposal group classified as held for sale	10	**8 602**	36 308
Total assets		**800 273**	872 036
Equity and liabilities			
Capital and reserves		**280 832**	144 608
Non-controlling interest		**27 663**	30 786
Non-current liabilities		**174 559**	306 012
Borrowings	11	**91 732**	111 813
Deferred income tax liabilities		**–**	1 742
Employee benefit and rehabilitation provisions	12	**82 827**	192 457
Current liabilities		**314 648**	291 027
Trade and other payables		**72 881**	63 246
Interest in joint ventures	5	**83 720**	69 595
Borrowings	11	**158 047**	158 186
Liabilities of a disposal group classified as held for sale	10	**2 571**	99 603
Total equity and liabilities		**800 273**	872 036
Net asset value per share (cents)		**244.0**	125.0

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Stated capital R'000	Other reserves R'000	Accu-mulated income/ (loss) R'000	Non-con-trolling interest R'000	Total equity R'000
Balance at 1 April 2017 (as previously stated)	206 276	(14 308)	164 407	–	356 375
Useful life reassessment	–	–	6 379	1 483	7 862
Balance at 1 April 2017 (restated)	**206 276**	**(14 308)**	**170 784**	**1 483**	**364 235**
Loss for the year*	–	–	(231 850)	3 123	(228 727)
Total other comprehensive loss for the year*	–	(4 376)	(320)	–	(4 696)
Shares issued during the year	18 402	–	–	–	18 402
Acquisition of subsidiary	–	–	–	68 185	68 185
Subsequent measurement	–	–	–	(42 005)	(42 005)
Balance at 1 April 2018	**224 678**	**(18 684)**	**(61 386)**	**30 786**	**175 394**
Profit for the year**	–	–	147 186	(3 123)	144 063
Total other comprehensive income for the year**	–	(10 962)	–	–	(10 962)
Balance at 31 March 2019	**224 678**	**(29 646)**	**85 800**	**27 663**	**308 495**

* These line items were reported as a single line item in the reviewed results which were announced on SENS on Friday, 28 June 2019 and have been split for purposes of comparability with the 2018 Annual Integrated Report.

** These line items were reported as a single line item in the reviewed results which were announced on SENS on Friday, 28 June 2019 and have been split for purposes of comparability with the 2018 Annual Integrated Report.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

	Notes	2019 R'000	2018 Restated R'000
Cash utilised in operations	18	**(115 070)**	(226 734)
Movements in working capital		**31 135**	(37 730)
Income tax paid		**(2)**	(3)
Net cash utilised in operating activities		**(83 937)**	(264 467)
Cash flows from investment activities		**175 854**	36 385
Property, plant and equipment			
Proceeds from disposal		**6 896**	15 087
Additional		**(17 566)**	(6 579)
Net cash flows of discontinued operations		**69 250**	–
Proceeds from repayment of loan to Trans Hex Angola Lda		**47 463**	20 160
Loan to associate		**–**	(8 903)
Decrease in other financial assets		**50 000**	–
Dividends received		**16 090**	10 716
Interest received		**3 721**	5 904
Cash flows from financing activities		**(107 975)**	83 992
Proceeds from borrowings	19	**–**	95 000
Repayment of borrowings	19	**(98 713)**	(6 848)
Interest paid	19	**(9 262)**	(4 160)
Net decrease in cash and cash equivalents		**(16 058)**	(144 090)
Cash and cash equivalents at beginning of year		**79 364**	225 400
Effects of exchange rates on cash and cash equivalents		**2 168**	(1 946)
Cash and cash equivalents at end of year		**65 474**	79 364

NOTES TO THE SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

	2019 R'000	2018 Restated R'000
1. Revenue from contracts with customers		
Geographical external revenue for the Group is as follow:		
South African customers	**112 749**	185 541
Foreign customers	**199 807**	225 018
	312 556	410 559
(Included in the prior year figures was revenue amounting to R205.9 million relating to discontinued operations)		
Revenue sources of the Group is as follow:		
Sales of diamonds	**307 474**	398 416
Commission on sale of third-party diamonds	**5 082**	12 143
	312 556	410 559
2. Other gains/(losses) – net		
Other gains – net consist of the following categories:		
Loss on scrapping of property, plant and equipment	**–**	(1 357)
Foreign exchange gains	**21 365**	4 371
Provisional gain on bargain purchase with acquisition of subsidiary	**–**	38 142
Finalisation of gain on bargain purchase with acquisition of subsidiary (adjustment)	**–**	(34 833)
Loss on remeasurement to fair value with acquisition of subsidiary	**–**	(58 800)
Remeasurement of rehabilitation provision	**111 164**	–
Fair value gain	**51 713**	38 759
Reversal of impairments	**776**	–
Profit on sale of assets	**5 227**	–
	190 245	(13 718)
3. Other operating expenses		
Explorations costs	**10 387**	6 574
Royalties	**1 486**	1 005
Selling and administration expenses	**52 043**	58 861
	63 916	66 440
4. Share of results of associated companies		
Consists of the following categories:		
Somiluana – Sociedade Mineira, S.A.	**50 410**	47 503
The 33% investment in Somiluana is accounted for as an investment in an associate under the equity method.		
West Coast Resources (Pty) Ltd	**–**	(8 841)
On 1 February 2018, West Coast Resources (Pty) Ltd became a subsidiary of the Group. Up to this date, the 40% investment in West Coast Resources (Pty) Ltd was accounted for as an investment in an associate under the equity method.		
	50 410	38 662

	2019 R'000	2018 Restated R'000

5. Discontinued operations

Consists of the following:

Angolan joint ventures

On 5 October 2011, the Angolan Ministry of Geology, Mines and Industry revoked the mining rights of the Luarica and Fucaúma joint ventures as no mining activities had been performed at the sites for a period of three years as a result of the projects being placed under care and maintenance.

The prescription of unclaimed debts of R1.5 million (2018: R2.3 million) is included below.

	2019 R'000	2018 Restated R'000
Angolan joint ventures		
Balance at beginning of year	**69 595**	81 539
Share of profit	**(1 528)**	(2 314)
Foreign exchange profit/(loss)	**15 653**	(9 630)
Closing balance at end of year	**83 720**	69 595
Profit for the year	**1 528**	2 314

Lower Orange River operations

In line with the Company's strategy of responsibly managing the LOR operations in the final years of their viable economic life cycles, these operations were gradually downscaled. Production was finally halted on 31 October 2017 following the successful conclusion of a formal consultation process with the National Union of Mineworkers. LOR operations was sold, effective 1 April 2018, for a cash consideration of R72 million.

	2019 R'000	2018 Restated R'000
The results of these operations were as follows:		
Revenue	**–**	205 874
Cost of goods sold	**–**	(426 109)
Gross loss	**–**	(220 235)
Royalties	**–**	(1 029)
Mining loss	**–**	(221 264)
Other gains – net	**77 791**	9 748
Finance costs	**–**	(3 831)
Profit/(loss) before income tax	**77 791**	(215 347)
Income tax	**–**	–
Profit/(loss) for the year	**77 791**	(215 347)
Total profit/(loss) for the year	**79 319**	(213 033)

	2019 R'000	2018 Restated R'000
6. Reconciliation of headline and adjusted headline earnings		
Headline earnings/(loss)		
Continuing operations	**50 574**	32 786
Discontinued operations	**1 528**	(222 781)
Total	**52 102**	(189 995)
Headline earnings/(loss) per share (cents)		
Continuing operations	**43.9**	28.5
Discontinued operations	**1.4**	(193.5)
Total	**45.3**	(165.0)
Continuing operations		
Profit/(loss) for the year	**67 866**	(19 134)
Gain on bargain purchase with acquisition of subsidiary	**–**	(38 142)
Finalisation of gain on bargain purchase with acquisition of subsidiary (adjustment)	**–**	34 833
Loss on remeasurement to fair value with acquisition of subsidiary	**–**	58 800
Profit/(loss) on sale of assets	**(5 227)**	1 357
Foreign currency translation differences on repayment of long-term receivables from foreign operations recycled to profit or loss	**(9 797)**	(4 928)
Reversal of impairments	**(6 869)**	–
Additional impairments provided	**4 601**	–
Headline earnings	**50 574**	32 786
Discontinued operations		
Profit/(loss) for the year	**79 319**	(213 033)
Profit on sale of assets	**(77 791)**	(9 748)
Taxation impact	**–**	–
Headline earnings/(loss)	**1 528**	(222 781)
Total headline earnings	**52 102**	(189 995)
Adjusted headline earnings/(loss)		
Total headline earnings/(loss)	**52 102**	(189 995)
Remeasurement of rehabilitation provisions	**(111 164)**	–
Retrenchment costs at the LOR operations	**–**	111 400
Adjusted headline loss	**(59 062)**	(78 595)
Adjusted headline loss per share (cents)	**(51.3)**	(68.3)

