

Remgro ***Limited***

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM) (ISIN: ZAE000026480)
("Remgro" or "the company")

CIRCULAR TO REMGRO SHAREHOLDERS

regarding:

- the unbundling by Remgro of its 28.49% shareholding in the issued share capital of Trans Hex Group Limited to Remgro ordinary shareholders and "B" ordinary shareholders ("unbundling");

and incorporating, in the Annual Report of which this circular forms part:

- an ordinary resolution regarding the unbundling in the notice of Annual General Meeting; and
- a form of proxy for the Annual General Meeting (for certificated Remgro shareholders or Remgro dematerialised shareholders with "own name" registration only).

26 July 2010

Merchant bank and sponsor



Attorneys



Independent sponsor



Independent reporting accountants



CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

Mrs M Lubbe
Carpe Diem Office Park
Quantum Street, Techno Park
Stellenbosch, 7600
(PO Box 456, Stellenbosch, 7599)

Independent sponsor

Deloitte & Touche Sponsor Services (Proprietary) Limited
(Registration number 1996/000034/07)
Building 6, The Woodlands
Woodlands Drive
Woodmead
Sandton, 2196
(Private Bag X6, Gallo Manor, 2052)

Independent reporting accountants

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
1 Waterhouse Place
Century City
Cape Town, 8001
(PO Box 2799, Cape Town, 8000)

Merchant bank and sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration Number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Attorneys

Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
1 Protea Place
Sandown
Sandton, 2196
(Private Bag X7, Benmore, 2010)

This circular is available in English and Afrikaans. Copies may be obtained from the registered office of the company and the transfer secretaries at the addresses set out above.

TABLE OF CONTENTS

Page

CORPORATE INFORMATION AND ADVISORS	Inside front cover
TABLE OF CONTENTS	1
ACTION REQUIRED BY REMGRO SHAREHOLDERS	2
IMPORTANT DATES AND TIMES	3
DEFINITIONS AND INTERPRETATIONS	4
PART 1: PARTICULARS OF THE UNBUNDLING	
1. Introduction	6
2. Rationale for the unbundling	6
3. Terms of the unbundling	6
4. Condition precedent	7
5. Financial information relating to the unbundling	7
6. Annual General Meeting	7
7. Directors' opinion and recommendations	7
8. Working capital statement	8
9. Foreign Remgro shareholders	8
10. Exchange control	8
11. Taxation considerations relating to the unbundling	8
12. Preliminary expenses	8
13. Directors' responsibility statement	8
14. Consents	8
PART 2: INFORMATION RELATING TO REMGRO	
1. Share capital of Remgro	9
2. Major beneficial Remgro shareholders	9
3. Directors and management	9
4. Material changes	9
5. Litigation	9
ANNEXURE 1: TABLE OF ENTITLEMENT TO UNBUNDLED TRANS HEX SHARES	10
ANNEXURE 2: <i>PRO FORMA</i> INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION	11
ANNEXURE 3: INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE <i>PRO FORMA</i> FINANCIAL INFORMATION REGARDING THE UNBUNDLING	15
ANNEXURE 4: INFORMATION FOR FOREIGN REMGRO SHAREHOLDERS	17
ANNEXURE 5: TAXATION CONSIDERATIONS RELATING TO THE UNBUNDLING	19

ACTION REQUIRED BY REMGRO SHAREHOLDERS

The definitions and interpretations set out on pages 4 to 5 of this circular apply to this section on action required by Remgro shareholders.

If you are in any doubt as to what action to take, please consult your CSDP, broker, attorney, banker or other professional advisor immediately.

The Annual General Meeting of Remgro shareholders will be held at 15:30 on Wednesday, 18 August 2010, in the Conference Centre, Erinvale Estate Hotel and Spa, Lourensford Road, Somerset West, 7130. Remgro shareholders are advised to take careful note of the following provisions relating to the actions required by Remgro shareholders relating to ordinary resolution 14:

1. If you have dematerialised your Remgro shares other than with “own name” registration:

1.1. Voting at the Annual General Meeting

- Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the Annual General Meeting and thereafter to cast your vote in accordance with your instructions.
- If you have not been contacted by your CSDP or broker, it is advisable for you to contact your CSDP or broker and furnish it with your voting instructions.
- If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- You must **not** complete the attached form of proxy.

1.2. Attendance and representation at the Annual General Meeting

- In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the Annual General Meeting and your CSDP or broker will issue the necessary letter of representation to you to attend the Annual General Meeting.

2. If you have not dematerialised your Remgro shares or have dematerialised your Remgro shares with “own name” registration:

2.1. Voting and attendance at the Annual General Meeting

- You may attend the Annual General Meeting in person and may vote at the Annual General Meeting.
- Alternatively, you may appoint a proxy to represent you at the Annual General Meeting by completing the attached form of proxy in accordance with the instructions it contains and return it to the transfer secretaries to be received by no later than 15:30 on Monday, 16 August 2010.

If you wish to dematerialise your Remgro shares, please contact your CSDP or broker.

If you have disposed of all of your Remgro shares, this circular should be handed to the purchaser of such Remgro shares or the CSDP, broker, banker or other agent who disposed of your Remgro shares for you.

