

**ELB GROUP LIMITED**

Incorporated in the Republic of South Africa

(Registration number 1930/002553/06)

ISIN: ZAE000035101

JSE Code: ELR

("ELB" or "the Company")



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**TERMS ANNOUNCEMENT IN RESPECT OF THE DISPOSAL OF B&W INSTRUMENTATION AND ELECTRICAL BY ELB ENGINEERING**

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**1. BACKGROUND AND RATIONALE**

The board of directors of ELB is pleased to announce that its subsidiary, ELB Engineering (Pty) Ltd ("**Engineering**") entered into an agreement with Matatrim Proprietary Limited (registration number 2018/474293/07) ("**Matatrim**") on 16 April 2019, in respect of which the parties agreed terms of the disposal by Engineering of the entire issued share capital ("**B&W Shares**") of its wholly-owned subsidiary, B&W Instrumentation and Electrical Proprietary Limited ("**B&W**") to Matatrim ("**the Transaction**").

B&W is an electrical and instrumentation construction company which services the mining, oil and gas, chemical, industrial and utilities, power generation, transmission and distribution and renewable energy sectors across Sub-Saharan Africa, and has been in existence for over 40 years. B&W also provides specialist earthing and lightning protection services and electrification systems for mobile equipment.

The Transaction will enable B&W to raise external funding, to build its external client base and to focus on growing external revenue, given that B&W's capacity has mostly been absorbed by ELB group operations in the past while part of the ELB group.

**2. TERMS OF THE TRANSACTION****2.1. Consideration**

The consideration payable to Engineering for the B&W Shares is an amount of R1.00 (one rand), payable in cash.

**2.2. Suspensive conditions**

The Transaction is not conditional upon the fulfilment or waiver of any suspensive conditions.

**2.3. Effective date**

Notwithstanding the date of signature of the agreement, the effective date of the Transaction is 2 April 2019 ("Effective Date"). All benefits of and risks in and to the B&W Shares will have passed to Matatrim on the Effective Date.

**2.4. Other significant terms**

Other warranties and terms that are standard for a transaction of this nature were agreed amongst the parties to the Transaction.

**3. NET ASSET VALUE AND TOTAL NET INCOME AFTER TAX ATTRIBUTABLE TO THE SUBJECT OF THE TRANSACTION**

The provisional loss attributable to the B&W group was R152 million and the provisional negative net asset value attributable to the B&W group was R39 million.

The above financial information has been sourced from unpublished management accounts and the Company is satisfied with the quality of such management accounts.

**4. CATEGORISATION**

The Transaction constitutes a category 2 transaction in terms of the JSE Listings Requirements.

**Rivonia**

26 April 2019

**Sponsor and Corporate Advisor**



Questco Corporate Advisory Proprietary Limited