7. Property, plant and equipment

Reconciliation of carrying value at the beginning and end of the year:

	Land and buildings R'000	Mining rights R'000	Mining plant and equipment R'000	Total R'000
2019				
Opening balance	**71 038**	**123 756**	**156 513**	**351 307**
Additions	**462**	**–**	**7 194**	**7 656**
Disposals	**(292)**	**–**	**(1 377)**	**(1 669)**
Transfers	**(129)**	**–**	**129**	**–**
Classified as held for sale	**(2 014)**	**(2 638)**	**(3 174)**	**(7 826)**
Impairments and reversal of impairments	**–**	**2 899**	**(1 408)**	**1 491**
Depreciation charge	**(778)**	**(9 088)**	**(27 340)**	**(37 206)**
Closing balance	**68 287**	**114 929**	**130 537**	**313 753**
2018				
Opening balance	2 981	–	48 458	51 439
Additions	568	–	6 011	6 579
Acquired as part of a business combination	67 600	126 708	153 022	347 330
Classified as held for sale	–	–	(33 064)	(33 064)
Useful life reassessment	–	–	7 860	7 860
Transfers	392	–	(392)	–
Disposals	–	–	(6 697)	(6 697)
Depreciation charge	(503)	(2 952)	(18 685)	(21 140)
Closing balance	71 038	123 756	156 513	351 307

	2019 R'000	2018 Restated R'000
8. Investment in associates		
Loan to associate: Somiluana – Sociedade Mineira, S.A.	**51 713**	46 708
Balance at beginning of year	**46 704**	29 840
Fair value gain	**51 713**	38 759
Repayment of loan amount	**(47 463)**	(20 159)
Foreign exchange differences	**759**	(1 736)

The loan to Somiluana represents a portion of the exploration costs previously incurred by the Group which is recoverable from the mining company. In terms of the Somiluana mining contract, the Group has a contractual right to be reimbursed for the exploration costs incurred and as at 31 March 2019, the loan outstanding by Somiluana amounted to US$16.6 million. During the 2011 financial year, an amount of US$10.5 million was recognised as a loan receivable by the Group. This represented the recoverable amount of the loan receivable from Somiluana when the entity was formed on 12 May 2010.

The Group remeasured the future cash flows of the loan at US$3.69 million (2018: US$3.5 million) with the fair value gain recognised under other gains - net in the statement of comprehensive income.

	2019 R'000	2018 Restated R'000
Investment in associate: Somiluana – Sociedade Mineira, S.A	**119 197**	67 513
Balance at beginning of year	**67 513**	38 820
Share of results of associated company	**50 410**	47 503
Dividends paid	**(16 091)**	(10 716)
Foreign exchange differences	**17 365**	(8 094)

The 33% investment in Somiluana is accounted for as an investment in an associate under the equity method.

The results of the associate for the 9-month period until 31 December 2018, has been included in the group results, compared to 12 months in the prior period. The year end of the associate was 31 December 2018.

	2019 R'000	2018 Restated R'000
	170 910	114 217

	2019 R'000	2018 Restated R'000
9. Inventories		
Diamonds	**36 290**	61 622
Consumables	**14 980**	12 900
	51 270	74 522

The carrying value of diamond inventories included above, carried at net realisable value, amounted to R20 407 381 2018: R4 081 444). Expenses recognised as a result of the write down to NRV amounted to R9 196 753.

Cost of inventories included in cost of goods sold amounted to R374.6 million (2018: R163.0 million).

10. Assets and liabilities of a disposal group held for sale

The Group received an offer to purchase the head office building, which was accepted on 13 May 2019. The Group has agreed to dispose of the property for a total cash consideration of R30.0 million (exclusive of value added tax) payable on the date of transfer of the property. The carrying value of the property at 31 March 2019 is R1 008 755.

The Group received an offer to purchase another property, which was accepted on 3 April 2019. The Group has agreed to dispose the property for a total cash consideration of R2.5 million (exclusive of value added tax) payable on the date of transfer of the property. The carrying value of the property at 31 March 2019 is R776 055.

Other mining operations of the entity have been assessed as meeting the recognition criteria of non-current assets held for sale and have been disclosed accordingly. The carrying value of the operations that were classified as being held for sale amounted to R6 817 524 as at 31 March 2019.

During 2019, the LOR operations was sold, with effect from 1 April 2018, for a cash consideration of R72 million.

	2019 R'000	2018 Restated R'000
Assets of a disposal group classified as held for sale:		
Property, plant and equipment	**7 826**	33 064
Investment property	**776**	–
Consumables	**–**	3 244
	8 602	36 308
Liabilities of a disposal group classified as held for sale:		
Provision for rehabilitation	**2 571**	99 603
	2 571	99 603

11. Borrowings

	2019 R'000	2018 Restated R'000
Non-current		
Loan secured by a second mortgage bond to the value of R38 775 000 over certain immovable properties and a general notarial bond over certain movable assets to the value of R173 383 700. The loan carries interest at the prime overdraft rate plus 0.4% compounded monthly and is repayable in 66 monthly instalments, the first of which was paid on 1 September 2016. The total amount, inclusive of capitalised interest, available under this loan is R189 010 000. Total value of assets secured over land and movable assets amounted to R168 791 745.	**127 465**	146 178
Less: Portion of loan repayable within one year, included in current liabilities.	**(35 733)**	(34 365)
	91 732	111 813
Current		
Revolving loan facilities secured by a special notarial bond to the value of R264 000 000 over certain movable assets, cession of certain book debts, shares and claims. The loans carry interest at the rate of 2% per month. The total amount available under the facility is R148 000 000 with R133 000 000 still available for utilisation.	**64 114**	123 821
Rehabilitation liability relating to the disposal of LOR (previously disclosed under discontinued operations).	**58 200**	-
Portion of non-current liabilities repayable within one year, included in current liabilities.	**35 733**	34 365
	158 047	158 186

12. Employee benefit and rehabilitation provisions

	2019 R'000	2018 Restated R'000
Provision for post-employment medical benefits	**11 017**	11 017
Provision for long-service awards	**1 869**	3 016
Provision for rehabilitation liabilities	**69 941**	178 424
	82 827	192 457

13. Business combinations

The opening balance sheet of West Coast Resources (Pty) Ltd has been fully consolidated within the Group as of 1 February 2018. Accordingly, a provisional valuation of identifiable assets acquired and liabilities assumed was made as at 31 March 2018 upon the conclusion of the 2018 annual financial statements. The following table summarises the movements in identifiable assets acquired and liabilities assumed from the provisional valuation allocations to the final valuations:

	01/02/2018 Disclosure as at 31/03/18 R'000	Adjustment R'000	01/02/2018 Restated as at 31/03/18 R'000
Total assets	744 180	(160 264)	583 916
Property, plant and equipment	194 139	26 483	220 622
Mining rights (included within property, plant and equipment)	313 455	(186 747)	126 708
Other financial assets	123 016	–	123 016
Inventories	107 829	–	107 829
Trade and other receivables	5 603	–	5 603
Cash and cash equivalents	138	–	138
Total liabilities	536 300	(32 201)	504 099
Provisions	166 890	–	166 890
Deferred income tax liabilities	32 201	(32 201)	–
Borrowings	202 934	–	202 934
Trade and other payables	134 275	–	134 275
Total identifiable net assets	207 880	(128 063)	79 817
Net asset value purchased (67.2%)	139 695	(86 058)	53 637
Fair value of consideration transferred	(18 402)	–	(18 402)
Previously held equity (40.0%)	(83 151)	(51 224)	(31 927)
Gain on bargain purchase	38 142	(34 834)	3 308

Provisional gain on bargain purchase at the end of March 2018

The net assets provisional fair value disclosed at the end of the 2018 financial year amounted to R207.8 million and took into account:

Intangible assets of R313.5 million for the mining rights;
Tangible assets of R194.1 million;
Inventories of R107.8 million;
Trade receivables of R5.6 million and trade payables of R134.3 million;
Other financial assets of R123.0 million;
Net deferred tax liabilities of R32.2 million;
Provisions of R166.9 million; and
Financial net debt of R202.9 million.

