

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular apply, mutatis mutandis, to this cover page and throughout the Circular.

Action required:

1. This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Shareholders", which commences on page 4 of this Circular.
2. If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all or any of your Trans Hex shares, please forward this Circular to the purchaser of such shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

Trans Hex does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Trans Hex shares to notify such beneficial owner of the details set out in this Circular.

Nothing in this Circular constitutes (or forms part of) any offer for the sale of, or solicitation of any offer to purchase or subscribe for, any securities of Trans Hex in any jurisdiction.



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")

CIRCULAR TO SHAREHOLDERS

regarding:

- (i) the proposed disposal of Erf 23559 Parow, City of Cape Town, Western Cape Province, such disposal constituting a category 1 transaction by the Company in terms of the JSE Listings Requirements

and incorporating:

- (i) a notice convening a General Meeting; and
- (ii) a Form of Proxy in respect of the General Meeting (for use by Certificated shareholders and Dematerialised shareholders with "own name" registration only).

Transaction Sponsor



Independent Reporting Accountants



Independent Property Valuer



Date of issue: 28 August 2019

This Circular is available in English only. Copies of this Circular are available during normal business hours from the registered offices of the Company and the Transfer Secretaries, at the addresses set out in the "Corporate Information and Advisors" section of this Circular, from 28 August 2019 until 26 September 2019, both days inclusive. This Circular is also available on the Company's website, www.transhex.co.za/category/latest-news/, with effect from 28 August 2019.

CORPORATE INFORMATION AND ADVISORS

Directors of Trans Hex

Executive

L Delport (Chief Executive Officer)
I Hestermann (Group Financial Director)

Non-executive

M Wentzel (Chairman)
P Viljoen

Independent non-executive

A Rhoda
A Marais
J Bristow

Transaction Sponsor

Questco Proprietary Limited
(Registration number 2002/005616/07)
1st Floor, Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive, Bryanston
Johannesburg, 2191

Independent Reporting Accountants

Mazars
(Registration number 900222)
Mazars House
Rialto Road, Grand Moorings Precinct
Century City, Cape Town 7441

Date and place of incorporation

Incorporated in 1963
Republic of South Africa

Company secretary and registered office

Statucor Proprietary Limited
(Registration number 1989/005394/07)
Trans Hex Group Limited
405 Voortrekker Road
Parow, 7500
(PO Box 723, Parow, 7499)

Transfer Secretaries

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

Independent Property Valuer

David Newham Property Management (Pty) Ltd
(Registration number 1973/015042/07)
First Floor, 255 Durban Road
Tyger Valley
Bellville, 7530
(PO Box 531, Bellville, 7535)

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CERTAIN FORWARD-LOOKING STATEMENTS

The definitions and interpretations commencing on page 6 of this Circular apply, mutatis mutandis, to this section and throughout this Circular.

CERTAIN FORWARD-LOOKING STATEMENTS

This Circular may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements included in this Circular reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements included in this Circular are made only as at the Last Practicable Date, and Trans Hex undertakes no obligation and does not intend to update publicly or release any revisions to these forward-looking statements.

The forward-looking statements contained in this Circular have not been reviewed nor reported on by the auditors of the Company.

Many factors could cause Trans Hex’s actual performance, results or achievements to be materially different from any future performance, results or achievements that may be expressed or implied by such forward-looking statements.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply, mutatis mutandis, to this section and throughout this Circular.

	2019
Record date to determine which shareholders are entitled to receive this Circular	Friday, 16 August
Distribution of Circular and Notice of General Meeting on, and announcement published on SENS	Wednesday, 28 August
Last day to trade in order to be recorded in the Register and thereby be eligible to attend, speak and vote at the General Meeting	Tuesday, 17 September
Voting Record Date to determine which shareholders are entitled to attend, speak and vote at the General Meeting	Friday, 20 September
Request for Forms of Proxy to be received by the Transfer Secretaries by 12:00	Monday, 23 September
General Meeting to be held at 12:00	Thursday, 26 September
Results of General Meeting published on SENS on or about	Thursday, 26 September

Notes:

- 1. The dates and times set out in this Circular are subject to change, with the approval of the JSE (if required). Any change in the dates and times will be published on SENS. All times given in this Circular are local times in South Africa.*
- 2. Shareholders are reminded that as trades in Trans Hex shares are settled in the electronic settlement system used by Strate, settlement of trades will take place 3 Business Days after such trade. Therefore, persons who acquire Trans Hex shares after Tuesday, 17 September 2019, being the last day to trade in order to be eligible to attend, speak and vote at the General Meeting, will not be entitled to attend, speak and vote at the General Meeting.*
- 3. No dematerialisation or rematerialisation of Trans Hex shares may take place between the day following last day to trade in order to be eligible to attend, speak and vote at the General Meeting, being Wednesday, 18 September 2019, and the record date in respect of being eligible to attend, speak and vote at the General Meeting, being Friday, 20 September 2019.*
- 4. Dematerialised shareholders, other than those with "own name" registration, must provide their Broker or CSDP with their instructions for voting at the General Meeting by the cut-off date and time stipulated by their Broker or CSDP in terms of their respective custody agreements.*
- 5. Any Form of Proxy not delivered to the Transfer Secretaries by the stipulated date and time may be handed to the chairman of the General Meeting (or any adjournment or postponement thereof) before such shareholder's voting rights are exercised in respect of the specific resolution at the General Meeting (or any adjournment or postponement thereof).*
- 6. If the General Meeting is adjourned or postponed, the Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting, unless the contrary is stated in such Form of Proxy.*

ACTION REQUIRED BY SHAREHOLDERS

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the actions required of shareholders in connection with this Circular.

If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately. If you have disposed of all or any of your Trans Hex shares, please forward this Circular (together with the Form of Proxy) to the purchaser of such shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

This Circular contains information relating to the Transaction and associated matters and the approvals required from shareholders in connection therewith. Consequently, you should carefully read through this Circular in its entirety and decide how you wish to vote on the Resolution (as set forth in the Notice of the General Meeting) to be proposed at the General Meeting.

VOTING AND ATTENDANCE AT THE GENERAL MEETING

Shareholders are invited to attend a General Meeting, convened in terms of the Notice of General Meeting (which is attached to, and forms part of, this Circular) for purposes of considering and, if deemed fit, passing, with or without modification, the Resolution set forth in the Notice of General Meeting. The General Meeting will be held at Trans Hex's offices at 405 Voortrekker Road, Parow, 7500 at 12:00 on Thursday, 26 September 2019.

1. DEMATERIALISED SHAREHOLDER WITHOUT "OWN NAME" REGISTRATION

Voting at the General Meeting

If you are a Dematerialised shareholder without "own name" registration, your Broker or CSDP should contact you to ascertain how you wish to cast your votes (or abstain from casting your vote) at the General Meeting (or any adjournment or postponement thereof) and will thereafter cast your votes (or abstain from casting your vote) in accordance with your instructions.

If you have not been contacted by your Broker or CSDP, it is advisable that you contact your Broker or CSDP and furnish it with your voting instructions.

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

You must **not** complete the attached Form of Proxy.

Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to attend the General Meeting in person or if you wish to send a proxy to represent you at the General Meeting, and your Broker or CSDP will procure that the necessary letter of representation is issued for you to attend the General Meeting (or any adjournment or postponement thereof).

Trans Hex does not accept responsibility and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or Broker of a Dematerialised shareholder, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner to notify such beneficial owner of the General Meeting or of the matters set forth in this Circular.

2. CERTIFICATED SHAREHOLDER OR DEMATERIALISED SHAREHOLDER WITH "OWN NAME" REGISTRATION

If you are a Certificated shareholder or a Dematerialised shareholder with "own name" registration, you may attend the General Meeting in person and may vote (or abstain from casting your vote) at the General Meeting.

Alternatively, you may appoint a proxy, which need not be a shareholder, to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions contained therein and delivering it to the Transfer Secretaries, as follows:

- by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa; or
- by post: PO Box 61051, Marshalltown, 2107, South Africa; or
- by e-mail: proxy@computershare.co.za; or
- by fax: +27 11 688 5238,

so as to be received by no later than Monday, 23 September 2019 at 12:00.