IMPORTANT DATES AND TIMES

The definitions and interpretations set out on pages 4 to 5 of this circular apply to this section on important dates and times.

2010

Posting of this circular together with the Annual Report to Remgro shareholders on	Monday, 26 July
Last day for receipt of proxy forms for the Annual General Meeting by 15:30 on	Monday, 16 August
Annual General Meeting to be held at 15:30 on	Wednesday, 18 August
Results of the Annual General Meeting released on SENS (finalisation announcement) on	Wednesday, 18 August
Results of the Annual General Meeting published in the press on	Thursday, 19 August
Last day to trade in Remgro shares in order to participate in the unbundling on	Friday, 3 September
Remgro shares trade "ex" entitlement to Trans Hex shares in terms of the unbundling on	Monday, 6 September
Record date to participate in the unbundling on	Friday, 10 September
Unbundling date on	Monday, 13 September
Dematerialised Remgro shareholders will have their accounts with their CSDP or broker updated with the Trans Hex shares received pursuant to the unbundling on or about	Monday, 13 September
Share certificates in respect of the Trans Hex shares will be posted, by registered post, at the risk of the certificated Remgro shareholder concerned, to certificated Remgro shareholders on or about	Monday, 13 September
Announcement of specified ratio in respect of the apportionment of the cost/base cost of Trans Hex for taxation/CGT purposes released on SENS on or about	Wednesday, 15 September

Notes:

1. These dates and times are subject to change. Any material change will be released on SENS and published in the press.
2. Any reference to time is a reference to South African time.
3. No dematerialisation or rematerialisation of ordinary shares may take place between Monday, 6 September 2010, and Friday, 10 September 2010, both days inclusive.

DEFINITIONS AND INTERPRETATIONS

In this circular and its annexures, unless otherwise stated or the context otherwise indicates, the words and expressions in the first column shall have the meaning stated opposite them in the second column and words and expressions in the singular shall include the plural and vice versa, words importing natural persons shall include corporations and associations of persons and vice versa and any reference to one gender shall include the other gender:

“Annual General Meeting”	the meeting of Remgro shareholders expected to take place at 15:30 on Wednesday, 18 August 2010 in the Conference Centre, Erinvale Estate Hotel and Spa, Lourensford Road, Somerset West, 7130. The meeting has been convened in terms of the notice of Annual General Meeting attached to and forming part of the Annual Report;
“Annual Report”	the Annual Report of Remgro for the financial year ended 31 March 2010 of which this circular forms part, incorporating the notice of Annual General Meeting;
“Angolan operations”	Trans Hex’s interest in joint venture agreements with the Angolan State Diamond Organisation, namely Endiama and various other Angolan partners. Trans Hex holds a 33% interest in the Luana project, a 35% interest in the Luarica project and a 33% interest in the Fucauma project. Remgro shareholders can refer to the various announcements and updates relating to the Angolan Operations which have been released by Trans Hex on SENS on a number of occasions;
“business day”	any day other than a Saturday, Sunday or public holiday in South Africa;
“certificated shareholder”	a Remgro shareholder holding certificated shares;
“certificated shares”	Remgro shares represented by a paper share certificate or other physical document(s) of title, which shares have not been surrendered for dematerialisation;
“CGT”	Capital Gains Tax as envisaged in the Income Tax Act;
“circular”	this circular to Remgro shareholders dated 26 July 2010 regarding the unbundling, including the annexures hereto, which circular forms part of the Annual Report;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, No. 61 of 1973, as amended;
“CSDP”	a person that holds in custody and administers securities or an interest in securities and that has been accepted as a participant by the Central Securities Depository in terms of the Securities Services Act;
“dematerialised”	the process by which certificated shares are converted to or held in an electronic form as uncertificated shares and recorded in the subregister of shareholders maintained by a CSDP;
“dematerialised shareholder”	Remgro shareholder holding dematerialised shares;
“dematerialised shares”	Remgro shares which have been dematerialised;
“directors” or “the Board”	the directors of Remgro;
“documents of title”	Remgro share certificates, duly completed transfer forms, balance receipts or any other documents of title to certificated Remgro shares acceptable to Remgro;
“entitlement ratio”	5.85 Trans Hex shares for every 100 Remgro shares held by a Remgro shareholder at the close of business on the record date;
“EPS”	earnings per Remgro share;
“Exchange Control Regulations”	the Exchange Control Regulations 1961, as amended, enforced in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
“excluded foreign Remgro shareholders”	foreign Remgro shareholders who, in terms of the laws and regulations of their respective jurisdictions, may not receive Trans Hex shares pursuant to the unbundling, as more fully set out in Annexure 4;
“foreign Remgro shareholder”	Remgro shareholders who are resident in, or who are nationals or citizens of, or who have a registered address in, countries other than South Africa;
“HEPS”	headline earnings per Remgro share;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	the Income Tax Act, No. 58 of 1962, as amended;