The provisional fair values were adjusted as indicated in the table above upon the finalisation of the valuations. Comparative information for prior periods presented has been revised accordingly.

14. Capital commitments

	2019 R'000	2018 R'000
(Including amounts authorised, but not yet contracted)	-	12 247

These commitments were financed from the Group's own resources or with borrowed funds.

15. Related-party balances and transactions

The following transactions were carried out with related parties:

	2019 R'000	2018 R'000
Sale of property, plant and equipment		
Somiluana – Sociedade Mineira, S.A.	**–**	4 645
West Coast Resources (Pty) Ltd	**–**	10 759
Receipts for services rendered to associated companies		
West Coast Resources (Pty) Ltd	**–**	15 190
Executive directors and key management compensation		
Salaries and other short-term benefits	**19 796**	31 612
Loans to/(from) associated companies and shareholders at end of year		
Somiluana – Sociedade Mineira, S.A.	**51 713**	46 708
Cream Magenta 140 (Pty) Ltd	**(25 163)**	(48 608)
Metcap 14 (Pty) Ltd	**(25 163)**	(48 608)
RECM and Calibre Ltd	**(13 787)**	(26 611)
Short-term investments		
Regarding Capital Management (Pty) Ltd	**191 279**	124 458
Finance income		
Regarding Capital Management (Pty) Ltd	**12 089**	10 967
West Coast Resources (Pty) Ltd	**–**	13 620
Finance costs and fees		
Cream Magenta 140 (Pty) Ltd	**7 929**	11 315
Metcap 14 (Pty) Ltd	**7 929**	11 315
RECM and Calibre Ltd	**4 345**	6 191

16. Fair value estimation

Items carried at fair value are classified according to the fair value hierarchy by valuation method. The different levels have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (thatis, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs (Level 3).

Financial assets are classified as Level 1 according to the fair value hierarchy. Investments held by the environmental trust were the only financial assets carried at fair value in the prior year. However, this fund consists primarily of cash and cash equivalents with the largest driver of the growth in the trust fund being attributable to interest received.

The nominal value less impairment provisions of trade receivables, cash and cash equivalents, trade payables, other financial assets and borrowings are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for the Group for similar financial instruments.

17. Deferred tax

The Group does not recognise a deferred tax asset as future utilisation is uncertain.

	2019 R'000	2018 Restated R'000
18. Cash utilised in operations		
Profit/(loss) before taxation	**63 002**	(232 341)
Adjustments for:		
Depreciation and amortisation	**37 206**	27 182
Gains on disposal of assets and liabilities	**(5 227)**	(8 391)
Net gains on foreign exchange	**(17 794)**	(2 927)
Income from equity accounted investments	**(50 410)**	(38 662)
Interest income	**(11 168)**	(7 936)
Finance costs	**39 293**	21 995
Fair value gains	**(51 713)**	(38 759)
Gain on bargain purchase in a business combination	**–**	(3 309)
Impairment losses and reversals	**(2 267)**	–
Movements in provisions	**(109 630)**	6 026
Other income from rehabilitation trust	**(4 834)**	(6 098)
Loss on remeasurement of fair value with acquisition of subsidiary	**–**	58 800
Angolan operations	**(1 528)**	(2 314)
	(115 070)	(226 734)

	2019 R'000	2018 Restated R'000
19. Reconciliation of non-cash movements in borrowings		
Opening balance	**269 999**	–
Cash receipts	**–**	95 000
Cash payments	**(107 975)**	(11 008)
Non-cash-flow movements	**87 755**	186 007
Closing balance	**249 779**	269 999

20. Segment information

Operating segments

	CONTINUING			DISCONTINUED		
Year ended 31 March 2019	**South Africa**	**Angola**	**Total**	**South Africa**	**Angola**	**Total**
Carats sold	**151 424**	**–**	**151 424**	–	–	–
	R'000	**–**	**R'000**	**R'000**	**–**	**R'000**
Revenue	**312 556**	**–**	**312 556**	–	–	–
Cost of goods sold	**(403 002)**	**–**	**(403 002)**	–	–	–
Gross loss	**(90 446)**	**–**	**(90 446)**	–	–	–
Other gains – net	**138 532**	**51 713**	**190 245**	77 791	–	77 791
Other operating expenses	**(57 337)**	**(6 579)**	**(63 916)**	–	–	–
Operating profit	**(9 251)**	**45 134**	**35 883**	77 791	–	77 791
Share of results and impairment of associated companies	**–**	**50 410**	**50 410**	–	–	–
Profit for the year from discontinued operations	**–**	**–**	**–**	–	1 528	1 528
Finance income	**16 002**	**–**	**16 002**	–	–	–
Finance costs	**(39 293)**	**–**	**(39 293)**	–	–	–
(Loss)/profit before income tax	**(32 542)**	**95 544**	**63 002**	77 791	1 528	79 319
Depreciation included in the above	**(37 206)**	**–**	**(37 206)**	–	–	–
Net assets/(liabilities)	**330 108**	**120 307**	**450 415**	(58 200)	(83 720)	(141 920)
Capital expenditure	**7 656**	**–**	**7 656**	–	–	–
Net asset value per share (cents)	**263**	**104**	**367**	(50)	(73)	(123)
Year ended 31 March 2018	**South Africa**	**Angola**	**Total**	**South Africa**	**Angola**	**Total**
Carats sold	78 185	–	78 185	16 698	–	16 698
	R'000	**–**	**R'000**	**R'000**	**–**	**R'000**
Revenue	204 685	–	204 685	205 874	–	205 874
Cost of goods sold	(169 477)	–	(169 477)	(426 109)	–	(426 109)
Gross loss	35 208	–	35 208	(220 235)	–	(220 235)
Other (losses)/gains – net	(50 735)	37 017	(13 718)	9 748	–	9 748
Other operating expenses	(55 255)	(11 185)	(66 440)	(1 029)	–	(1 029)
Operating loss	(70 782)	25 832	(44 950)	(211 516)	–	(211 516)
Share of results and impairment of associated companies	(8 841)	47 503	38 662	–	–	–
Profit for the year from discontinued operations	–	–	–	–	2 314	2 314
Finance income	25 020	–	25 020	–	–	–
Finance costs	(32 995)	–	(32 995)	(3 831)	–	(3 831)
(Loss)/profit before income tax	(87 598)	73 335	(14 263)	(215 347)	2 314	(213 033)
Depreciation included in the above	(11 277)	(3)	(11 280)	(10 860)	–	(10 860)
Net assets/(liabilities)	226 337	81 947	308 284	(63 295)	(69 595)	(132 890)
Capital expenditure	2 111	–	2 111	4 468	–	4 468
Net asset value per share (cents)	170	71	241	(55)	(60)	(116)

Revenue from transactions with certain customers can amount to 10% or more of total revenue. During the year under review three individual customers were responsible for aggregate sales in excess of 10% of revenue. Such individual customers were responsible for aggregate sales of R134.6 million (2018: R0.0).

Customer A R38.6 million

Customer B R51.4 million

Customer C R44.6 million

21. Comparative figures

In previous years, royalties and exploration costs were separately presented in the consolidated statement of comprehensive income. These expenses have been reclassified together with other expense items in line with industry norms and separately disclosed in the relevant notes. Due to this change in allocation, the Group has had to restate prior period figures presented in the consolidated statement of comprehensive income.

The effect of the correction on prior year figures has been as follows:

	R'000
Cost of sales	(2 331)
Other operating expenses	(5 248)
Royalties	1 005
Exploration costs	6 574
Net effect	–

Commission received on the sale of rough diamonds on behalf of third parties was included in other income in previous years. As these sales form an integral part of the operations of the entity, they have been included as revenue from contracts with customers. Due to this change in allocation, the Group has had to restate prior period figures presented in the consolidated statement of comprehensive income.