Should the Form of Proxy not be delivered to the Transfer Secretaries by the foregoing date and time, you will nevertheless be entitled to furnish your Form of Proxy to the chairman of the General Meeting before the appointed proxy exercises any of your shareholder rights at the General Meeting (or any adjournment or postponement thereof).

If you hold Certificated shares and wish to dematerialise such shares, please contact the Transfer Secretaries or your Broker or CSDP.

3. IDENTIFICATION OF SHAREHOLDERS AND PROXIES

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate in and vote at the General Meeting, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. Acceptable forms of identification include a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, South African driver's licence or a valid passport.

4. ELECTRONIC PARTICIPATION IN THE GENERAL MEETING

Shareholders (or a representative or a proxy of such shareholders) may participate in (but not vote at) the General Meeting by way of telephone conference call. If they wish to do so, they:

- must contact the Company Secretary, Statucor Proprietary Limited (by email at alun@statucor.co.za) by no later than 12:00 on Friday, 20 September 2019 in order to obtain dial-in details for the conference call; and
- will be required to provide reasonably satisfactory identification.

Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy or representative to attend the General Meeting in person and to vote on their behalf at the General Meeting.

The Company reserves the right not to provide for electronic participation at the General Meeting in the event that it is not practical to do so, for whatever reason, including an insufficient number of shareholders (or their representatives or proxies) choosing to make use of the facility. Shareholders are hereby deemed to agree that Trans Hex has no responsibility or liability for any loss, damage, penalty or claim arising in any way from using the facilities whether or not as a result of any act or omission on the part of the Company or anyone else.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context otherwise indicates, references to the singular include the plural and vice versa, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and vice versa, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

“Board”, “Trans Hex Board” or “Directors”	the board of directors of Trans Hex at the Last Practicable Date whose details are set out in the “Corporate Information and Advisors” section of this Circular;
“Broker”	means any person registered as a “broking member (equities)” in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or a public holiday in South Africa;
“Certificated shareholder”	a holder of Certificated shares;
“Certificated shares”	shares which are not dematerialised, title to which is represented by physical documents of title;
“Circular”	means this entire bound document dated 28 August 2019 including the Notice of General meeting and Form of Proxy (green);
“Companies Act”	the Companies Act, 71 of 2008, as amended;
“Company Secretary”	Statucor Proprietary Limited (registration number 1989/005394/07);
“Conditions Precedent”	means the conditions precedent to which the Transaction is subject, as set out in paragraph 2.3 of this Circular;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by an individual shareholder for the purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into Strate;
“Custody Agreement”	the custody mandate agreement between a Dematerialised shareholder and a CSDP or Broker governing their relationship in respect of Dematerialised shares held by the CSDP or Broker;
“Dematerialised shareholder”	a holder of Dematerialised shares;
“Dematerialised shares”	Shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in a sub-register maintained by a CSDP;
“Documents of Title”	Share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of shares;
“EPS”	earnings per share;
“Financial Markets Act”	the Financial Markets Act (Act 19 of 2012), as amended;
“Form of Proxy”	the form of proxy (green) attached to this Circular to be completed by Certificated shareholders and “own name” registered Dematerialised shareholders only;
“General Meeting”	means the general meeting of Trans Hex shareholders to be held at 12:00 on 26 September 2019 (or any postponed or adjourned date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the JSE Listings Requirements) at Trans Hex’s offices, 405 Voortrekker Road, Parow, 7500 to be convened in connection with the Transaction for the purpose of considering and if deemed fit, approving, with or without modification, the Resolution contained in the Notice;
“Group” or “Trans Hex Group”	means Trans Hex and its Subsidiaries from time to time;
“HEPS”	headline earnings per share;
“IFRS”	International Financial Reporting Standards;

“Independent Property Valuer”	David Newham Property Management (Pty) Ltd (registration number: 1973/015042/07);
“Independent Reporting Accountant”	Mazars (registration number 900222);
“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated under the laws of South Africa, which is licensed as an exchange in terms of the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Key Benefits”	Key Benefits Proprietary Limited (registration number: 2010/010575/07), acting as the property agent on the Transaction, in terms of the Sale Agreement. The directors of Key Benefits are Frederick Kotze and Lezanne Kotze and its major shareholder is Stonesa Trust of which Eben Kotze is the trustee;
“Last Practicable Date”	Friday, 16 August 2019, being the last practicable date prior to the finalisation of this Circular;
“MOI”	the memorandum of incorporation of the Company, as amended from time to time;
“NAVPS”	net asset value per share;
“Notice of General Meeting”	the notice of the General Meeting which forms part of this Circular;
“Own-Name Dematerialised Shareholders”	means Dematerialised shareholders who have instructed their CSDP to hold their shares in their own-name on the Sub-Register;
“the Property”	the property and building situated at 405 Voortrekker Road, Parow 7500 South Africa, currently being used as the Company’s registered and head office of the Company;
“Rand” or “R”	means South African Rand, the official currency of South Africa;
“Register”	means Trans Hex’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including the relevant Sub-Registers and the register of disclosures of Trans Hex;
“Resolution”	the ordinary resolution to approve and give effect to the Transaction, as required by the JSE Listings Requirements;
“Sale Agreement”	the sale and purchase agreement, dated 13 May 2019, entered into between University of the Western Cape and Trans Hex Operations for the sale of the Property;
“SENS”	the Stock Exchange News Service of the JSE;
“SOI”	Statement of Comprehensive Income;
“SOF”	Statement of Financial Position;
“South Africa”	the Republic of South Africa;
“Special Purpose Carve-Out Historical Financial Information”	the special purpose carve-out historic financial information of Trans Hex pertaining to the Head Office building, as set out in Annexure 3;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated under the laws of South Africa, and licensed as a Central Securities Depository (“CSD”) in terms of the Financial Markets Act;
“Subsidiary”	a subsidiary as defined by IFRS, and/or the Companies Act;
“TNAVPS”	tangible NAVPS;
“Transaction Sponsor”	Questco Proprietary Limited, further details of which are set out in the “Corporate Information and Advisors” section of this Circular;
“Transaction”	means the proposed disposal of the Property by Trans Hex Operations for a total consideration of R30 million (excluding VAT) in terms of the Sale Agreement;

“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated under the laws of South Africa, further details of which are set out in the “Corporate Information” section of this Circular;
“Trans Hex Operations”	Trans Hex Operations Proprietary Limited (Registration number 1968/012100/07), a wholly owned subsidiary of Trans Hex, and the owners of the Property;
“Trans Hex shareholders” or “shareholders”	holders of Trans Hex shares;
“Trans Hex shares” or “shares”	ordinary no par value shares in the Company as set out in its MOI;
“University of the Western Cape”	an institution of higher education, established in terms of the Higher Education Act, 101 of 1997, with the Registration number H20;
“VAT”	means Value Added Tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended; and
“Voting Record Date”	means the date on, and time which, a shareholder must be recorded in the Register in order to be eligible to vote at the General Meeting, which is expected to be Friday, 20 September 2019.



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")

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the announcement published on SENS on 20 May 2019 wherein shareholders were advised that Trans Hex Operations received an offer to purchase the Property from the University of the Western Cape, which Trans Hex Operations accepted on 13 May 2019.

Trans Hex Operations has concluded the Sale Agreement with the University of the Western Cape, in terms of which they agreed to dispose of the Property for a cash consideration of R30 million (exclusive of VAT), payable on the date of the registration of the Property, by the Registrar of Deed Office, into the name of the University of the Western Cape.

In terms of the JSE Listings Requirements, the Transaction is a Category 1 transaction and is accordingly subject to shareholder approval as detailed in the Notice of General Meeting. There are no related parties involved in the Transaction.

The purpose of this Circular is to –

- (a) provide shareholders with relevant information regarding the Transaction to enable them to make an informed decision as to vote on the Resolution; and
- (b) convene the General Meeting, at which meeting the Resolution will be considered and, if deemed fit, passed by shareholders.