“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly registered with limited liability under the laws of South Africa and licensed to operate an exchange under the Securities Services Act;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“ordinary resolution 14”	the ordinary resolution relating to the unbundling, which is contained in the Annual General Meeting notice, and which must be passed by the requisite majority of Remgro shareholders in order for Remgro to proceed with the unbundling;
“ordinary shareholders”	holders of ordinary shares;
“ordinary shares”	ordinary shares, listed on the securities exchange operated by the JSE, of par value R0.01 each in the issued ordinary share capital of Remgro;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“record date”	the record date to participate in the unbundling, expected to be on Friday, 10 September 2010;
“registered office”	the registered office of Remgro, Carpe Diem Office Park, Quantum Street, Techno Park, Stellenbosch, 7600;
“Rembrandt Trust”	Rembrandt Trust (Proprietary) Limited (Registration number 1959/003277/07), a private company duly incorporated in South Africa which is the holding vehicle for the Rupert family interests in Remgro;
“Remgro “B” ordinary shares”	ordinary “B” shares of par value R0.10 each in the issued ordinary share capital of Remgro, which are not listed on any exchange and are held by Rembrandt Trust;
“Remgro Group”	Remgro and its subsidiaries from time to time;
“Remgro shareholders”	holders of Remgro shares;
“Remgro shares”	collectively, the ordinary shares and Remgro “B” ordinary shares;
“Remgro” or “the company”	Remgro Limited (Registration number 1968/006415/06), a public company incorporated in accordance with the laws of South Africa, all of the issued ordinary shares of which are listed on the securities exchange operated by the JSE;
“reporting accountants”	PricewaterhouseCoopers Incorporated (Chartered Accountants SA, Registered Accountants and Auditors) (Registration number 1998/012055/21), a company duly incorporated in South Africa;
“Securities Services Act”	the Securities Services Act, No. 36 of 2004, as amended;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“STC”	secondary tax on companies as envisaged in the Income Tax Act;
“Strate”	Strate Limited (Registration number 1998/022242/06), a company duly registered and incorporated with limited liability under the laws of South Africa and registered as a central securities depository in terms of the Securities Services Act responsible for the electronic custody and settlement system;
“Trans Hex”	Trans Hex Group Limited (Registration number 1963/007579/06), a public company incorporated in accordance with the laws of South Africa, listed on the securities exchange operated by the JSE;
“Trans Hex shares”	ordinary shares of no par value in the issued ordinary share capital of Trans Hex;
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in South Africa;
“unbundled Trans Hex shares”	Trans Hex shares received by Remgro shareholders pursuant to the unbundling in accordance with the entitlement ratio;
“unbundling date”	the date on which the unbundling takes place, expected to be on Monday, 13 September 2010; and
“unbundling” or “distribution”	the proposed distribution of 30 215 000 Trans Hex shares held by Remgro, equating to 28.49% of the entire issued share capital of Trans Hex, to Remgro shareholders, in terms of section 90 of the Companies Act and section 46 of the Income Tax Act.

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM) (ISIN: ZAE000026480)
("Remgro" or "the company")

Directorate

Non-executive directors

Johann Peter Rupert (Chairman),
Edwin de la Harpe Hertzog (Deputy Chairman),
Pieter Eduard Beyers, Gerrit Thomas Ferreira*,
Paul Kenneth Harris*, Nkateko Peter Mageza*, Josua Malherbe,
Phillip Jabulani Moleketi*, Mafison Murphy Morobe*,
Mamphela Aletta Ramphele*,
Frederick Robertson*, Herman Wessels*.

*Independent

Executive directors

Matthys Hendrik Visser (Chief Executive Officer),
Wilhelm Emil Bührmann,
Leon Crouse (Chief Financial Officer),
Jan Willem Dreyer,
Jan Jonathan Durand (Chief Investment Officer),
Jennifer Ann Preller, Theodore van Wyk.

Business address of directors

Carpe Diem Office Park, Quantum Street, Techno Park, Stellenbosch, 7600 (PO Box 456, Stellenbosch, 7599)

PART 1 – PARTICULARS OF THE UNBUNDLING

1. Introduction

In the announcement released on SENS on Monday, 21 June 2010 and published in the press on Tuesday, 22 June 2010, Remgro announced that the Board has resolved to unbundle 30 215 000 Trans Hex shares, which equate to 28.49% of the entire issued share capital of Trans Hex to its ordinary shareholders and "B" ordinary shareholders in terms of section 90 of the Companies Act and section 46 of the Income Tax Act.

The purpose of this circular is to provide Remgro shareholders with pertinent information regarding the terms and conditions of the unbundling. The notice of Annual General Meeting is attached to and forms part of the Annual Report, which convenes the Annual General Meeting at which, *inter alia*, the Remgro shareholders will be requested to consider and, if deemed fit, to pass ordinary resolution 14 required to implement the unbundling.

2. Rationale for the unbundling

During November 2009 it was decided to exit the investment in Trans Hex as the directors were of the opinion that Remgro shareholders should be given the choice of ownership given the company's exposure to the Angolan operations and potential upside that might result from it. Due to its size relative to Remgro the potential uplift will be materially diluted within Remgro. Accordingly, the investment was reclassified as an investment "held for sale" with effect from 30 November 2009. Recently Trans Hex announced on SENS on 13 May 2010 that agreement has been reached with the Angolan parties on the terms and structure of the Luana diamond concession, which is seen as a significant breakthrough. On 21 June 2010 the Board approved the unbundling of the investment in Trans Hex to Remgro shareholders as a distribution.