The effect of the correction on prior year figures has been as follows:

	R'000
Revenue from contracts with customers	12 143
Other operating expenses	(12 143)
Royalties	-

22. Prior period errors

The Group's financial statements were amended retrospectively with regards to the year ending 31 March 2018.

The Group reassessed the useful life of several items still in use within property, plant and equipment, in line with current assessments.

The correction of the error results in adjustments as follow:

	1 April 2017 R'000	31 March 2018 R'000
Statement of financial position		
Increase in carrying value of property, plant and equipment	7 862	4 983
Increase in retained income	6 379	4 012
Increase in non-controlling interest	1 483	971
Income statement		
Increase in depreciation	-	2 879

The group accounts for its loan to Somiluana as a long-term interest that is part of its net investment in the associate. The loan is measured at amortised cost before the total net investment in the associate (including the loan) is tested for impairment under the requirements of IAS 28 Investments in Associates and Joint Ventures.

22. Prior period errors continued

In measuring the loan at amortised cost, the effective interest method is applied by discounting estimated future cash receipts through the expected life of the loan. Where necessary, estimates of receipts are revised and the gross carrying amount of the loan is adjusted to reflect actual and revised estimated contractual cash flows. The gross carrying amount of the loan is recalculated as the present value of the estimated future cash flows, discounted at the loan's original effective interest rate. The adjustment is recognised in profit or loss.

In the prior year, the group did not accurately revise the estimated future cash flows from the loan and, as a result, the required adjustment to the carrying amount of the loan was not recognised in profit or loss. This adjustment has now been calculated and recognised in the prior year as a 'fair value gain' within 'other gains' in the statement of comprehensive income.

The correction of the error results in adjustments as follow:

	2018 R'000
Statement of financial position 2018	
Increase in investment in associates	38 759
Statement of comprehensive income	
Increase in fair value gains	38 759

23. Contingent liabilities

The Group is subject to claims that arise in the ordinary course of business. The Group has provided performance guarantees to banks and other third parties amounting to R8 million (2018: R8 million).

Trans Hex Diamante Ltd (THD) has provided a performance guarantee to the Industrial Development Corporation Limited (IDC) to the value of the outstanding amount being R127.5 million (2018: R146.2 million).

24. Events after the reporting period

Post year-end, Trans Hex Operations (Pty) Ltd, West Coast Resources (Pty) Ltd (WCR), THD (all of which are subsidiaries of Trans Hex) and Kernel Resources (Pty) Ltd (Kernel Resources), (collectively, the "Parties") entered into a process of negotiating the terms and conditions of the potential disposal of the shares held by THD in the issued share capital of WCR ("WCR Shares"), comprising 67.2% of the WCR Shares, to Kernel Resources.

In anticipation thereof, and to ensure undisturbed continuity of WCR's Namaqualand operations ("Namaqualand Operations"), the Parties entered into a management and mining services agreement, whereby WCR has, subject to the fulfilment of suspensive conditions customary for an agreement of this nature, appointed Kernel Resources as an independent contractor to perform management and mining services in connection with the Namaqualand Operations.

Details of the above agreement were released on SENS on 10 May and 21 May 2019 and are available on Trans Hex's website at www.transhex.co.za/announcements

No other events which may have a material effect on the Group occurred between the reporting date and the issuing of this announcement.

25. Accounting policies

The summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements ("Listings Requirements") for summary consolidated financial statements and the requirements of the Companies Act, No. 71 of 2008. These financial statements contain the information required by IAS 34: Interim Financial Reporting, and have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS); interpretations issued by the IFRS Interpretation Committee, the requirements of the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the implementation of IFRS 9 and IFRS 15 as discussed below:

25. Accounting policies continued

IFRS 9: Financial Instruments and IFRS 15: Revenue from Contracts with Customers

The Group applied IFRS 15 and IFRS 9 for the first time from 1 April 2018. The nature and effect of these changes as a result of the adoption of these new standards are described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year. Several other amendments and interpretations applied for the first time in 2018, but did not have an impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of the goods or services transfers to the customer. Revenue needs to be recognised at a point in time or over time depending on the performance obligation linked to separate elements of the contract with the customer. The Group has one revenue stream being the sale of diamonds. The timing and measurement of the Group's revenue has not changed as a result of the implementation of IFRS 15. Risk and rewards of ownership and control of the diamonds passes to the purchaser when cash is received in the bank and revenue is recognised at that point in time when the diamonds are handed over to the purchaser. No further performance obligations were noted. The Group earns commission on third-party diamond sales. The revenue is recognised on the date of sale on a commission percentage basis.

IFRS 9: Financial Instruments

The prior year's figures have not been restated. In the current year, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for:

1) The classification and measurement of financial assets and financial liabilities, and
2) Impairment for financial assets

Details of these new requirements, as well as their impact on the Group's consolidated financial statements, are described below.

Classification and measurement of financial assets

IFRS 9 addresses the classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. IFRS 9 includes guidance on financial liabilities and the derecognising of financial instruments. The directors of the Company reviewed and assessed the Group's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has not had a significant impact on the Group's financial assets.

IFRS 9 changes the classification of certain financial instruments. Trade and other receivables are all held to collect solely payments of principal and interest (SPPI) and continue to be measured at amortised cost along with other financial assets and loans. Similarly, borrowings and trade and other payables will continue to be measured at amortised cost. Investments held by the rehabilitation trust are to be measured at amortised cost where these were measured at fair value through profit or loss under IAS 39. The reclassification has, however, not had a material impact on the carrying value of these investments.

Impairment of financial assets

IFRS 9 requires an expected credit loss model to be used in impairing financial assets. It is no longer necessary for a credit loss event to have occurred before impairments are recognised.

The group has elected to apply the simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables.

As at 1 April 2018, the Groups' directors reviewed and assessed the Group's existing financial assets and amounts due from customers for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised. This did not result in material impact on the financial assets.

Summary of change in category of financial instruments:

Instrument	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification	IFRS 9 Measurement
Trade receivables	Loans and receivables	Amortised cost	Financial asset at amortised cost	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost	Financial asset at amortised cost	Amortised cost
Other financial assets	Loans and receivables	Amortised cost	Financial asset at amortised cost	Amortised cost
Investment held in environmental trust	At fair value through profit or loss	At fair value through profit or loss	Financial asset at amortised cost	Amortised cost
Derivatives	At fair value through profit or loss	At fair value through profit or loss	Financial asset at fair value through profit or loss	At fair value through profit or loss
Borrowings	Other financial liability	Amortised cost	Financial liability at amortised cost	Amortised cost
Trade payables	Other financial liability	Amortised cost	Financial liability at amortised cost	Amortised cost

26. Going concern

The Board of Directors (the Board) has resolved that the going concern assumption on the Group, as consolidated, is appropriate. In reaching this conclusion the Board, inter alia, considered the real drivers on this assumption, being the cash flows for the ensuing year, in particular those of WCR and assumptions embedded therein. The Board also applied its mind to the worst case scenario regarding the potential disposal of WCR, comprising 67.2% of the WCR shares, to Kernel Resources.

The Group's ability to fund its short-term liquidity requirements is dependent on the financial support of its shareholders and the IDC, creating a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern.

27. Preparation of financial statements

The preparation of the summary consolidated financial statements was supervised by the financial director, IP Hestermann CA (SA).

OVERVIEW

Results in this audited summary consolidated financial statements are compared with results for the 12 months ended 31 March 2018 **("previous corresponding period").**

Restatement of the financial results for the previous corresponding period

Business combination

The financial results of WCR have been fully consolidated within the Group as of 1 February 2018. Accordingly, a provisional valuation of identifiable assets acquired and liabilities assumed was made as at 31 March 2018, upon the conclusion of the 2018 financial year. The provisional fair values were adjusted upon the finalisation of the valuations on 7 December 2018. Comparative information presented in the previous corresponding period has been revised accordingly.

Furthermore, it should be noted that the consolidation of WCR from 1 February 2018, impacted the comparability of the results for the year ended 31 March 2019, with the results for the previous corresponding period. Prior to 1 February 2018, the investment in WCR was accounted for as an investment in an associate under the equity method.