The Property currently functions as the Head Office building for the Trans Hex Group. As at the Last Practicable Date, the Company had not concluded the rental agreement for its new head office, the location of which is undetermined as at the Last Practicable Date.

2. SALIENT TERMS AND CONDITIONS OF THE TRANSACTION

2.1. Consideration and use of proceeds

The total consideration for the Transaction is an amount of R30 million (excluding VAT), payable in cash. The application of the sale proceeds will be applied to the working capital requirements and/or future operational growth of Company and Trans Hex Operations.

2.2. Effective date of the Transaction

The effective date of the Transaction will be on the fulfilment or waiver, as the case may be, of the last Condition Precedent, as set out below.

2.3. Conditions Precedent

The Transaction is conditional upon the requisite majority of shareholders approving the Resolution required to implement the Transaction.

2.4. Other significant terms of the Transaction

Trans Hex Operations have agreed to pay to Key Benefits an amount of R1,710,000 (inclusive of VAT) for the negotiation of the Transaction.

All other terms, warranties and undertakings are standard for a transaction of this nature.

3. OVERVIEW OF THE TRANS HEX GROUP

Trans Hex, a JSE Main Board listed company, is an integrated, international company engaged directly and through associated companies and joint-venture agreements with others in the exploration for, and the mining and marketing of, high-quality diamonds from land and marine deposits.

Further information on Trans Hex is available on the Trans Hex website: <https://www.transhex.co.za/>

4. PROSPECTS OF THE TRANS HEX GROUP

The following outlook information was published in the Company's audited consolidated financial statements for the year ended 31 March 2019:

4.1. West Coast Resources operations

Post year-end, Trans Hex Operations, West Coast Resources (Pty) Ltd ("WCR"), Trans Hex Diamante Ltd ("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's issued 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.

4.2. 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.

4.3. 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.

4.4. Market outlook

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 has further pressurized 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.

4.5. Prospects

The Board expects that the mining and contracting agreement concluded for West Coast Resources will have a positive impact on the operations and profitability of West Coast Resources, and that the operations in Angola and Shallow Water will benefit from the increased production, however profitability remains impacted by weak market conditions.

5. STATED CAPITAL

The authorised and issued stated capital of Trans Hex as at the Last Practicable Date is set out below.

	R'000
Authorised	
300 000 000 ordinary shares of no par value	
Issued	
115 135 785 ordinary shares of no par value*	224 678

*Excludes 352 328 treasury shares.

6. MATERIAL BORROWINGS

There are no other material borrowings in the Trans Hex Group impacted by the Transaction.

7. PRO FORMA FINANCIAL EFFECTS

The table below sets out the summarised *pro forma* financial effects of the Transaction on Trans Hex's basic and diluted EPS, basic and diluted HEPS, NAV and TNAVPS.

The summarised *pro forma* financial effects have been prepared to illustrate the effect of the Transaction on the published, consolidated audited financial results of Trans Hex for the financial year ended 31 March 2019, had the Transaction been implemented on 1 April 2018 for statement of comprehensive income purposes and on 31 March 2019 for statement of financial position purposes.

The summarised *pro forma* financial effects have been prepared using the accounting policies that comply with IFRS and that are consistent with those applied in the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.

The summarised *pro forma* financial effects are the responsibility of the Board and have been prepared for illustrative purposes only and because of their nature may not fairly present the financial position, changes in equity and results of operations and cash flows of the Group after the Transaction.

The full *pro forma* financial information of the Transaction and detailed notes are set out in Annexure 1. The Independent Reporting Accountant's limited assurance report thereon is set out in Annexure 2.

Notes	Before	After the	% change
	Actual	Transaction	After the
	1,2	3	4
Basic and diluted EPS (cents) from continued operations	58.9	83.4	41%
Basic and diluted EPS (cents) from discontinued operations	68.9	68.9	0%
Basic and diluted HEPS (cents) from continued operations	43.9	68.4	56%
Basic and diluted EPS (cents) from discontinued operations	1.3	1.3	0%
Basic and diluted NAVPS (cents)	243.9	267.4	10%
Basic and diluted TNAVPS (cents)	235.3	258.8	10%

Notes:

- (1) The "Before" basic and diluted EPS and HEPS have been extracted without adjustment from the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.
- (2) The "Before" NAVPS and TNAPS have been derived from the financial information presented in the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.
- (3) The column represents the impact of the Transaction, with detailed notes contained in Annexure 1.
- (4) The "Percentage change after the Transaction" column is measured as the difference between the "After the Transaction" column and the "Before" column, as a percentage of the "Before" column.

8. HISTORICAL FINANCIAL INFORMATION

The historic carve-out financial information of the Property for the years ended 31 March 2019, 31 March 2018 and 31 March 2017, is contained in Annexure 3, and should be read with the Independent Reporting Accountants' limited assurance report thereon, the text of which is contained in Annexure 4.

9. SUMMARY OF THE PROPERTY VALUATION REPORT

In terms of the JSE Listings Requirements, in respect of issuers who own property or who conclude property transactions, a valuation report must be prepared by an independent registered valuer.

In this regard, a Property Valuation Report was prepared on the property by the Independent Property Valuer. The Property Valuation Report will be available for inspection from 28 August 2019 until 26 September 2019, both days inclusive. A summary of the Property Valuation Report is set out in Annexure 5.

10. INFORMATION RELATING TO THE DIRECTORS

10.1. Directors' interests in securities

The table below reflects the direct and indirect beneficial interests of Directors' and their associates in the issued share capital of Trans Hex, including details of any Directors who have resigned during the past 18 months, as at the Last Practicable Date:

Director	Beneficial		Shares held by Associates	Total	Total %
	Direct	Indirect			
L Delpont	150 000	–	–	150 000	0.13
PG Viljoen*	–	36 474 981	–	36 474 981	31.58
MVZ Wentzel#	–	–	27 800 400	27 800 400	24.07
Total	150 000	36 474 981	27 800 400	64 425 381	55.79

*Mr Viljoen holds an indirect interest of 50% in RECM and Calibre Limited, 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.

10.2. Directors' interests in transactions

None of the Directors (or Directors who have resigned in the 18 months preceding the Last Practicable Date) of the Company, or directors of its major subsidiaries, have had any material beneficial interests, whether direct or indirect, in the Transaction.

10.3. Directors' service contracts and remuneration

There will be no variation in the service contracts or remuneration of any of the Directors as a consequence of the Transaction.

11. MAJOR SHAREHOLDERS

In so far as it is known to the Directors, the shareholders beneficially holding 5% or more of the issued Trans Hex shares, together with each shareholder's interest, as at the Last Practicable Date, are as follows:

	Number of Shares	%
RECM and Calibre Limited	36 474 981	31.58
Cream Magenta 140 Proprietary Limited	27 800 400	24.07
Metcap 14 Proprietary Limited	27 800 400	24.07
Investec Asset Management	5 963 300	5.16

12. MATERIAL CONTRACTS

Other than the Sale Agreement, as at the Last Practicable Date, there are no other material contracts which Trans Hex or its subsidiaries have entered into, either verbally or in writing, within the preceding 2 years, or which contain an obligation or settlement that is material to the Group, in relation to the Property.

13. INFORMATION IN RESPECT OF VENDORS AND PROMOTERS

The Property was acquired more than three years preceding the Last Practicable Date.

Other than the in terms of the Sale Agreement, and certain marketing agreements with property and auctioneering agencies that are normal for a transaction of this nature, the Group has not entered into any promoters' agreements during the three years preceding the Last Practicable Date.

Other than the commission paid to Key Benefits, no amount has been paid, or is accrued as payable, within the preceding three years, or proposed to be paid to any promoter or to any partnership, syndicate or other association of which such promoter is or was a member and no other benefit has been given or is proposed to be given to any promoter, partnership, syndicate or other association within the said period, in relation to the Property.

14. MATERIAL CHANGE

There have been no material changes to the financial or trading position of the Trans Hex Group, or in relation to the Property, since the publication of the consolidated audited results of Trans Hex for the financial year ended 31 March 2019 to the Last Practicable Date.