The distribution will afford Remgro shareholders the opportunity to obtain a direct shareholding in Trans Hex. It will increase the liquidity and free float of the shares in Trans Hex on the securities exchange operated by the JSE.

3. Terms of the unbundling

Remgro will, subject to the fulfilment of the condition precedent set out in paragraph 4 below, unbundle the Trans Hex shares to Remgro shareholders in the ratio of 5.85 Trans Hex shares for every 100 Remgro shares held on the record date.

In the event that the unbundling results in a Remgro shareholder becoming entitled to a fraction of a Trans Hex share, the relevant fraction will be rounded as follows:

- if the fraction is less than 0.5, the Remgro shareholder will have his/her entitlement to Trans Hex shares rounded down to the nearest whole number; or
- if the fraction is equal to or greater than 0.5, the Remgro shareholder will have his/her entitlement to Trans Hex shares rounded up to the nearest whole number.

Remgro shareholders are referred to the table of entitlement to unbundled Trans Hex shares in Annexure 1 for further detail.

4. Condition precedent

The unbundling is conditional upon the approval by Remgro shareholders, at the Annual General Meeting, of ordinary resolution 14 required to implement the unbundling in accordance with the Listings Requirements.

5. Financial information relating to the unbundling

5.1. *Pro forma* financial effects of the unbundling

The table below summarises the unaudited *pro forma* financial effects of the unbundling on Remgro shareholders based on the audited results of Remgro for the year ended 31 March 2010.

The unaudited *pro forma* financial effects are the responsibility of the directors and have been prepared for illustrative purposes only to provide information about how the unbundling may have affected the financial position of the Remgro shareholders on the relevant reporting date. Due to its nature, the unaudited *pro forma* financial effects may not be a fair reflection of Remgro's financial position after the implementation of the unbundling or of Remgro's future earnings.

	Audited financial results at 31 March 2010 before the unbundling (cents)	Unaudited <i>pro forma</i> results after the unbundling (cents)	Change (%)
EPS	629.4	635.8	1.0
Fully diluted EPS	616.3	622.6	1.0
HEPS	690.1	688.1	(0.3)
Fully diluted HEPS	676.4	674.4	(0.3)
Net asset value per Remgro share	8 438	8 426	(0.1)
Net tangible asset value per Remgro share	8 368	8 355	(0.2)

Notes:

1. The *pro forma* financial effects are based on the audited results of Remgro for the year ended 31 March 2010. The financial impact on the earnings of Remgro are illustrated as if the unbundling had been completed on 1 April 2009, while the impact on the net assets of Remgro are shown as if the unbundling had been implemented on 31 March 2010.
2. A Trans Hex share price of R3.51 at 31 March 2010 was used in the calculation of the *pro forma* financial effects.
3. Remgro shareholders are referred to Annexure 2 of this circular which contains detailed notes relating to the *pro forma* financial effects set out in the table above.

5.2. *Pro forma* income statement and statement of financial position

The *pro forma* income statement and statement of financial position of Remgro, following the unbundling, is set out in Annexure 2 of this circular.

5.3. Independent reporting accountants' report on the *pro forma* financial information regarding the unbundling

The independent reporting accountants' report on the *pro forma* financial information contemplated in 5.1 above is set out in Annexure 3 of this circular. A copy of the independent reporting accountants' report will be available at the registered office of Remgro and the office of Rand Merchant Bank, whose details can be found in the "Corporate Information" section on the inside cover of this circular, during normal business hours on a business day from the date of issue of this circular until the date of the Annual General Meeting.

6. Annual General Meeting

The Annual General Meeting will be held in the Conference Centre, Erinvale Estate Hotel and Spa, Lourensford Road, Somerset West, 7130 at 15:30 on Wednesday, 18 August 2010.

Remgro shareholders are referred to ordinary resolution 14 and the "action required by Remgro shareholders" section on page 2 of this circular for information on the procedure to be followed by Remgro shareholders in order to exercise their vote at the Annual General Meeting relating to ordinary resolution 14.

7. Directors' opinion and recommendations

The Board has considered the terms of the unbundling and recommends that Remgro shareholders vote in favour of ordinary resolution 14 required to implement the unbundling.

The members of the Board have undertaken to vote in favour of ordinary resolution 14 in respect of all of the Remgro shares held by them.

8. Working capital statement

The Board is of the opinion that, after considering the effect of the unbundling:

- the Remgro Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of approval of this circular by the JSE;
- the assets of the Remgro Group will be in excess of the liabilities of the Remgro Group for a period of 12 months after the date of approval of this circular by the JSE;
- the share capital and the reserves of the Remgro Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this circular by the JSE; and
- the working capital of the Remgro Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this circular by the JSE.

9. Foreign Remgro shareholders

The distribution of Trans Hex shares to foreign Remgro shareholders, in terms of the unbundling, may be affected by the laws of such foreign Remgro shareholders' relevant jurisdiction. Those foreign Remgro shareholders should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their rights.