Prior period errors

The Group's financial statements were restated retrospectively with regards to the year ended 31 March 2018.

The Group reassessed the useful life of several items still in use within property, plant and equipment, in line with current assessments.

The Group measures its investment in Somiluana at amortised cost. In the prior year the Group did not estimate the future cash flows of the loan. This has now been remeasured. Refer to note 22 for further details.

Completion of sale of the Lower Orange River operations with effect from 1 April 2018

LOR operations was sold for a cash consideration of R72 million (exclusive of value added tax), which sale became effective on 1 April 2018. In the circumstances, the results of the LOR operations for the 12 months ended 31 March 2019 are excluded from the results and only the profit from the sale is reflected, which impacts the comparability of the results with the results for the previous corresponding period (i.e. the results of the LOR operations were presented as discontinued operations in the previous corresponding period).

Sales revenue from the South African operations increased to R312.6 million (2018 (restated): R204.7 million).

South African carat production reduced to 131 520 carats (2018: 197 496 carats), mainly due to WCR producing less carats and the closure of the LOR operations.

The cost of goods sold increased to R403.0 million compared to the previous corresponding period restated figure of R169.5 million, mainly as a result of West Coast Resources (Pty) Ltd becoming a subsidiary of the Group on 1 February 2018.

The gross loss in 2019 amounted to R90.4 million compared to a restated gross profit of R35.2 million during the previous corresponding period.

Other gains amounted to R190.2 million, primarily due to the remeasurement of the rehabilitation provisions, which resulted in a gain of R111.2 million being recognised, foreign exchange gains amounting to R21.4 million and a fair value gain of R51.7 million. The previous corresponding period saw other losses of R13.7 million, mainly due to loss on remeasurement of subsidiary to fair value of R58.8 million and a gain on bargain purchase with the acquisition of subsidiary amounting to R3.3 million, fair value gain on associate of R38.8 million and foreign exchange gains of R4.4 million.

Other operating expenses amounted to R63.9 million compared to R66.4 million during the previous corresponding period, the reduction mainly due to selling and administrative expenses decreasing by R6.8 million and explorations costs increasing by R3.8 million.

Profit before tax from the South African continuing operations amounted to R63 million compared to a restated loss of R14.3 million during the previous corresponding period.

Profit from the Angolan continuing operations amounted to R95.5 million (2018 (restated): profit of R73.3 million), consisting of Somiluana's equity accounted profit of R50.4 million (2018: profit of R47.5 million), a fair value gain of R51.7 million (2018 (restated): R38.8 million) less Angolan head office costs of R6.6 million (2018: R11.2 million).

Finance income was R16.0 million compared to R25.0 million during the previous corresponding period.

Finance costs was R39.3 million compared to R33.0 million the previous corresponding period.

After-tax profit for the year from continuing operations amounted to R64.7 million (2018 (restated): loss of R16.0 million).

Profit from the discontinued operations amounted to R79.3 million (2018: loss of R213.0 million), consisting of a profit from the Luarica and Fucaúma operations of R1.5 million (2018: profit of R2.3 million) and a profit from the LOR operations of R77.8 million (2018: loss of R215.3 million) directly attributable to the proceeds from its sale.

The Group, therefore, reports a profit for the year of R144.1 million (2018 (restated): net loss of R229.0 million).

The Group acquired prospecting rights during the current period of R9.9 million.

Cash and cash equivalents at the end of the year amounted to R65.5 million (2018: R79.4 million).

MINERAL RESOURCES AND MINERAL RESERVES

The total carat resource at West Coast Resources (Pty) Ltd decreased by 4%, primarily due to depletion through mining activities. The indicated and inferred diamond resource carats decreased by 3.8% and 4% respectively, i.e. a decrease of 202 402 carats in total.

Total carats in reserve at Somiluana Mine increased by 173% due to favourable diamond prices, lower operation unit costs and additional resources that were reclassified from inferred to indicated. The project resource increased by 78% due to new resource blocks that were delineated during the 2018/19 resource review, based on an increased confidence in the geological model through drilling, bulk-sampling and grades based on actual mining.

The marine indicated and inferred diamond resource carats are 211 755 and 121 665 respectively.

The competent person for Trans Hex, Mr SBE Damons, has reviewed and approved the information contained in this announcement as it pertains to mineral resources and mineral reserves. Mr Damons is an employee of Trans Hex and serves as the Company's Mineral Resource Manager.

OPERATING PERFORMANCE

for the year ended 31 March 2019

Detailed project information

Detailed project information (unaudited)	Year ended 31 March 2019				Year ended 31 March 2018			
	Average grade*	Carats produced	Average carats per stone	Average price per carat achieved (US$)	Average grade*	Carats produced	Average carats per stone	Average price per carat achieved US$
South Africa								
West Coast Resources	**17.20**	**123 884**	**0.23**	**128**	**27.84**	**173 920**	**0.23**	**153**
Baken	–	–	–	–	2.43	13 944	1.17	946
Bloeddrif	–	–	–	–	2.60	620	1.52	877
Shallow water	–	**7 636**	**0.25**	**491**	–	9 012	0.24	431
Angola								
Somiluana	**31.16**	**133 659**	**0.65**	**547**	**44.78**	**136 402**	**0.66**	**504**

* Note:

1. Calculated per 100 m^3 for South Africa and Angola and per 100 tons for West Coast Resources (Pty) Ltd.

2. Average grade in South Africa is calculated excluding shallow water production.

WCR operations

During the year, production amounted to 123 884 carats compared to 173 920 carats in 2018.

Sales amounted to R240.5 million at an average price of US$128 per carat (2018: sales of R302.5 million at an average price of US$153 per carat).

The average grade decreased by 38.2% to 17.2 carats/100 tons compared to 27.84 carats/100 tons in 2018 due to lower than expected grades achieved in targeted channel blocks. The average stone size amounted to 0.23 carats per stone (2018: 0.23 carats per stone).

Angolan operations

Production at Somiluana Mine, in which Trans Hex holds a 33% stake, amounted to 133 659 carats (2018: 136 402 carats). Total sales amounted to US$70.6 million at an average price of US$547 per carat (2018: sales of US$66.3 million at an average price of US$504 per carat). The Group received US$1.2 million (2018: US$825 000) in dividends and US$3.5 million (2018: US$1.6 million) from the repayment of the loan account.

Somiluana Mine is pursuing an aggressive drilling programme in order to identify new resources in calonda formation gravels, as well as terraces and floodplains.

OUTLOOK

WCR operations

Post year-end, Trans Hex Operations (Pty) Ltd, WCR, THD (all of which are subsidiaries of Trans Hex) and Kernel Resources, (collectively, the "Parties") entered into a process of negotiating the terms and conditions of the potential disposal of the shares held by THD in the issued share capital of WCR ("WCR Shares"), comprising 67.2% of the WCR's issued shares, to Kernel Resources.

In anticipation thereof, and to ensure undisturbed continuity of WCR's Namaqualand Operations, the Parties entered into a management and mining services agreement, whereby WCR has, subject to the fulfilment of suspensive conditions customary for an agreement of this nature, appointed Kernel Resources as an independent contractor to perform management and mining services in connection with the Namaqualand Operations.

Details of the above agreement were released on SENS on 10 May and 21 May 2019 and are available on Trans Hex's website at www.transhex.co.za/announcements

Shallow water operations

Production from the shallow water operations for the 2020 financial year is expected to be in the order of 8 000 carats, compared to 2019 financial year actual production of 7 636 carats.

Angolan operations

During the 2020 financial year, mining operations will continue on the east bank of the Luana River at Nzagi, in the south-west at Lulau, and at other areas currently being evaluated.

Production results and geological work through drilling and bulk-sampling indicate that carat production for the 2020 financial year is expected to be in the order of 140 000 carats, compared to 2019 financial year actual production of 133 659 carats.

Market

The rough diamond market remains weak with less goods available, which is in line with lower levels of demand. The market is expected to remain softer until Quarter 3 of the 2019 calendar year.