15. LITIGATION

The Company is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, in relation to the Property, that may have or have had in the recent past, being the previous 12 months, a material effect on the financial position of the Group.

16. WORKING CAPITAL STATEMENT

The Directors are of the opinion that the working capital available to the Group after the Transaction will be sufficient for the Group's present requirements, i.e. for at least the next 12 months from the date of issue of this Circular, and that:

- 16.1. the Group will be able, in the ordinary course of business, to pay its debts;
- 16.2. the Group will be able to service the debt it has incurred as a result of the Transaction;
- 16.3. the assets of the Group, fairly valued, will be in excess of the liabilities of Trans Hex (for this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements);
- 16.4. the share capital and reserves of Trans Hex will be adequate for ordinary business purposes; and
- 16.5. the working capital of the Group will be adequate for ordinary business purposes.

17. ESTIMATED EXPENSES

The estimated expenses relating to the Transaction (excluding VAT and disbursements) are set out below:

Description	Payable to	Estimated fee R'000
Transaction Sponsor	Questco Proprietary Limited	250
Independent Reporting Accountant	Mazars	60
JSE documentation fee	JSE	66
Printing and publishing	Bastions	100
Transfer Secretaries	Computershare	20
Independent Property Valuer	David Newham Property Management	10
Sub-total for expenses relating to the Circular		506
Estate Agent	Key Benefits	1 710
Total		2 216

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

19. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the terms and conditions of the Transaction is fair and that the implementation of the Transaction will enhance the working capital requirements and/or future operational growth of Company and Trans Hex Operations. Accordingly, the Board recommends that shareholders vote in favour of the Resolution relating to the Transaction and intend to vote in favour of the Transaction in respect of shares held by them.

20. CONSENTS

Each of the Transaction Sponsor, Independent Reporting Accountant, Independent Property Valuer and Transfer Secretaries have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and/or, where applicable, reports in the form and context in which they appear in this Circular.

21. GENERAL MEETING

The General Meeting is scheduled to be held at Trans Hex's offices at 405 Voortrekker Road, Parow, 7500 at 12:00 on Thursday, 26 September 2019 for the purposes of considering and if deemed fit, passing with or without modification, the Resolution.

Shareholders are referred to the "Action required by Shareholders" section of this Circular, which commences on page 4 and contains information as to the action they need to take in regard to the General Meeting.

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, are available for inspection at the registered offices of the Company and the offices of the Transaction Sponsor, from the date of issue of this Circular up to and including the date of the General Meeting:

- 22.1. the memoranda of incorporation of Trans Hex and its major subsidiaries;
- 22.2. the Sale Agreement;
- 22.3. copies of the service agreements of the Directors;
- 22.4. the property valuation report on the Property by Independent Valuer;
- 22.5. the Independent Reporting Accountant's limited assurance report on the *pro forma* financial effects;
- 22.6. the Independent Reporting Accountant's report on the carve-out historic financial information of the Property;
- 22.7. the annual financial statements of Trans Hex for the financial years ended 31 March 2019, 31 March 2018 and 31 March 2017;
- 22.8. the written consents of the Company's professional advisors; and
- 22.9. a signed copy of this Circular.

Signed by

L Delport
Chief Executive Officer

AT PAROW ON 28 AUGUST 2019 ON BEHALF OF THE DIRECTORS IN TERMS OF A DIRECTORS' ROUND ROBIN RESOLUTION

PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

The definitions and interpretations commencing on page 6 of this Circular apply to this annexure and throughout the Circular, unless a word or a term is otherwise defined herein.

The *pro forma* financial information has been prepared to illustrate the impact of the Transaction on the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019, had the Transaction been implemented on 1 April 2018 for statement of comprehensive income purposes and on 31 March 2019 for statement of financial position purposes.

The *pro forma* financial information has been prepared using the accounting policies that comply with IFRS and that are consistent with those applied in the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.

The *pro forma* financial information set out below is the responsibility of the Directors and has been prepared for illustrative purposes only and because of their nature may not fairly present the financial position, changes in equity and results of operations or cash flows of Trans Hex after the Transaction.

The *pro forma* financial information should be read along with the Independent Reporting Accountant's limited assurance report thereon, as set out in Annexure 2 to the Circular.

PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* statement of financial position set out below illustrates the effect of the Transaction on the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.

R'000	Unadjusted SOFP	Effects of the Transaction	SOFP after the Transaction
Notes	1	2	3
Assets			
Non current assets	654 772	(1 009)	653 763
Property, plant and equipment	313 753	(1 009)	312 744
Intangible assets	9 910		9 910
Investment in associates	170 910		170 910
Investments held by environmental trust	75 293		75 293
Other financial assets	84 906		84 906
Current assets	136 899	32 507	169 406
Inventories	51 270		51 270
Trade and other receivables	20 151	299	20 450
Current income tax	4		4
Cash and cash equivalents	65 474	32 208	97 682
Non-current assets held for sale and assets of disposal group	8 602		8 602
Total assets	800 273	31 498	831 771
Equity and liabilities			
Capital and reserves	280 835	26 998	307 833
Non-controlling interest	27 663		27 663
Noncurrent liabilities	174 559	-	174 559
Other financial liabilities	91 732		91 732
Deferred tax	-		-
Employee and rehabilitation provisions	82 827		82 827
Current liabilities	314 645	4 500	319 145
Trade and other payables	72 878	4 500	77 378
Interest in joint ventures	83 720		83 720
Borrowings	158 047		158 047
Liabilities of a disposal group classified as held for sale	2 571		2 571
Total equity and liabilities	800 273	31 498	831 771
Net asset value per share (cents)	244		267
Tangible net asset value per share (cents)	235		259
Number of shares in issue	115 136		115 136

Notes:

- (1) *The “Before” financial information has been extracted without adjustment from the published, consolidated audited annual financial statements of Trans Hex for the financial year ended 31 March 2019.*
- (2) *Reflects the impact of the Transaction, as if the Transaction occurred on 31 March 2019, and takes into account the following adjustments:*
 - (a) *a de-recognition of the carrying value of the Property, being R1.009 million;*
 - (b) *a recognition of cash proceeds from the sale of the Property of R34.5 million (R30 million plus VAT), less payment of Transaction expenses of R0.582 million, VAT inclusive (as set out in paragraph 17 of the Circular), less payment of the agents commission of R1.71 million, VAT inclusive;*
 - (c) *A VAT receivable of R0.3 million on the Input VAT that can be claimed on transaction costs and agents commission;*
 - (d) *A VAT payable of R4.5 million on the VAT raised on the proceeds from the sale of the Property; and*
 - (e) *A retained earnings charge comprising:*
 - (i) *recognition of the profit/loss on the disposal of R27.504 million (R30 million proceeds less the carrying amount of the property of R1.009 million and agents commission of R1.487 million.*
 - (ii) *the transaction costs of R0.582 million.*

No tax on the disposal of the building has been taken into account as the company has an assessed loss and the deferred tax asset is not recognised.
- (3) *Illustrates the consolidated audited results of Trans Hex after taking into account the pro-forma financial effects of the Transaction.*

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

The *pro forma* income statement and statement of comprehensive income set out below illustrates the effect of the Transaction the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.