Foreign Remgro shareholders are referred to Annexure 4 for further information on the restrictions applicable to foreign Remgro shareholders.

10. Exchange control

Remgro shareholders whose registered address is outside the common monetary area will need to comply with the exchange control regulations contained in Annexure 4.

If Remgro shareholders are in any doubt as to what action to take they should consult their professional advisors.

11. Taxation considerations relating to the unbundling

Remgro shareholders are referred to Annexure 5 for information on the taxation consequences relating to the unbundling.

12. Preliminary expenses

The estimated preliminary expenses (excluding VAT) that will be incurred by Remgro in respect of the unbundling is as follows:

Service	Service provider	Estimated amount (R)
Advisory	Rand Merchant Bank	200 000
Legal fees	Cliffe Dekker Hofmeyr Inc.	150 000
Independent reporting accountants	PricewaterhouseCoopers Inc.	50 000
JSE documentation	JSE Issuer Services	18 000
Independent sponsor	Deloitte & Touche Sponsor Services (Pty) Ltd	25 000
Publishing and printing	Printers	240 000
Total		683 000

13. Directors' responsibility statement

The directors of Remgro, whose names are given on page 6 of this 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 Listings Requirements.

14. Consents

The merchant bank and sponsor, independent sponsor, attorneys and independent reporting accountants have all provided their written consents to act in the capacity stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular. The independent reporting accountants have consented to the inclusion of their report in this circular.

PART 2 – INFORMATION RELATING TO REMGRO

1. Share capital of Remgro

The authorised share capital of Remgro as at 31 March 2010 is disclosed on page 123 and 124 of the Annual Report.

The issued share capital of Remgro as at 31 March 2010 is disclosed on page 123 and 124 of the Annual Report.

2. Major beneficial Remgro shareholders

The major beneficial Remgro shareholders as at 31 March 2010 are disclosed on page 152 of the Annual Report.

3. Directors and management

3.1. Remgro directors

Remgro shareholders are referred to page 8 and 9 of the Annual Report for detail on the directors.

3.2. Directors' interests in securities

The directors' interests in Remgro shares, as at 31 March 2010, are set out on page 154 of the Annual Report.

There has been no change in the directors' interests in Remgro shares since 31 March 2010.

4. Material changes

There have been no known material changes in the financial or trading position of Remgro since the end of the last financial period being 31 March 2010.

5. Litigation

There are no legal or arbitration proceedings which may have, or have had, during the 12-month period preceding the date of this circular, a material effect on the financial position of Remgro or any of its subsidiaries. Furthermore, Remgro is not aware of any such proceedings that are pending or threatened.

By order of the directors.



M Lubbe (Mrs)
Company Secretary

Stellenbosch
26 July 2010

Registered office

Carpe Diem Office Park
Quantum Street, Techno Park
Stellenbosch, 7600
(PO Box 456, Stellenbosch, 7599)

Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
(Registration Number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
South Africa

TABLE OF ENTITLEMENT TO UNBUNDLED TRANS HEX SHARES

The following table sets out the number of Trans Hex shares which a Remgro shareholder will receive, pursuant to the unbundling, based on the entitlement ratio of 5.85 Trans Hex shares for every 100 Remgro shares held as at the record date.

If a Remgro shareholder becomes entitled to a fraction of a Trans Hex share, the relevant fraction will be rounded as follows:

- if the fraction is less than 0.5, the Remgro shareholder will have his entitlement to Trans Hex shares rounded down to the nearest whole number; or
- if the fraction is equal to or greater than 0.5, the Remgro shareholder will have his entitlement to Trans Hex shares rounded up to the nearest whole number.

Number of Remgro shares held	Number of Trans Hex shares received pursuant to the unbundling	Number of Remgro shares held	Number of Trans Hex shares received pursuant to the unbundling	Number of Remgro shares held	Number of Trans Hex shares received pursuant to the unbundling
1	–	36	2	71	4
2	–	37	2	72	4
3	–	38	2	73	4
4	–	39	2	74	4
5	–	40	2	75	4
6	–	41	2	76	4
7	–	42	2	77	5
8	–	43	3	78	5
9	1	44	3	79	5
10	1	45	3	80	5
11	1	46	3	81	5
12	1	47	3	82	5
13	1	48	3	83	5
14	1	49	3	84	5
15	1	50	3	85	5
16	1	51	3	86	5
17	1	52	3	87	5
18	1	53	3	88	5
19	1	54	3	89	5
20	1	55	3	90	5
21	1	56	3	91	5
22	1	57	3	92	5
23	1	58	3	93	5
24	1	59	3	94	5
25	1	60	4	95	6
26	2	61	4	96	6
27	2	62	4	97	6
28	2	63	4	98	6
29	2	64	4	99	6
30	2	65	4	100	6
31	2	66	4	500	29
32	2	67	4	1 000	59
33	2	68	4	10 000	585
34	2	69	4	100 000	5 850
35	2	70	4	1 000 000	58 500

PRO FORMA INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

The unaudited *pro forma* financial information of Remgro is the responsibility of the directors and has been prepared for illustrative purposes only to provide information about how the unbundling might have affected the historical financial information of Remgro. Due to its nature, the unaudited *pro forma* financial information may not be a fair reflection of Remgro's financial position after the implementation of the unbundling, nor of its future earnings.