Further reductions in bank credit have further pressured the sentiment in the market, yet despite less rough diamonds being available supply and demand appear to be in balance. Quarter 1 of the 2020 calendar year will see an increase in demand, which should boost prices, as factories are set to restock after the December break.

ANNEXURE 2: DIRECTORS' BIOGRAPHIES

Marco Wentzel (40)
Non-executive Director (appointed April 2016) and Chairman of the Board
Representation on Trans Hex committee: Human Resources and Social & Ethics

Mr Wentzel is also the Chairman of West Coast Resources (Pty) Ltd and holds directorships at JSE-listed Stellar Capital Partners Ltd, AltX-listed Mettle Investments Ltd, IMDHSA(Pty) Ltd, Quantech (Pty) Ltd, Truckworx SA (Pty) Ltd and Brinmar (Pty) Ltd.

Athol Rhoda (59)
CTA (UCT), CA (SA), LLM International Tax (UCT)
Independent Non-executive Director (appointed May 2017)
Representation on Trans Hex committees: Audit and Risk and Human Resources and Social & Ethics

Mr Rhoda is a qualified Chartered Accountant (CA)SA with considerable experience in financial services and the mining industry. He has previously served in various senior positions in multinationals, including De Beers, AngloGold and the Standard Bank Group.

Piet Viljoen (56)
BComm Hons (UP), CFA
Non-executive Director (appointed April 2016)
Representation on Trans Hex committees: Audit and Risk and Human Resources and Social & Ethics

Mr Viljoen is the Chairman of Regarding Capital Management (Pty) Ltd (RECM) and Executive Chairman of RECM and Calibre Ltd. He founded RECM in 2003 and has over 30 years of industry experience. He started out as a lecturer at the University of Pretoria, and then joined the Reserve Bank as an economic analyst. He became a portfolio manager at Allan Gray Investment Counsel in 1991 and in 1995 he moved to Investec Asset Management before starting RECM in 2003.

Dr Albertus Marais (35)
BAcc LLD (Stell), PGDA (UCT), Adv Cert Tax (UP), MComm Taxation (UCT), CA(SA)
Independent Non-executive Director (appointed August 2017)
Representation on Trans Hex committees: Audit and Risk and Human Resources and Social & Ethics

Dr Marais is a director at AJM Tax where he consults on tax-related matters. He is an admitted advocate of the High Court of South Africa.

Dr John William Bristow (67)
BSc Hons (UKZN), MSc (UKZN), PhD (UCT), Post-Doctoral Studies, (UNM,USA), Management of Technology – (UCT Graduate School of Business)
Non-independent Director (appointed 11 July 2019)
Representation on Trans Hex committee: Human Resources and Social & Ethics

Dr Bristow has previously served in various senior positions at Rockwell Diamonds Inc, Moonstone Diamond Corporation NL, Anglo American and De Beers Group of Companies, Incubex Minerals Limited and Sekaka Diamonds Limited (Botswana). He also currently provides advisory services to local, African and international diamond and industrial mineral exploration and mining companies.

ANNEXURE 3: REMUNERATION REPORT

PART 1:

BACKGROUND STATEMENT

INTRODUCTION

This Remuneration Report provides an overview of the remuneration of all Group employees as well as disclosing executive director remuneration. The remuneration paid to executive and non-executive directors for the 2019 financial year is detailed on page 43.

The Board, through the Human Resources and Social & Ethics Committee (HRSE Committee), is ultimately responsible for establishing and implementing a remuneration policy. The HRSE Committee is responsible for appointing competent individuals as senior managers and ensuring that the Group's leadership delivers on the Group's strategic targets for fair remuneration.

The Group's Remuneration Policy is aimed at supporting its strategic goal of attracting, retaining, incentivising and rewarding employees, managers and directors, thereby ensuring that their interests align with those of shareholders.

As Trans Hex comes out of its current phase of regeneration, it is envisaged that the Remuneration Policy will adapt and change accordingly. During the course of the 2020 financial year, the HRSE Committee will continue to monitor the appropriateness of the Remuneration Policy and how it is applied. As a responsible corporate citizen, Trans Hex strives to improve employment conditions across the business and implement initiatives that will over time realise the concept of fair and reasonable remuneration. This includes the promotion of employment equity and diversity in the workplace, skills development and remuneration benchmarking to ensure internal equity and equal pay for work of equal value.

Key factors

The key factors that influenced the implementation of the Remuneration Policy in the 2019 financial year are:

- The Group is a listed diamond-mining company operating in the small-cap sector of the market.
- Whilst the Company's head office is based in Cape Town, its mining operations are situated in remote geographical locations.
- The Company must compete in the broader mining industry for the attraction and retention of core skills, such as artisans, engineers and management.
- The Company strives to comply with all statutory and regulatory requirements and is committed to applying best practice guidelines in all aspects of remuneration and benefits.
- The Company aims to offer remuneration packages that, at all employment levels, are market competitive, fair, reasonable and defensible in all aspects.

Approval of the Remuneration Policy and Implementation Report

At the 2018 Annual General Meeting, 99.6% of shareholders represented voted in favour of the Group's Remuneration Policy and 100% voted in favour of the Implementation Report.

The latest Remuneration Policy, which is outlined in Part 2 of this Report, will be proposed to shareholders for a non-binding advisory vote at the Company's Annual General Meeting. The application of the Remuneration Policy, which details how the Group has implemented its Remuneration Policy during the year, is covered in Part 3 of this Report. In accordance with King IV, the Implementation Report will also be tabled for shareholder approval by way of a non-binding advisory vote at the Annual General Meeting.

In accordance with King IV, in the event that either the Remuneration Policy or the Implementation Report receives 25% or more dissenting votes, management will seek to engage directly with these shareholders to:

- ascertain the reasons for the dissenting votes; and
- address legitimate and reasonable objections or concerns by clarifying or amending the Remuneration Policy, its implementation or processes, or reviewing the remuneration governance, or taking other steps to resolve the concerns.

The steps taken to address legitimate and reasonable concerns will be disclosed in the following year's Report.

HRSE Committee's key focus areas and decisions

During the 2019 financial year, the HRSE Committee's key focus areas were:

- reviewing employee, executive and directors' salaries;
- reviewing management's and executives' bonuses;
- reviewing non-executive directors' fees; and
- reviewing the Remuneration Policy.

Key decisions made during the year under review were:

- approving annual increases and adjustments for employees, executives and directors
- approving management and executive bonuses.

Amendments to the Remuneration Policy

During the 2019 reporting period, the HRSE Committee approved the following amendments to the Remuneration Policy:

1. Correction to references made to Trans Hex Provident Fund and Trans Hex Retirement Fund
2. Simplification of wording under *Executive Bonus* section
3. Simplification of wording under *Long-term executive retention scheme* section

PART 2:

REMUNERATION POLICY

INTRODUCTION

Trans Hex aims to attract, retain, incentivise and reward top quality staff at all levels, with particular emphasis on scarce or critical skills. The Company's remuneration policy is designed to support this strategic goal in a way that aligns the interests of employees, managers, executives and directors with those of shareholders.

The remuneration policy is not intended to be a 'one-size-fits-all' statement of rules and procedures, but rather to serve as the basis for a flexible approach that tailors itself to the variable and changing needs of a dynamic organisation over time.

There are however a number of key principles that form the foundations of the remuneration policy:

- Trans Hex is a listed diamond-mining company, operating in the small-cap sector of the market.
- Whilst the Company's head office is located in Cape Town, its mining operations are situated in remote geographical locations.
- The Company must compete in the broader mining industry for the attraction and retention of core skills, such as artisans, engineers and management.
- The Company strives to comply with all statutory and regulatory requirements and is committed to applying best practice guidelines in all aspects of remuneration and benefits.
- The Company aims to offer remuneration packages that, at all employment levels, are market competitive, fair, reasonable and defensible in all respects.

Key features of the remuneration system

Trans Hex uses the Paterson grading system of job evaluation.

Contracts of employment are prepared in compliance with employment legislation. As a general principle, employment contracts are concluded on a permanent basis (i.e. for an indefinite period), except where business needs and prevailing circumstances dictate the use of either fixed-term or short-term temporary contracts. The notice period for the termination of employment contracts is typically one month, but for critical positions this can be extended by mutual agreement to a maximum of six months.