R'000	Unadjusted SOCl	Effects of the Transaction	SOCl after the Transaction
Notes	1	2	3
Continuing operations			
Revenue from contracts with customers	312 556		312 556
Cost of goods sold	(403 002)		(403 002)
Gross (loss)/profit	(90 446)	0	(90 446)
Other gains/(losses) – net	190 245	27 181	217 426
Other operating expenses	(63 916)	953	(62 963)
Operating profit/(loss)	35 883	28 134	64 017
Income from equity accounted investments	50 410		50 410
Investment income	16 002		16 002
Finance costs	(39 293)		(39 293)
Profit/(loss) before income tax	63 002	28 134	91 136
Taxation	1 742	0	1 742
Profit/(loss) for the year from continuing operations	64 744	28 134	92 878
Discontinued operations			0
Profit/(loss) from discontinued operations	79 319		79 319
Profit/(loss) for the year	144 063	28 134	172 197
Attributable to:			0
Continuing operations	64 744	28 134	92 878
Owners of the parent	67 866	28 134	96 000
Non-controlling interest	(3 122)	0	(3 122)
Discontinued operations			0
Owners of the parent	79 319	0	79 319
Total	144 063	28 134	172 197
Reconciliation between earnings/(loss) and headline earnings /(loss) from continuing operations			
Basic earnings/(loss) from continuing operations	67 866	28 134	96 000
Profit/(loss) on sale of assets	(5 227)		(5 227)
Foreign currency translation differences	(9 797)		(9 797)
Reversal of impairments	(6 869)		(6 869)
Additional impairments provided	4 601		4 601
Headline earnings from continuing operations	50 574	28 134	78 708
Basic earnings/(loss) from discontinuing operations	79 319		79 319
Adjusted for: Profit on sale of asset	(77 791)		(77 791)
Headline earnings from discontinuing operations	1 528		1 528
Earnings/(loss) per share – basic and diluted (cents)			
Continuing operations	58.94		83.38
Discontinued operations	68.89		68.89
Total	128		152
Headline earnings/(loss) per share – basic and diluted (cents)			
Continuing operations	43.92		68.36
Discontinued operations	1.33		1.33
Shares in issue adjusted for treasury shares ('000)	115 136		115 136

Notes

- (1) *The "Before" financial information has been extracted without adjustment from the published, consolidated audited results of Trans Hex for the financial year ended 31 March 2019.*
- (2) *Reflects the impact of the Transaction, as if the Transaction occurred on 1 April 2018, and takes into account the following adjustments:*
 - (a) *the profit/loss on the disposal of R27.181 (R30 million proceeds less carrying amount as at 1 April 2018 of R1.331 million, less agents commission of R1.486 million;*
 - (b) *reversal of a depreciation charge of R0.324 million for the year ended 31 March 2019;*
 - (c) *reversal of repairs and maintenance, rates and taxes and other property related cost of R1.135 million for the year ended 31 March 2019; and*
 - (d) *Transaction expenses of R0.51 million, as set out in (as set out in paragraph 17 of the Circular).*

No rental expense has been provided as the company has not committed to rental expense for alternative premises.

No tax on the disposal of the building has been taken into account as the company has an assessed loss and the deferred tax asset is not recognised.
- (3) *Illustrates the consolidated audited results of Trans Hex after taking into account the pro-forma financial effects of the Transaction.*
- (4) *All of the adjustments, except for the profit on the sale of assets, are expected to have a continuing effect on the financial information of Trans Hex.*

INDEPENDENT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS

20 August 2019

The Directors of Trans Hex Group Limited
405 Voortrekker Road
Parow
7499

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Trans Hex by the Directors. The *pro forma* financial information, as set out on Annexure 1 of the Circular, consists of the *pro forma* statement of financial position as at 31 March 2019, the *pro forma* statement of comprehensive income for the year ended 31 March 2019 and related notes. The applicable criteria, on the basis of which the Directors have compiled the *pro forma* financial information are specified in the JSE Listings Requirements and described in Annexure 1.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action, described in paragraph 1, on the Company's financial position as at 31 March 2019, and the Company's financial performance for the year then ended, as if the corporate action had taken place at 31 March 2019 and for year then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the unadjusted audited Company financial statements for the period ended 31 March 2019 published on 26 July 2019.

Directors' Responsibility for the *Pro Forma* Financial Information

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the Listings Requirements and described in paragraph 7 and Annexure 1.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

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

Reporting Accountant's Responsibility

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

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

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

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action on unadjusted financial information of the entity as if the corporate action had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action at 31 March 2019 would have been as presented.

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

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1 and in paragraph 7 of the Circular.

MAZARS

S de Jager

Capacity: Partner

Reporting Accountant Specialist

Mazars House

Rialto Road

Century City 7446

SPECIAL PURPOSE CARVE-OUT HISTORIC FINANCIAL INFORMATION OF THE PROPERTY

The definitions commencing on page 6 of the Circular have been used throughout this Annexure 3.

Basis of preparation

These Special Purpose Carve-Out Historical Financial Information have been prepared in accordance with paragraph 8.2(e) of the JSE Listings Requirements which requires, inter alia, that the Special Purpose Carve-Out Historical Financial Information be presented in respect of the subject of the Category 1 transaction, namely, the Property.

Cash flow statements and statements of changes in equity have not been presented in this Special Purpose Carve-Out Historical Financial Information as this is not considered to be meaningful as Trans Hex is disposing of a single asset, and not a revenue generating business unit or separate legal entity with separate equity and cash flows.

The Special Purpose Carve-Out Historical Financial Information has been extracted from the audited financial statements of Trans Hex for the years ended 31 March 2019, 2018 and 2017. The Special Purpose Carve-Out Historical Financial Information has been prepared in accordance with the accounting policies of Trans Hex in compliance with IFRS and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The Special Purpose Carve-Out Historical Financial Information have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

Mazars, who is the Independent Reporting Accountant to Trans Hex, conducted the review of the Special Purpose Carve-Out Historical Financial Information in accordance with International Standards on Auditing and reported without qualification on the Special Purpose Carve-Out Historical Financial Information.

The Directors are responsible for the preparation and presentation of the Special Purpose Carve-Out Historical Financial Information.

Directors commentary

The Property currently functions as the Company's Head Office building and is a non-core asset to the Group. The building currently has a carrying amount of R1 008 755 (cost less depreciation) as at 31 March 2019 and a fair value of R30 million based on the Independent Property Valuer's valuation report.

CARVE-OUT STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019, 31 MARCH 2018 AND 31 MARCH 2017

	Notes	Audited 2019 R'000	Audited 2018 R'000	Audited 2017 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	2	1 009	1 332	1 630
Deferred income tax asset	3	–	–	–
Current assets				
Trade and other receivables	4	10	14	7
Total assets		1 019	1 346	1 637
EQUITY				
Capital and reserves				
Owner's loan		959	1 292	1 588
Accumulated (loss) / profit		8 306	7 230	6 083
		(7 347)	(5 938)	(4 495)
LIABILITIES				
Current liabilities				
Trade and other payables	5	60	54	49
Total equity and liabilities		1 019	1 346	1 637

CARVE-OUT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 MARCH 2019, 31 MARCH 2018 AND 31 MARCH 2017

	Notes	Audited 2019 R'000	Audited 2018 R'000	Audited 2017 R'000
Revenue from contracts with customers		-	-	-
Cost of goods sold		-	-	-
Gross profit		-	-	-
Other operating income	6	51	51	50
Other operating expenses	7	(1 459)	(1 502)	(1 523)
Operating loss		(1 408)	(1 451)	(1 473)
Finance income		-	-	-
Finance costs		-	-	-
Loss before income tax		(1 408)	(1 451)	(1 473)
Taxation		-	-	1 425
Loss for the year		(1 408)	(1 451)	(48)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		(1 408)	(1 451)	(48)

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment consist of land and buildings and are recorded at historical cost.

Land is subsequently recognized at historic cost less accumulated impairment losses. No depreciation is provided on land.

Buildings are subsequently recognised at historical cost less accumulated depreciation and impairment. Depreciation on buildings is recognised over the useful life of the asset, which was assessed at 20 years.

Gains and losses on disposal of property are determined by comparing proceeds with the carrying value and are included in operating profit.

Trade and other receivables

Loans and trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective-interest method, less provision for impairment.

Trade and other payables

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

Deferred tax asset and liability

The Group follows the liability method of accounting for deferred income tax, whereby deferred income tax is recognised for the tax consequences of temporary differences. This translates into applying the currently enacted tax rates to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. Changes in deferred tax assets and liabilities include the impact of any tax rate change enacted during the year.