Unaudited *pro forma* income statement for the year ended 31 March 2010

	Audited unadjusted before the unbundling R'm	Elimination of Trans Hex's equity profits ⁴ R'm	Profit on the unbundling ⁵ R'm	Unaudited adjusted after the unbundling R'm
Sales	11 849	-	-	11 849
Inventory expenses	(7 099)	-	-	(7 099)
Personnel costs	(1 939)	-	-	(1 939)
Depreciation	(290)	-	-	(290)
Other net operating expenses	(1 680)	-	-	(1 680)
Trading profit	841	-	-	841
Dividend income	116	-	-	116
Interest received	146	-	-	146
Finance costs	(59)	-	-	(59)
Net impairment of investments, assets and goodwill	(179)	-	-	(179)
Profit/(loss) on sale of investments	(9)	-	41	32
Consolidated profit before tax	856	-	41	897
Taxation	(309)	-	-	(309)
Consolidated profit after tax	547	-	41	588
Share of after-tax profit of associated companies and joint ventures	2 619	(10)	-	2 609
Net profit for the year	3 166	(10)	41	3 197
Attributable to:				
Equity holders	3 060	(10)	41	3 091
Non-controlling interest	106	-	-	106
	3 166	(10)	41	3 197

Associated companies and joint ventures

Share of after-tax profit of associated companies and joint ventures

Profit before taking into account impairments, non-recurring and capital items	3 952	(18)	-	3 934
Net impairment of investments, assets and goodwill	(118)	-	-	(118)
Profit on sale of investments	41	-	-	41
Other non-recurring and capital items	(46)	-	-	(46)
Profit before tax and non-controlling interest	3 829	(18)	-	3 811
Taxation	(981)	8	-	(973)
Non-controlling interest	(229)	-	-	(229)
	2 619	(10)	-	2 609

	Audited unadjusted before the unbundling R'm	Elimination of Trans Hex's equity profits ⁴ R'm	Profit on the unbundling ⁵ R'm	Unaudited adjusted after the unbundling R'm
Reconciliation of headline earnings				
Net profit for the year attributable to equity holders	3 060	(10)	41	3 091
Plus/(minus):				
– Net impairment of investments	149	–	–	149
– Impairment of property, plant and equipment	4	–	–	4
– Impairment of intangible assets	26	–	–	26
– (Profit)/loss on sale of investments	9	–	(41)	(32)
– Net surplus on disposal of property, plant and equipment	(4)	–	–	(4)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	123	–	–	123
– Taxation effect of adjustments	(10)	–	–	(10)
– Non-controlling interest	(2)	–	–	(2)
Headline earnings	3 355	(10)	–	3 345
Earnings				
Headline earnings per share (cents)				
– Basic	690.1			688.1
– Diluted	676.4			674.4
Earnings per share (cents)				
– Basic	629.4			635.8
– Diluted	616.3			622.6
Weighted number of shares in issue (million)	486.2			486.2
Diluted weighted number of shares in issue (million)	486.7			486.7

Unaudited *pro forma* statement of financial position as at 31 March 2010

	Audited unadjusted before the unbundling R'm	Profit on the unbundling ⁵ R'm	Unbundling ⁶ R'm	Unaudited adjusted after the unbundling R'm
ASSETS				
Non-current assets				
Property, plant and equipment	3 050	-	-	3 050
Biological agricultural assets	157	-	-	157
Investment properties	34	-	-	34
Intangible assets	361	-	-	361
Investments – Associated companies	28 052	-	-	28 052
– Joint ventures	55	-	-	55
– Other	6 644	-	-	6 644
Retirement benefits	121	-	-	121
Loans	108	-	-	108
Deferred taxation	6	-	-	6
	38 588	-	-	38 588
Current assets	9 470	41	(106)	9 405
Cash and cash equivalents	3 827	-	-	3 827
Investments in money market funds	1 812	-	-	1 812
Other current assets	3 831	41	(106)	3 766
Total assets	48 058	41	(106)	47 993
EQUITY AND LIABILITIES				
Share capital	8	-	-	8
Share premium	3 714	-	(106)	3 608
Reserves	39 837	41	-	39 878
Treasury shares	(255)	-	-	(255)
Shareholders' equity	43 304	41	(106)	43 239
Non-controlling interest	779	-	-	779
Total equity	44 083	41	(106)	44 018
Non-current liabilities	1 517	-	-	1 517
Retirement benefits	180	-	-	180
Long-term loans	175	-	-	175
Deferred taxation	1 162	-	-	1 162
Current liabilities	2 458	-	-	2 458
Short-term loans	146	-	-	146
Other current liabilities	2 312	-	-	2 312
Total equity and liabilities	48 058	41	(106)	47 993
Net asset value per share (Rand)	84.38			84.26
Net tangible value per share (Rand)	83.68			83.55
Number of shares in issue (million)	513.2			513.2

