

ELB GROUP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1930/002553/06)
ISIN: ZAE000035101
JSE Code: ELR
("ELB" or "the Company")



CAUTIONARY ANNOUNCEMENT IN RESPECT OF THE RESTRUCTURING OF THE ENGINEERING SERVICES BUSINESS AND GROUP CENTRAL FUNCTIONS AND POSSIBLE SALE OF ELB AUSTRALASIA

The Board of Directors of ELB would like to inform shareholders that ELB will be undertaking a restructuring of its Engineering Services Business; a downsizing of its head office function; and a potential sale of its Australian equipment business, ELB Australasia (collectively the "**Proposed Initiatives**").

The requirement to implement the Proposed Initiatives has been driven by the depressed trading environment as well as the losses incurred on the Gamsberg Zinc Project. Following completion of the Proposed Initiatives, the Company is expected to be appropriately structured for the current market environment and will consist of a market leading African equipment distribution business offering a range of earthmoving, construction, mining and quarrying equipment from a single supplier; and a restructured and refocussed Engineering business operating within a clearly defined area of expertise.

Depending on the timing of the completion of the Proposed Initiatives, and to the extent necessary, the Company may utilise bridging finance and/or undertake a capital raise in an appropriate form.

The Proposed Initiatives will be subject to customary conditions precedent, including obtaining of shareholder and regulatory approvals as may be required. Further announcements relating to the Proposed Initiatives will be made in due course.

The Proposed Initiatives may have a material impact on the Company's share price, and accordingly, shareholders are advised to exercise caution when dealing in the Company's securities, until detailed announcements are made.

By order of the Board

Johannesburg
8 January 2020

Corporate Advisor
Apex Partners Holdings Proprietary Limited

Sponsor
Questco Corporate Advisory Proprietary Limited