The HRSE Committee approves all salary increases, for all categories of staff, in advance each year. Any material changes to allowances, benefits, bonus schemes, or any other aspect of remuneration policy are approved by the HRSE Committee prior to implementation.

The Company provides a market-competitive basic salary plus compulsory medical aid and retirement fund membership at all job levels.

Severance payments upon termination of service are governed by legislation, by union agreement, individual contract and Trans Hex's policy and practice. In the case of retrenchment, Trans Hex's standard policy at all job levels is to pay the contractual notice period (if not worked) and severance pay equal to:

- in respect of service up to 31 January 2018: three weeks' remuneration per year of service with the Company; and
- in respect of service after 31 January 2018: the minimum remuneration stipulated in S41(2) of the Basic Conditions of Employment Act (currently one week's pay per year of service).

The Company does not provide any special retirement benefits other than the standard benefits available to employees as members of the Alexander Forbes Umbrella Fund.

The terms of service of the executives and directors are linked to their terms of service as employees. Their remuneration consists only of remuneration as employees and they receive no additional remuneration as executives and directors.

All components of the Company's remuneration system are subject to regular internal and external audits.

Employees covered by collective bargaining

At the date of amendment of this policy, Trans Hex has no employees covered by collective bargaining agreements.

Non-union staff and management

Staff at head office and all members of management throughout the Company are treated individually, in accordance with their contracts of employment and the remuneration and benefit schemes and practices applicable to their job grades.

Salaries are reviewed annually, effective on 1 April. The HRSE Committee determines the extent of any general cost-of-living increase as well as any additional provision for individual adjustments based on performance, retention and market-matching criteria.

All staff members have detailed job profiles, which stipulate the key performance areas of their positions and serve as the basis for performance management and the determination of any applicable performance-linked salary increases and/or bonuses.

Details of the remuneration packages paid to the chief executive officer, other executive directors and prescribed officers are disclosed in the Annual Integrated Report.

Staff bonuses

Employees who are not members of executive management receive a guaranteed 13th cheque annually.

Management performance bonuses

Members of management, excluding executives and directors, participate in a non-guaranteed discretionary bonus scheme whereby a bonus pool is approved by the HRSE Committee and apportioned by the CEO according to performance and retention criteria. The average bonus pool allocated under this scheme amounts to 15% of the total annual basic salaries of qualifying managers.

Executive bonuses

Executives and directors participate in a profit-sharing bonus scheme. This scheme is based on profit from continuing operations.

A bonus pool is calculated each year when the Group's annual financial statements are prepared and approved.

The bonus pool is uncapped and equal to five per cent of Group's profit before tax.

The bonus pool is allocated amongst the participating executives and directors by the CEO, in accordance with fair and objective rules and criteria, subject to ratification by the Committee.

Bonuses will be paid upon publication of the Group's annual financial results.

The scheme will be reviewed by the Committee annually.

Details of performance bonuses paid to the CEO, other directors, executives and prescribed officers are disclosed in the Annual Integrated Report.

Long-term executive retention scheme

The Company no longer has a share option scheme and does not issue shares to its executives and directors.

Participants in the Company's discontinued share scheme that have not yet vested or exercised their entitlements will be free to exercise their remaining entitlements, subject to the existing scheme rules.

Non-executive directors

Non-executive directors are appointed on a three-year rotation basis.

Each non-executive director is paid a fixed annual retainer for services as a director, with the chairmen of the Board and its sub-committees receiving a premium in recognition of their roles and added responsibilities. In addition, a fixed fee is paid for attendance and service at each Board meeting and each sub-committee meeting.

Alternate directors are not paid unless serving in office or attending meetings in the place of a director. Non-executive directors who attend sub-committee meetings by invitation are not paid for such attendance.

Non-executive directors' remuneration is reviewed annually by the HRSE Committee. Fees applicable for the next financial year are submitted to shareholders for approval at the Annual General Meeting. The amounts paid to individual directors are disclosed in the Annual Integrated Report.

PART 3:

IMPLEMENTATION REPORT

This implementation report contains the detailed information and figures pertaining to the application of the Group's remuneration policy in relation to executive and non-executive directors.

Salary increases

In respect of the 2019 financial year, the Committee approved annual salary increases for all employees at the Group's South African operations, as follows:

- Employees covered by collective bargaining with the National Union of Metalworkers of South Africa: an across-the-board increase of 6.0% on monthly basic salaries, effective from 1 April 2018.
- Non-bargaining unit staff including executives: an increase of 4.8% on guaranteed monthly remuneration, effective from 1 April 2018.
- Directors: no increases were granted.

Short-term incentive schemes

In respect of the 2019 financial year, the Company's HRSE Committee resolved not to pay any short-term management and executive bonuses.

Directors' remuneration

Fees payable to non-executive directors are approved by shareholders annually at the Annual General Meeting. In respect of the reporting period, the following fees were approved:

Designation	Fees for the year ended 31 March 2019
Annual retainer:	
Non-executive director	R95 400
Chairman of the Human Resources and Social & Ethics Committee	R143 100
Chairman of the Audit and Risk Committee	R166 925
Chairman of the Board	R609 180
Fee per meeting:	
Board meeting	R19 080
Audit and Risk Committee meeting	R17 175
Human Resources and Social & Ethics Committee meeting	R11 450

Note: If the same person is chairman of both Board sub-committees, then the annual retainer amount will be R214,625.

The directors' and prescribed officers' remuneration for the year ended 31 March was as follows:

	Consolidated						
	Salaries and fees R'000	**Retirement contribu-tion R'000**	**Perfor-mance bonus R'000**	**Share apprecia-tion units exercised R'000**	**Loss of office R'000**	**Other benefits* R'000**	**Total R'000**
2019 Executives							
L Delport	**3 948**	**515**	–	–	–	**914**	**5 377**
IP Hestermann	**1 603**	–	–	–	–	**169**	**1 772**
Subtotal	**5 551**	**515**				**1 083**	**7 149**
Non-executives							
MVZ Wentzel	**731**	**–**	**–**	**–**	–	–	**731**
PG Viljoen	**286**	**–**	**–**	**–**	–	–	**286**
A Rhoda	**405**	**–**	**–**	**–**	–	–	**405**
AJ Marais	**286**	**–**	**–**	**–**	–	–	**286**
Subtotal	**1 708**	**–**	**–**	**–**	–	–	**1 708**
Total paid	**7 259**	**515**	**–**	**–**	–	**1 083**	**8 857**
Executives							**7 149**
Non-executives							**1 708**
							8 857
2018 Executives							
L Delport	**3 948**	**515**	**–**	**–**	–	**1 076**	**5 539**
IP Hestermann	**2 185**	**125**	**–**	**–**	**1 609**	**1 026**	**4 945**
GM van Heerden	**1 698**	**195**	**–**	**–**	**1 932**	**501**	**4 326**
Subtotal	**7 831**	**835**	**–**	**–**	**3 541**	**2 603**	**14 810**
Non-executives							
MVZ Wentzel	**842**	**–**	**–**	**–**		–	**842**
PG Viljoen	**328**	**–**	**–**	**–**		–	**328**
A Rhoda	**426**	**–**	**–**	**–**		–	**426**
AJ Marais	**56**	**–**	**–**	**–**		–	**56**
QJ George	**273**	**–**	**–**	**–**			**273**
Subtotal	**1925**	**–**	**–**	**–**			**1 925**
Total paid	**9 756**	**835**	**–**	**–**	**3 541**	**2 603**	**16 735**
Executives							**14 810**
Non-executives							**1 925**
							16 735

** Other benefits mainly comprise car allowances, leave encashments, and medical aid contributions.*

Directors' shareholdings

As at 31 March, the directors held, directly or indirectly, interest in the issued capital of the Company as reflected in the table below:

	Direct beneficial	Indirect beneficial	Shares held by associates	Total
2019				
L Delport	**150 000**	–	–	**150 000**
PG Viljoen*	–	**36 474 981**	–	**36 474 981**
MVZ Wentzel^	–	–	**27 800 400**	**27 800 400**
2018				
L Delport	**150 000**	–	–	**150 000**
PG Viljoen*	–	**36 474 981**	–	**36 474 981**
MVZ Wentzel^	–	–	**27 100 400**	**27 100 400**

** Mr Viljoen holds an indirect interest of 50% in RECM and Calibre Ltd, a major shareholder in the Group.*
^ Metcap 14 (Pty) Ltd, a major shareholder in the Group, is ultimately controlled by a trust of which Mr Wentzel's wife, Mrs Clare Wiese-Wentzel, is a trustee and beneficiary.