Notes to the unaudited *pro forma* income statement and statement of financial position

1. The *pro forma* financial effects are based on the audited financial results of Remgro for the year ended 31 March 2010. The financial impact on the earnings of Remgro are illustrated as if the unbundling had been completed at 1 April 2009, while the impact on the net assets of Remgro are shown as if the unbundling had been implemented on 31 March 2010.
2. The unbundling will be implemented in terms of section 90 of the Companies Act and section 46 of the Income Tax Act.
3. The following common assumption has been used in the calculation of the *pro forma* financial information:
 - 3.1 a Trans Hex ordinary share price of R3.51 at 31 March 2010.
4. The *pro forma* income statement effect represents Remgro's portion of Trans Hex's earnings included in the results of Remgro for the year ended 31 March 2010, which was for the 8 months to 30 November 2009, the date on which the investment was reclassified as "held for sale". From then onwards, Remgro no longer equity accounted for its portion of Trans Hex's earnings.
5. The *pro forma* income statement and statement of financial position effects represent the non-recurring profit realised on the unbundling of the Trans Hex investment on 31 March 2010.
6. The *pro forma* statement of financial position effect represents the unbundling of the Trans Hex shares out of share premium.
7. The preliminary expenses relating to the proposed unbundling which are disclosed in paragraph 12 of this circular, have not been provided for in the income statement or taken into account due to the immateriality thereof.
8. The financial effects set out above have been prepared based on IFRS and interpretations of IFRS applicable at 31 March 2010. It should be noted that IFRS is continuing to evolve through the issue and/or endorsement of new Standards and Interpretations and developments in the application of recently issued Standards. For that reason, it is possible that the financial impact and adjustments reflected above may change before the presentation of the results of Remgro for the six months ending 30 September 2010 and year ending 31 March 2011.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION REGARDING THE UNBUNDLING

"The Board of Directors

Remgro Limited
PO Box 456
Stellenbosch
7599

13 July 2010

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF REMGRO LIMITED ("REMGRO" OR "THE COMPANY")

Introduction

We have performed our limited assurance engagement in respect of the *pro forma* financial information of Remgro set out in Paragraph 5 and Annexure 2 of the Circular to Remgro shareholders, to be dated on or about 26 July 2010 ("the Circular"), in connection with Remgro's proposed unbundling of its 28.49% interest in Trans Hex Group Limited ("the Proposed Unbundling"). The *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the unbundling might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* statement of financial position being reported on.

Responsibilities

The directors of Remgro are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Remgro; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in Paragraph 5 and Annexure 2 of the Circular. We conducted our assurance engagement in accordance with ISAE 3000: International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Revised Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information of Remgro with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Remgro, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of Remgro in respect of the Proposed Unbundling that is the subject of the Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Remgro and other information from various public, financial and industry sources.

Whilst the work we performed involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information in accordance with the International Standards on Auditing or the International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Opinion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Remgro; and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to Sections 8.17 and 8.30 of the JSE Listings Requirements.

PricewaterhouseCoopers Inc.

Director: NH Döman

Registered Auditor

INFORMATION FOR FOREIGN REMGRO SHAREHOLDERS

1. Distribution to foreign Remgro shareholders

The distribution of Trans Hex shares to foreign Remgro shareholders, in terms of the unbundling, may be affected by the laws of such foreign Remgro shareholder's relevant jurisdiction. Those foreign Remgro shareholders should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

This section sets out the restrictions applicable to Remgro shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold Remgro shares for the account or benefit of any such foreign Remgro shareholder.

It is the responsibility of any foreign Remgro shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up their entitlement to unbundled Trans Hex shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Remgro shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

Receipt of this circular will not constitute an offer of unbundled Trans Hex shares ("offer") in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular if sent, will be sent for information only and should not be copied or redistributed. No person receiving a copy of this circular in any territory, other than South Africa, may treat the same as constituting an offer to such person unless, in the relevant territory, such an offer could lawfully be made to him without contravention of any registration or other legal requirements.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does distribute this circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this annexure.

Remgro reserves the right, but shall not be obliged, to treat as invalid any distribution of Trans Hex shares, in terms of the unbundling, which appears to Remgro or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Remgro believes or its agents believe that the same may violate applicable legal or regulatory requirements.

An "excluded foreign Remgro shareholder" includes any foreign Remgro shareholder who is unable to receive any of the Trans Hex shares to be distributed to him because of the laws of the jurisdiction of that shareholder, or any foreign shareholder that Remgro is not permitted to distribute any of the Trans Hex shares to because of the laws of the jurisdiction of that shareholder. The Trans Hex shares to which excluded foreign Remgro shareholders would be entitled in terms of the unbundling may be aggregated and disposed of on the securities exchange operated by the JSE by the transfer secretaries on behalf of and for the benefit of excluded foreign Remgro shareholders as soon as is reasonably practical after the implementation of the unbundling at the best price that can reasonably be obtained at the time of sale. CSDPs will be responsible for informing the transfer secretaries of all dematerialised shares held by them on behalf of such excluded foreign Remgro shareholders. The transfer secretaries will determine which certificated foreign Remgro shareholders are such excluded foreign Remgro shareholders.