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
2. PROPERTY, PLANT AND EQUIPMENT			
2019			
Land and buildings	6 076	(5 067)	1 009
	6 076	(5 067)	1 009
2018			
Land and buildings	6 076	(4 748)	1 332
	6 076	(4 748)	1 332
2017			
Land and buildings	6 059	(4 429)	1 630
	6 059	(4 429)	1 630

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

	Land and buildings R'000	Total R'000	
2019			
Additions	-	-	
Disposals	-	-	
Depreciation	(324)	(324)	
Movement for the year	(324)	(324)	
2018			
Additions	17	17	
Disposals	-	-	
Depreciation	(324)	(324)	
Movement for the year	(307)	(307)	
2017			
Additions	139	139	
Disposals	-	-	
Depreciation	(315)	(315)	
Movement for the year	(176)	(176)	
	2019	2018	2017
	R'000	R'000	R'000
3. DEFERRED INCOME TAX			
At beginning of year	-	-	(1 425)
(Debited) / credited to income statement	-	-	1 425
	-	-	-
Comprised of temporary differences on:			
Capital allowances	1 612	1 572	1 532
Assessed loss carried forward	1 097	742	375
	2 709	2 314	1 907
Deductible temporary differences for which no deferred tax asset is recognised	(2 709)	(2 314)	(1 907)
	-	-	-
Tax losses at the end of the financial year available for utilisation against future taxable income are estimated at R1,1 million (2018: R0,7 million; 2017: R0,4 million). No deferred tax asset has been raised for these losses as future utilisation is uncertain.			
4. TRADE AND OTHER RECEIVABLES			
Value added taxes	11	14	7
	11	14	7
5. TRADE AND OTHER PAYABLES			
Trade payables and accrued expenses	60	54	49
	60	54	49
6. OTHER OPERATING INCOME			
Rental income	51	51	50
7. OTHER OPERATING EXPENSES			
Operating profit/(loss) for the year is stated after charging the following, amongst others:			
Depreciation	324	324	315
Security	311	296	265
Property tax	253	238	234
Electricity	311	383	383
Other expenses	260	261	326
	1 459	1 502	1 523
8. EVENTS AFTER THE REPORTING PERIOD			

The Group received an offer to purchase the Head Office building, which was accepted on 13 May 2019. The Group has agreed to dispose 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.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CARVE-OUT HISTORIC FINANCIAL INFORMATION OF THE PROPERTY

20 August 2019

The Directors
Trans Hex Group Limited
405 Voortrekker Road
Parow
7499

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE SPECIAL PURPOSE CARVE-OUT HISTORICAL FINANCIAL INFORMATION OF THE PROPERTY FOR THE THREE YEARS ENDED 31 MARCH 2019, 31 MARCH 2018 AND 31 MARCH 2017

The definitions and interpretations commencing on page 6 of the Circular to which this letter is attached apply, mutatis mutandis, to this report.

Introduction

At your request, and for the purposes of the Circular, we have audited the Historical Financial Information of the Property for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 presented in the report of historical financial information of the carve-out financial information on the Property in Annexure 3 to the Circular (collectively "Special Purpose Carve-out historical Financial Information").

The Special Purpose Carve-Out Historical Financial Information includes the historical Statement of net assets as at 31 March 2019, 31 March 2018, 31 March 2017, and the historical Statement of direct income and expenses for the years ended 31 March 2019, 31 March 2018 and 31 March 2017, and notes to the historical statements of direct income and expenses and net asset position of the Property, including a summary of significant accounting policies as presented in Annexure 3 to the Circular which is prepared in accordance with the basis of preparation paragraph included in Annexure 3 to the Circular.

The directors of Trans Hex are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information. The Directors are responsible for the compilation, contents and preparation of the Circular which includes the Special Purpose Carve-Out Historical Financial Information for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 in accordance with the JSE Listings Requirements.

Mazars is the independent auditor to Trans Hex Group Limited.

Special Purpose Carve-Out Historical Financial Information for the years ended 31 March 2019, 2018 and 2017

Independent reporting Accountant's Audit report on the Special Purpose Carve-out Historical Financial Information

Opinion

We have audited the Special Purpose Carve-Out Historical Financial Information of the Property, which comprise the historical statement of financial position as at 31 March 2019, 2018 and 2017 and the historical statement of direct income and expenses for the years then ended, and notes to the historical statements of direct income and expenses and financial position, including a summary of significant accounting policies, as presented in Annexure 3 to the Circular.

In our opinion, the Special Purpose Carve-Out Historical Financial Information of the Property for the years ended 31 March 2019, 2018 and 2017, are prepared, in all material respects, in accordance with the basis of preparation paragraph included in Annexure 3 to the Circular.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Independent Reporting Accountant’s Responsibilities for the Special Purpose Carve-out Historical Financial Information section of our report. We are independent of Trans Hex in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Preparation

We draw attention to the basis of preparation paragraph to the Special Purpose Carve-out Historical Financial Information of the Property included in Annexure 4, which describes the basis of preparation, including the approach to and the purpose for preparing the financial information. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors of Trans Hex for the Special Purpose Carve-out Historical Financial Information

The Directors are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information in accordance with the basis of preparation paragraph included in Annexure 3 to the Circular and the Listings Requirements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the Directors determine is necessary to enable the preparation of the Special Purpose Carve-Out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Carve-Out Historical Financial Information the Directors are responsible for assessing the ability of the Property to continue as a going concern as if the assets had operated as an independent entity, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the Directors either intend to liquidate the Property or to cease operations, or have no realistic alternative but to do so.

Independent reporting Accountant’s responsibilities for the Audit of the Special Purpose Carve-out Historical Financial Information for the years ended 31 March 2019, 2018 and 2017

Our objectives are to obtain reasonable assurance about whether the Special Purpose Carve-Out Historical Financial Information is free from material misstatement, whether due to fraud or error, and to issue an independent reporting accountant’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Special Purpose Carve-Out Historical Financial Information for the years ended 31 March 2019, 2018 and 2017.

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

- Identify and assess the risks of material misstatement of the Special Purpose Carve-Out Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Trans Hex’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Trans Hex.
- Conclude on the appropriateness of the Directors’ use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Property to continue as a going concern as if the assets had operated as an independent entity. If we conclude that a material uncertainty exists, we are required to draw attention in our independent reporting accountant’s report to the related disclosures in the Special Purpose Carve-Out Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent reporting accountant’s report. However, future events or conditions may cause the Property to cease to continue as a going concern.

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

MAZARS

Registered Auditor

Per: DUNCAN DOLLMAN
Chartered Accountant (SA)
Registered Auditor Partner

Mazars House
Rialto Road
Century City, 7441
(PO Box 134, Century City, 7446)

SUMMARY OF THE PROPERTY VALUATION REPORT

20 August 2019

The Directors
Trans Hex Group Limited
P O Box 723
PAROW
7449

Dear Sirs

INDEPENDENT VALUER'S REPORT ON ONE PROPERTY COMPRISING ERF 23559 PAROW TOGETHER WITH IMPROVEMENTS THEREON, SUCH PROPERTY LOCATED AT AND KNOWN AS 405 VOORTREKKER ROAD, PAROW, CITY OF CAPE TOWN, PROVINCE OF THE WESTERN CAPE

In accordance with your instructions conveyed at and during a meeting at the property on 22 July 2019, we confirm completion of a comprehensive report and do hereby record pertinent issues as follows:

1. INTRODUCTION

I, Mr Anthony Clive Freedman, a Registered Professional Associated Valuer, employed by David Newham Property Management (Pty) Ltd, do hereby certify that by virtue of my experience and working knowledge, have valued the property on the basis of a "Capitalisation of Income" method for an effective date of **1 September 2019**.

In accordance with your instructions conveyed to me by Mr Nicholas Appalsamy, I confirm that I have visited and inspected the property on 22 July 2019 and have received all available details required to perform a valuation in order to provide you with my opinion of the property's market value as at 1 September 2019.

Set out below are particulars relating to the property, as further detailed in my comprehensive report done and completed on 20 August 2019.