ANNEXURE 4: MAJOR SHAREHOLDERS
as at 31 March 2019

Trans Hex's ordinary shares are quoted on the JSE and trade on the JSE's Basic Resources – Mining sector under the share code: TSX.

According to information available to the directors, shareholders beneficially holding (either directly or via nominee companies) in excess of 3% of the issued share capital, were as follows:

Shareholder	Number of shares	%
RECM and Calibre Ltd	36 474 981	31.58
Cream Magenta 140 (Pty) Ltd	27 800 400	24.07
Metcap 14 (Pty) Ltd	27 800 400	24.07
Total	92 075 781	79.72

According to information available to the directors, shareholders (by group) holding in excess of 3% of the issued share capital, were as follows:

Shareholder	Number of shares	%
RECM and Calibre Ltd	36 474 981	31.58
Cream Magenta 140 (Pty) Ltd	27 800 400	24.07
Metcap 14 (Pty) Ltd	27 800 400	24.07
Investec Asset Management	5 963 300	5.16
Total	92 075 781	84.88

ANNEXURE 5: MATERIAL CHANGES

The directors report that, other than the facts and developments reported on in the Annual Integrated Report, there have been no material changes in the affairs, financial or trading position of the Company since the signature date of the Annual Integrated Report and the distribution thereof.

ANNEXURE 6: SHARE CAPITAL OF THE COMPANY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When a subsidiary or associate in Trans Hex purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable additional costs (net of income taxes) is deducted from equity attributable to Trans Hex's equity holders until the shares are cancelled, reissued or disposed of. When such shares are subsequently sold or reissued, any consideration received, net of any directly attributable additional transaction costs and the related income tax effects, is included in equity attributable to Trans Hex's shareholders.

	Company		Consolidated	
	2019 R'000	**2018 R'000**	**2019 R'000**	**2018 R'000**
STATED CAPITAL				
Authorised				
300, 000, 000 ordinary shares of no par value				
Issued				
115,488,113 fully paid ordinary shares of no par value (2018: 115,488,113 fully paid ordinary shares of no par value)				
Opening balance	208 092	208 092	208 092	208 092
Consideration received for shares issued	18 402	18 402	18 402	18 402
Closing balance	226 494	226 494	226 494	226 494
Treasury shares held by the Group	–	–	(1 816)	(1 816)
	226 494	226 494	224 678	224 678

FORM OF PROXY

(Registration number: 1963/007579/06)
Share code: TSX
ISIN: ZAE000018552
("**Trans Hex**" or the "**Company**")

For completion by shareholders who have not dematerialised their shares or who have dematerialised their shares but with own name registration.

For use at the Annual General Meeting of Trans Hex to be held at the Company's registered offices, 405 Voortrekker Road, Parow, Cape Town on Monday, 26 August 2019, at 09:00.

I/We ______________________________ (name in block letters)

of ______________________________ (address)

being the holder(s) of ______________________________ ordinary shares

hereby appoint:

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. the Chairman of the meeting, as my/our proxy to vote for me/us at the Annual General Meeting for purposes of considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions to be proposed thereat and in each adjournment or postponement thereof and to vote for/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name in accordance with the following instructions (see Notes to Proxy Forms):

	For	Against	Abstain
Ordinary resolution number 1.1: Re-electing a Director – Mr Marco Wentzel			
Ordinary resolution number 1.2: Re-electing a Director – Dr Albertus Marais			
Ordinary resolution number 2: Ratifying the appointment of Dr John Bristow as a Director			
Ordinary resolution number 3: Appointment of the external auditors			
Ordinary resolution number 4.1: Appointing Audit and Risk Committee member – Mr Athol Rhoda			
Ordinary resolution number 4.2: Appointing Audit and Risk Committee member – Dr Albertus Marais			
Ordinary resolution number 4.3: Appointing Audit and Risk Committee member – Mr Piet Viljoen			
Ordinary resolution number 5: Approving control of the authorised but unissued ordinary shares			
Ordinary resolution number 6: Approving signature of documents			
Ordinary resolution number 7: Approving the general authority to issue ordinary shares			
Non-binding advisory resolution number 1: Approving the Company's remuneration policy			
Non-binding advisory resolution number 2: Approving the Company's implementation report			
Special resolution number 1: Approving Non-executive Directors' remuneration for the year ending 31 March 2020			
Special resolution number 2: Approving the general authority to repurchase issued shares			
Special resolution number 3: Approving the general authority to provide financial assistance to related and inter-related companies and corporations in terms of sections 44 and/or 45 of the Companies Act			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ______________ on this the ______________ day of ______________ 2019

Signature(s) ______________________________

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

Each shareholder holding certificated shares and each shareholder of the Company who has dematerialised its shares and has elected own name registration is entitled to appoint one or more proxy/(ies) (who need not be shareholder/[s] of the Company) to attend, speak and vote in his/her stead at the Annual General Meeting.

NOTES TO PROXY FORMS

Dematerialised shareholders other than with "*own name*" registration

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and who have not elected own name registration in the sub-register maintained by a CSDP and who wish to attend the Annual General Meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend, or if they do not wish to attend the Annual General Meeting, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker. They should not fill in this proxy form.

1. A shareholder may insert the name of a proxy or the name of two alternative proxies of the entitled shareholder's choice in the space/(s) provided, with or without deleting "the Chairman of the meeting", but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Shareholders must insert an "X" in the relevant box provided according to how they wish their votes to be cast. However, if shareholders wish to cast their votes in respect of a lesser number of shares than they own in the Company they must insert the number of shares held in respect of which they wish to vote or abstain from voting. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of the shareholder's votes exercisable at the Annual General Meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.

3. Forms of proxy must be received by the transfer secretaries by no later than 09:00 on **Thursday, 22 August 2019**, or handed to the Chairman of the Annual General Meeting before the appointed proxy exercises any of the relevant shareholder's rights.

   Computershare Investor Services (Pty) Ltd
   Rosebank Towers
   15 Biermann Avenue
   Rosebank 2196
   PO Box 61051
   Marshalltown 2107

4. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person at the Annual General Meeting to the exclusion of any proxy appointed in terms of this form of proxy.

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the Annual General Meeting.

7. Any alteration or correction made to this form of proxy must be initialled by the signatory/(ies).

8. Subject to any rights of cancellation/revocation by any shareholder/(s), this proxy remains valid only for one year or until the end of the Annual General Meeting to be held on **Monday, 26 August 2019, at 09:00**, or any postponement thereof – whichever occurs first.

9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Trans Hex.

10. The Chairman of the Annual General Meeting may accept any form of proxy which is completed, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the shareholder wishes to vote.

Please note that in terms of Section 58 of the Companies Act, No. 71 of 2008:

- The appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later of (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company.
- A proxy may delegate his/her authority to act on a member's behalf to another person, subject to any restriction set out in this proxy form.
- A proxy form must be delivered to the transfer secretaries of the Company, namely Computershare Investor Services (Pty) Ltd, before a proxy exercises any of a shareholder's rights as a shareholder at the Annual General Meeting.
- The appointment of a proxy is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- If the instrument appointing a proxy/(ies) has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to (a) the shareholder, or (b) the proxy/(ies), if the shareholder has (i) directed the Company to do so in writing, and (ii) paid any reasonable fee charged by the Company for doing so.

Registered office:

405 Voortrekker Road, Parow, 7500

PO Box 723, Parow, 7499

Company website:

www.transhex.co.za

JSE sponsor:

One Capital Sponsor Services (Pty) Ltd

www.onecapital.co.za

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

www.computershare.com/za/

Company secretary:

Statucor (Pty) Ltd

www.statucor.co.za

Directorate:

MVZ Wentzel (Chairman), AG Rhoda, PG Viljoen, AJ Marais, JW Bristow,

L Delport (Chief Executive Officer), IP Hestermann (Financial Director)