Excluded foreign Remgro shareholders will, in respect of their entitlement to the unbundled Trans Hex shares, receive the average consideration per unbundled Trans Hex share (net of transaction and currency conversion costs) received by the transfer secretaries pursuant to the sale process as set out in the preceding paragraph. The average consideration per unbundled Trans Hex share due to each excluded foreign Remgro shareholder will only be paid once all such unbundled Trans Hex shares have been disposed of.

2. Exchange control

The unbundled Trans Hex shares are not freely transferable from the common monetary area and must be dealt with in terms of the Exchange Control Regulations. The following is a summary of the Exchange Control Regulations, is not comprehensive and is intended as a guide only. In the event that Remgro shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisors.

2.1. Emigrants from the common monetary area

The unbundled Trans Hex shares received by the Remgro shareholders who are emigrants from the common monetary area and whose registered address is outside the common monetary area will:

- in the case of dematerialised shareholders be credited to their blocked share accounts at the CSDP controlling their blocked portfolios; or
- in the case of certificated shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be endorsed “Non-Resident” and will be sent to the Authorised Dealer in foreign exchange controlling their blocked assets.

2.2. All other non-residents of the common monetary area

The unbundled Trans Hex shares received by the Remgro shareholders who are non-residents of the common monetary area and who have never resided in the common monetary area and whose registered address is outside the common monetary area will:

- in the case of dematerialised shareholders be credited to their share accounts at the CSDP controlling their portfolios; or
- in the case of certificated shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an Authorised Dealer in foreign exchange in South Africa nominated by such Remgro shareholder.

It will be incumbent on the Remgro shareholder concerned to nominate the Authorised Dealer and to instruct the nominated Authorised Dealer as to the disposal of the relevant shares. If the information regarding the Authorised Dealer is not given, the unbundled Trans Hex shares will be held in trust for the Remgro shareholder concerned pending the receipt of the necessary information or instruction.

TAXATION CONSIDERATIONS RELATING TO THE UNBUNDLING

The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the unbundling provisions in terms of South African taxation law. It is not intended to be, nor should be considered as legal or taxation advice. Remgro and its advisors cannot be held responsible for the taxation consequences of the unbundling and therefore, Remgro shareholders are advised to consult their own taxation advisors in this regard.

The unbundling will be a disposal by Remgro of its Trans Hex shares to the Remgro shareholders. The disposal will be effected utilising the tax concessions provided for in section 46 of the Income Tax Act.

The concessions provided for in section 46 are outlined below:

1. Disposal of Trans Hex shares by Remgro

The distribution of Trans Hex shares by Remgro, in terms of the unbundling, will be disregarded by Remgro in determining its taxable income or assessed loss in the tax year that the unbundling takes place.

2. STC

The distribution of the Trans Hex shares to Remgro shareholders, in terms of the unbundling, will be deemed not to be a dividend declared by Remgro or a dividend received by a Remgro shareholder who is a company in determining their respective STC liabilities. Consequently, no STC credits will be allowable to Remgro shareholders as a result of the unbundling.

3. Remgro shares held as trading stock

Any Remgro shareholder holding Remgro shares as trading stock will be deemed to acquire the unbundled Trans Hex shares as trading stock. The combined expenditure of such Remgro shares and Trans Hex shares will be the amount originally taken into account by the shareholder in respect of those Remgro shares, as contemplated in section 11(a), section 22(1), or section 22(2) of the Income Tax Act.

The expenditure to be allocated to the unbundled Trans Hex shares will be determined by applying the ratio that the market value of Trans Hex shares bears to the sum of the market value of the Trans Hex and Remgro shares at the end of the day after the unbundling. Remgro will advise Remgro shareholders of the specified ratio by way of an announcement to be released on SENS on or about Wednesday, 15 September 2010.

4. Remgro shares held as capital assets

Any Remgro shareholder holding Remgro shares as capital assets will be deemed to acquire the unbundled Trans Hex shares as capital assets. The original expenditure incurred in respect of the Remgro shares, in terms of paragraph 20 of the Eighth Schedule to the Income Tax Act, and (where applicable) the CGT valuation of the Remgro shares, as contemplated in paragraph 29 of the Eighth Schedule to the Income Tax Act, will be apportioned between the Trans Hex shares and the Remgro shares by applying the ratio that the market value of Trans Hex shares bears to the sum of the market values of Trans Hex and Remgro shares at the end of the day after the unbundling. Remgro will advise Remgro shareholders of the specified ratio by way of an announcement to be released on SENS on or about Wednesday, 15 September 2010.

The base cost so allocated to the unbundled Trans Hex shares will reduce the base cost of the Remgro shares held, thus allocating the base cost between the Remgro shares and the unbundled Trans Hex shares.

Remgro shareholders will be deemed to have acquired the unbundled Trans Hex shares on the date on which the Remgro shares were originally acquired.

5. Securities transfer tax

The registration of the unbundled Trans Hex shares in the names of the Remgro shareholders will be exempt from the payment of any securities transfer tax.

6. Non-resident Remgro shareholders

Remgro shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisors regarding the tax treatment of the unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

