

SENWES LIMITED - ZXSW**ISIN NUMBER: ZAEZ00000018**

(Incorporated in the Republic of South Africa)

(Registration number 1997/005336/06)

("Senwes")

FURTHER ANNOUNCEMENT OF A FIRM INTENTION BY SENWES TO MAKE A GENERAL OFFER TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES OF KLK LANDBOU LIMITED ("KLK")

Following the cautionary announcement made by Senwes and Senwesbel Limited, the holding company of Senwes, on 14 December 2018 as well as the Firm Intention announcement approved by the KLK Independent Board and issued by KLK on 18 December 2018, Senwes hereby provides the financial effects of the general offer to KLK shareholders on Senwes shares.

The *pro-forma* financial effects are based on the assumption of an acceptance of a 100% Cash consideration by KLK shareholders on Senwes' net asset value ("NAV") per share, earnings per share ("EPS") and headline earnings per share ("HEPS") as set out below. The financial effects are the responsibility of the directors of Senwes and have been prepared for illustrative purposes only to provide Senwes shareholders with information about the impact of the KLK acquisition on the financial position and financial performance of Senwes. Due to the nature of the Offers by Senwes and Senwesbel, the financial effects may not fairly present the Senwes statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows subsequent to the implementation of the KLK acquisition.

The financial effects are presented in accordance with ZARX's Listing Requirements and the guide on *pro-forma* financial information issued by the South African Institute of Chartered Accountants (SAICA).

The financial effects have been prepared using Senwes's accounting policies and are consistent with International Financial Reporting Statements ("IFRS") with the basis on which historical information has been prepared in terms of the accounting policies as at 30 April 2018.

Financial effect:

Rand per Senwes share			
	Before the acquisition	After the acquisition	% change
NAV	13.04	13.15	0.8
EPS	1.85	2.06	11.4
HEPS	1.82	1.91	5.0

Notes and assumptions:

1. The figures set out in the "Before acquisition" column above have been extracted from the Senwes audited Annual Financial Statements for the year ended 30 April 2018.
2. NAV per share "After the acquisition" column above, reflects the financial effects based on the assumption that the acquisition was implemented on 30 April 2018 and after incorporating the following adjustments:
 - The acquisition constitutes a Business Combination and IFRS3 principles were applied. The assumption was made that all the assets and liabilities obtained are at fair value which is equal to the carrying value.
 - Issued ordinary shares of 165.6 million was used for the basis of the *pro forma* effect.

3. EPS and HEPS as set out in the “After the acquisition” column reflects the financial effects based on the assumption that the acquisition was implemented on 1 May 2017 and after incorporating the following adjustments made to Senwes:
- KLK’s profit of R46m after tax and after minorities share of profit were excluded;
 - Interest payable on the purchase price at a prime linked interest rate;
 - Gain on bargain purchase was included, but excluded for purposes of calculation of HEPS;
 - KLK’s depreciation policy differs from that of Senwes. KLK applies the diminishing balance method while Senwes applies the straight line method which leads to an increase in depreciation of KLK;
 - An once off acquisition cost was taken into account, but excluded for purposes of the HEPS calculation; and
 - Weighted average issued ordinary shares of 167.3 million was used.

Withdrawal of the cautionary announcement

Following the announcement published on the 14th of December 2018, the cautionary announcement is hereby withdrawn and caution is no longer required to be exercised when dealing in Senwes shares.

By order of the Board of Directors.

EM Joynt (Mrs)
COMPANY SECRETARY
APPOINTED ADVISOR
KLERKSDORP
20 December 2018

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For share trading in the Senwes Group refer to ZARX, the licenced exchange on which Senwes is listed at: ZARX