2. BASIS AND METHOD OF VALUATION

The valuation is based on market value. Market value means the best price, at which the sale of an interest in a property may reasonably be expected to have been completed, unconditionally for a cash consideration on the date of valuation, assuming:

- 2.1** a willing seller and a willing buyer in a market;
- 2.2** that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the property marketing of the property, for the agreement of price and terms and for the completion of the sale; and
- 2.3** that the state of the market, level of values and other circumstances are, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.
- 2.4** For purposes of this valuation report, the Professional Associated Valuer has in essence applied a method in his various permutations known as the "**CAPITALISATION OF INCOME**" method to determine the market value of the subject property as at the effective date of **1 SEPTEMBER 2019**. In view of the fact of the subject property is assumed will be "Owner Occupied", the Professional Associated Valuer has elected to apply "**market related rental, lease terms and norms**" in his various permutations, which give rise to the current fair commercial market value of the subject property as at the effective date of this report.
- 2.5** In view of the property's present Single Occupant Use and apparent future Single Occupant Use, as well as the property's matching design for same, no justification for a "Vacancy Factor" has been deemed necessary nor applied in our valuation calculation/s.

3. VACANT OR SPARE LAND

Cognisance has been taken of an essentially vacant portion of land on the Western side of the property and the value thereof duly incorporated.

4. BRIEF DESCRIPTION

- 4.1 By way of background, the improvements on the property comprise in essence of a composite **corporate office complex**, same in essence being fully contained with on-site parking and a measure of landscaped garden features, which complex can in essence be further described and apportioned as follows:
- 4.1.1 The main component of the complex being a double storey building, which has been designed and laid out with several “wings”. The total lettable / usable extent of the office and related accommodation being estimated to be in the order of approximately **2 546 m²**.
- 4.2 The main double storey office building together with certain garaging, carports and outbuildings have all been fully enclosed with perimeter boundary walling, which incorporates certain electrified fencing. The total extent of garaging and material undercover Parking buildings being in the order of 492 m². Further shadecloth covered carport parking has also been provided within the brickpaved area adjacent to the main double storey building on the Voortrekker Road / Corner of Sidvale Street portion of the site.
- 4.3 The improvements which form the subject of this valuation report have been constructed using **conventional** building methods, in essence the main double storey component of the complex has been constructed by means of **reinforced concrete framework** together with reinforced concrete slabs separating the various levels of accommodation. External walls are of **facebrick** incorporating glazed aluminium frames and the complex incorporates a decorative brickwork colonnade around a central planting feature in front of the main entrance to the office complex.
- 4.4 Internal walls being of part smooth plastered brickwork and part dry wall internal partitioning and finishes generally in keeping with “conventional” office premises. Where applicable office accommodation, for example being airconditioned by means of split airconditioning type units and certain boardrooms having “central cassette’ type units.
- 4.5 The property is of fair age, however from a current site inspection conducted on 22 July 2019, all improvements appear to be structurally sound and in a **reasonable well maintained condition**. Light fittings, airconditioning and other such fittings are accordingly assessed as being functional even if near the end of their useful life.

5. VALUATION QUALIFICATIONS

The independent valuation has been requested by the current Registered Owner, Trans Hex Operations (Pty) Ltd, who as part of their disclosure have made available a copy of a duly accepted “OTP” (Offer to Purchase), same reflecting a selling price of R30,000,000.00 (Thirty Million Rand) excluding VAT. The Purchaser is clearly indicated as University of the Western Cape. The importance / relevance of this information being that same warrants / justifies the determination of value assuming a “Willing Purchaser” who intends to be an Owner Occupier. N.B. The absence of a Tenant / Occupier for the property would have a severe / detrimental effect on both the sale-ability and market value of the property.

6. OPTIONS OR BENEFIT / DETRIMENT OF CONTRACTUAL ARRANGEMENTS

No valuation has been required detailing the benefit or detriment of contractual arrangements in respect of the property or where there may be a benefit in options held.

7. OPTIONS

To the best of our knowledge there are no options to purchase any property held by any party.

8. OTHER GENERAL MATTERS AND VALUATION SUMMARY

A comprehensive valuation report has been provided to Trans Hex Operations (Pty) Ltd providing amongst other details on location, Town Planning matters, age of the property etc.. By way of background whilst no accurate date of construction is known, earliest plans traced are dated 1990.

9. ALTERNATIVE USE FOR THE PROPERTY

The property has been valued in accordance with its existing use which represents its market value. No alternative use for the property has been considered in determining its value.

10. OTHER COMMENTS

Our valuation excludes any amount / quantum in respect of Value-Added Tax, transfer duty, or securities transfer duty.

11. SOURCE/S OF INFORMATION

Information on the property regarding market rental, incomes, recoveries, turnovers and other income detail has been based on actual / where available and / or market norms. Regular use is made of property sales data such as that provided by Windeed, Anticipated Rental Income for example as reflected in Rode Reports, as well as where applicable, we have had discussions with Property Brokers operating in the area. David Newham Property Management (Pty) Ltd furthermore has a substantial data base of information from its Managed Property Portfolio, which whilst confidential, nevertheless provides valuable information for verification purposes.

12. TOWN PLANNING RESTRICTIONS / CONDITIONS AND MATERIAL CONTRAVENTIONS OF STATUTORY REQUIREMENTS

The subject property is zoned for "general business" purposes, being in Sub-Zone GB4. A copy of a formal "Zoning Extract" dated 12 September 2018 is attached to the comprehensive report provided, which indicates "Business Premises" as one of the property's Primary Land uses.

13. LEASES

The subject property and all improvements have to date been Group / Owner Occupied by Trans Hex Operations (Pty) Ltd, and used for "Office" purposes, with no internal rental being paid.

14. STRUCTURAL CONDITION

The property has been valued in its existing state. We have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have we arranged for the testing of any electrical or other services. We have in this regard assumed that the property is duly compliant with all relevant legislations.

15. CONTAMINATION

The valuation assumes that a formal environmental assessment is not required and further that none of the property is environmentally impaired or contaminated, unless otherwise stated in our report.

16. FULL DISCLOSURE

This Valuation Report has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to me as further detailed in our comprehensive Valuation Report provided to the Owners of the property.

17. We are of the opinion that the fair market value of the property as at an effective date of **1 September 2019** is **R30 000 000-00 (Thirty Million Rand)**.

18. CONCLUSION

- To the best of my knowledge and belief there have been no material changes between the date of inspection and completion of this Valuation Report.
- I confirm that I have no pecuniary interest that would conflict with proper valuations of the property by the company, other than normal professional fees.

Yours faithfully

DAVID NEWHAM PROPERTY MANAGEMENT (PTY) LTD

A C (TONY) FREEDMAN

PROFESSIONAL ASSOCIATED VALUER

In terms of the Valuer's Act

S A Council for the Property Valuers Profession

Registration No. 434/9



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")

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT A GENERAL MEETING OF SHAREHOLDERS WILL BE HELD AT TRANS HEX'S OFFICES AT 405 VOORTREKKER ROAD, PAROW, 7500 AT 12:00 ON THURSDAY, 26 SEPTEMBER 2019 FOR THE PURPOSE OF CONSIDERING, AND IF DEEMED FIT, PASSING, WITH OR WITHOUT MODIFICATION, THE RESOLUTION SET OUT BELOW IN THE MANNER REQUIRED BY THE COMPANIES ACT.

PROXIES

A shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a shareholder of the Company. For the convenience of Certificated shareholders and Dematerialised shareholders with "own name" registration, a Form of Proxy is attached.

Duly completed Forms of Proxy should be lodged with the Transfer Secretaries not less than 48 (forty-eight) hours before the commencement of the General Meeting or they may be handed to the chairman of the General Meeting before the appointed proxy exercises any of the relevant shareholder rights at the General Meeting.

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out in the attached Form of Proxy.

RECORD DATES

The record date, in terms of section 59 of the Companies Act, for shareholders to be recorded in the Register in order to:

- receive the Notice of General Meeting is Friday, 16 August 2019; and
- attend, speak and vote at the General Meeting is Friday, 20 September 2019 and, accordingly, the last day to trade in order to be eligible to participate in or vote at the General Meeting is Tuesday, 17 September 2019.

PROOF OF IDENTIFICATION REQUIRED

In terms of section 63(1) of the Companies Act, any shareholder or proxy who intends to attend or participate at the General Meeting must be able to present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate in or vote at the General meeting, either as a shareholder or proxy, has been reasonably verified. A green bar-coded or smart card identification document, issued by the South African Department of Home Affairs, a driver's license or a passport will be accepted as sufficient identification.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should a shareholder (or a representative or a proxy of such shareholder) wish to participate in (but not vote at) the General Meeting by way of telephone conference call, then such shareholder:

- must contact the Company Secretary, Statucor Proprietary Limited (by email at alun@statucor.co.za) by no later than 12:00 on Friday, 20 September 2019 in order to obtain dial-in details for the conference call; and
- will be required to provide reasonably satisfactory identification.

Shareholders (or a representative or a proxy of such shareholder) will not be able to vote telephonically at the General Meeting and shareholders will need to appoint a proxy or representative to vote on their behalf at the General Meeting.

ORDINARY RESOLUTION NO. 1 – APPROVAL OF THE TRANSACTION

“IT BEING RESOLVED THAT the Transaction as described in the Circular to which this Notice is attached, being the disposal of the Property (Erf 23559 Parow, City of Cape Town, Western Cape Province) to the University of the Western Cape for a consideration of R30 million, be and is hereby approved.”

Voting in respect of this Ordinary Resolution

Percentage of voting rights required for this Ordinary Resolution No. 1 to be adopted is a simple majority of votes, being more than 50% of the votes of all shareholders present or represented by proxy at the General Meeting.

Reason and effect of this Ordinary Resolution

The reason for this Ordinary Resolution No. 1 is for shareholders to approve the Transaction in terms of paragraph 9.20(b) of the JSE Listings Requirements. The effect of this Ordinary Resolution No. 1 is that Trans Hex will dispose of Erf 23559 Parow, City of Cape Town, Western Cape Province to the University of the Western Cape.

DEMATERIALIZED SHAREHOLDERS WITHOUT “OWN NAME” REGISTRATION

Dematerialised shareholders without “own name” registration who wish to attend the General Meeting in person should request their Broker or CSDP to provide them with the necessary letter of representation in terms of their custody agreement with their Broker or CSDP. Dematerialised shareholders without “own name” registration who do not wish to attend but wish to vote at the General Meeting must advise their Broker or CSDP of their voting instructions. Dematerialised shareholders without “own name” registration should contact their Broker or CSDP with regard to the cut-off time for their voting instructions.

CERTIFICATED SHAREHOLDERS OR DEMATERIALIZED SHAREHOLDERS WITH “OWN NAME” REGISTRATION

Certificated Shareholders or a Dematerialised shareholders with “own name” registration, may attend the General Meeting in person and may vote at the General Meeting. Alternatively, such shareholders may appoint a proxy to represent them at the General Meeting by completing the Form of Proxy (green).

VOTING

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have only 1 (one) vote. On a poll, every shareholder of the Company present in person or represented by proxy shall have 1 (one) vote for every Trans Hex share held in the Company by such shareholder.

Pursuant to schedule 14 of the JSE Listings Requirements, the votes of the Treasury Shares, being the Trans Hex shares held by the Company's existing employee share/option schemes, may not be exercised in respect to the Resolution contained in this Notice of General Meeting.

By order of the Trans Hex Board

Statucor Proprietary Limited

Company secretary

28 August 2019



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")

FORM OF PROXY

(FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH "OWN NAME" REGISTRATION)

This Form of Proxy is **only** for use by:

- Certificated shareholders; and
- Dematerialised shareholders with "own name" registration,

in respect of the General Meeting of shareholders to be held at Trans Hex's offices at 405 Voortrekker Road, Parow, 7500 at 12:00 on Thursday, 26 September 2019, and at any postponement or adjournment thereof.

Shareholders who have Dematerialised their Trans Hex shares with a Broker or CSDP, other than with "own name" registration, must arrange with the Broker or CSDP concerned to provide them with the necessary letter of representation to attend the General Meeting or the shareholders concerned must instruct their Broker or CSDP as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the Broker or CSDP concerned.

I / We _____ (name in block letters)

of _____ (address)

Telephone (work) _____ (home) _____

Mobile _____ (email) _____

being the holder(s) of _____ Trans Hex shares

hereby appoint (see note 1): _____

1. _____ or failing him / her

2. _____ or failing him / her

the chairman of the General Meeting, as my / our proxy to attend, speak and act on my / our behalf at the General Meeting (and at any postponement or adjournment thereof) and, on a poll, to vote in my stead and to vote for or against the Resolution or abstain from voting thereon in respect of the Trans Hex shares registered in my / our name(s), in accordance with the following instructions (see note 3):

	For	Against	Abstain
Ordinary Resolution No. 1 – Approval of the Transaction			

Please indicate with an "x" or the relevant number of Trans Hex shares, in the applicable space, how you wish your votes to be cast. Unless otherwise directed, the proxy will vote as he / she deems fit.

Signed at _____ on _____ 2019

Signature(s) _____ Capacity _____

Assisted by (where applicable) _____ Signature _____

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. A shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak, and on a poll, vote in place of that shareholder at the General Meeting.
2. A shareholder may insert the name of a proxy or the names of 2 (two) alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the General Meeting". The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder should insert an "x" in the relevant space according to how the shareholder wishes his / its votes to be cast. However, if a shareholder wishes to cast a vote in respect of a lesser number of shares than that which he / it holds, such shareholder should insert the number of shares held in respect of which he / it wishes to vote or abstain from voting. If a shareholder fails to comply with the above then such shareholder will be deemed to have authorised the proxy to vote or to abstain from voting at the General Meeting as such proxy deems fit in respect of all of the shareholders' votes exercisable at the General Meeting. A shareholder is not obliged to exercise the votes in respect of all of the shares held by him / it, but the total votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the shareholder.
4. The completion and lodging of this Form of Proxy will not preclude the relevant shareholder from attending the General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to so do.
5. The chairman of the General Meeting may reject or accept any form of proxy which is not completed and / or received in accordance with these notes.
6. Shareholders who have Dematerialised their shares with a Broker or CSDP, other than those with "own name" registration, must arrange with the Broker or CSDP concerned to provide them with the necessary letter of representation to attend the General Meeting or the shareholders concerned must instruct their Broker or CSDP as to how they wish the votes in respect of their shares to be voted at the General Meeting. This must be done in terms of the agreement entered into between the shareholder and the Broker or CSDP concerned.
7. Any alteration to this Form of Proxy, other than the deletion of alternatives, must be signed, not merely initialled, by the signatory/ies.
8. If this Form of Proxy is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this Form of Proxy, unless it has previously been recorded by Trans Hex or the Transfer Secretaries.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. on behalf of a company, trust/ees, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Trans Hex or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. A minor or any other person with legal incapacity must be assisted by his / her parent or guardian, unless the relevant documents establishing his / her capacity are produced or have been recorded by Trans Hex or the Transfer Secretaries.
11. Where there are joint holders of shares:
 - (a) any one holder may sign the Form of Proxy; and
 - (b) the vote of the senior joint holder, who tenders a vote, as determined by the order in which the names stand in the Register, will be accepted.
12. Shareholders are requested to lodge Forms of Proxy with or post to the Transfer Secretaries at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa (PO Box 61051, Marshalltown, 2107) or email to proxy@computershare.co.za so as to be received by the Transfer Secretaries by not later than 48 (forty eight) hours prior to the General Meeting, being 12:00 on Monday, 23 September 2019. Alternatively Forms of Proxy may be handed to the chairman of the General Meeting before the appointed proxies exercise any of their shareholder rights at the General Meeting.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise;
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's Memorandum of Incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and
- if a company issues an invitation to its shareholders to appoint 1 (one) or more persons named by the company as a proxy, or supplies a form of proxy instrument:
 - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
 - the invitation or form of proxy instrument supplied by the company must:
 - bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
 - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
 - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
 - the company must not require that the proxy appointment be made irrevocable; and
 - 1
 - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.

