

Safari Investments RSA Limited
(Incorporated in the Republic of South Africa)
(Registration number 2000/015002/06)
Approved as a REIT by the JSE Limited
Share code: SAR
ISIN: ZAE000188280
("Safari" or "the Company")



SAFARI'S INITIAL RESPONSE TO FIRM INTENTION ANNOUNCEMENT BY HERIOT PROPERTIES PROPRIETARY LIMITED ("HERIOT PROPERTIES"), A WHOLLY-OWNED SUBSIDIARY OF HERIOT REIT LIMITED ("HERIOT REIT") REGARDING AN OFFER TO ACQUIRE ALL OF THE SHARES OF SAFARI OTHER THAN THOSE ALREADY HELD BY HERIOT PROPERTIES AND ITS CONCERT PARTIES AND CERTAIN OTHER SHAREHOLDINGS

1. INTRODUCTION

- 1.1. Shareholders of Safari are referred to the firm intention announcement released by Heriot REIT on SENS on Friday, 3 June 2022 (the "**Firm Intention Announcement**") in terms of Regulation 101(4)(a) of the Companies Regulations, 2011 ("**Companies Regulations**") in relation to Heriot Property's firm intention to make a general offer ("**Offer**") to the holders of issued ordinary shares of Safari ("**Safari Shareholders**") for Heriot Properties to acquire the issued ordinary shares of Safari ("**Safari Shares**"), other than (i) the Safari Shares held, or classified as held, by Safari as treasury shares and (ii) the Safari Shares held by Heriot Properties and the parties acting in concert with it, as contemplated in section 117(1)(c)(v) of the Companies Act, No. 71 of 2008, as amended ("**Companies Act**") and Chapter 5 of the Companies Regulations.
- 1.2. Safari Shareholders are also referred to the cautionary announcement released by the Company on SENS on 6 June 2022, in which it was indicated that this further announcement would be made by the Company shortly thereafter.
- 1.3. The Firm Intention Announcement was issued unilaterally by Heriot Properties immediately following delivery to the board of directors of Safari ("**Safari Board**") of an unsolicited letter communicating Heriot Properties' firm intention to make the Offer and to issue the Firm Intention Announcement.
- 1.4. The full terms of the Firm Intention Announcement are set out in the aforementioned SENS announcement by Heriot REIT. A copy of the Firm Intention Announcement is also available on Safari's website at www.safari-investments.com/investorrelations. While Safari Shareholders must have regard to the full terms of the Firm Intention Announcement, in brief, the Offer set out there in entails the following:
 - 1.4.1. the Offer is for a cash consideration of R5.60 per Safari Share, payable against delivery of ownership of the Safari Shares to Heriot Properties;
 - 1.4.2. should Safari declare a dividend prior to the closing date of the Offer, the timing of the transfer of ownership of the Safari Shares in question will determine entitlement to the dividend. Either Heriot Properties or the registered shareholder accepting the Offer will receive the dividend, depending on which is registered as the Safari Shareholder at the record date for the dividend;
 - 1.4.3. the Offer has not been made in respect of any Safari Shares held, or classified as held, by Safari as treasury shares. The Offer has thus not been made to Southern Palace Capital Proprietary Limited ("**Southern Palace**") which holds 53 000 000 Safari Shares (the "**SP Safari Shares**"). Safari has a pledge and cession, and other direct and indirect security rights, over the SP Safari Shares which Safari holds as security for amounts owing by Southern Palace to it;

- 1.4.4. the Offer is also not being made to the persons acting in concert with Heriot Properties, being Reya Gola Investments Proprietary Limited and Heriot Investments Proprietary Limited ("**Concert Parties**"); and
- 1.4.5. the Offer is not subject to any conditions.
- 1.5. The purpose of this announcement is solely (i) to confirm that the Company has received the Offer and that Heriot Properties has issued the Firm Intention Announcement and (ii) to provide Safari Shareholders with initial guidance and information in respect of the Offer, including next steps.

As stated in paragraph 4 below, the Independent Board does not express any view or recommendation on the merits or otherwise of the Offer at this stage.

2. OFFER CIRCULARS - PROCESS

- 2.1. In accordance with Regulation 102(2)(a) of the Companies Regulations, Heriot Properties must post its circular in respect of the Offer to Safari Shareholders ("**Heriot Circular**") within 20 business days of the publication of the Firm Intention Announcement. Heriot Properties has advised in the Firm Intention Announcement that the Takeover Regulation Panel ("**TRP**") has approved the issue of the Heriot Circular to occur by no later than 21 June 2022.
- 2.2. As required by Regulation 102(9) of the Companies Regulations, the Company will post to the Safari Shareholders a circular ("**Safari Circular**") in response to the Offer Circular within 20 business days of the publication of the Heriot Circular (or such further period as may be provided with the consent of the TRP).

3. INDEPENDENT EXPERT OPINION

- 3.1. The Independent Board will appoint an independent expert ("**Independent Expert**"), as required by the Companies Regulations, to issue a report on the Offer and to express an opinion on whether the terms and conditions of the Offer are fair and reasonable to Safari Shareholders.
- 3.2. The opinion of the Independent Expert and the basis for its conclusion will be included in the Safari Circular.

4. INDEPENDENT BOARD VIEWS

- 4.1. As required under Regulation 108 of the Companies Regulations, the Company has constituted an independent board of directors, consisting of MT Matshoba-Ramuedzisi, GJ Heron and MH Muller ("**Independent Board**") to fulfil the role of an "independent board" for the purpose of the Offer and of advising Safari Shareholders thereon.
- 4.2. The Independent Board is considering the Offer, together with its advisers.
- 4.3. The Independent Board does not express any view or recommendation on the merits or otherwise of the Offer at this stage. The opinion of the Independent Board, after taking into consideration the opinion of the Independent Expert and other relevant factors, will be set out in the Safari Circular.

5. RESPONSIBILITY STATEMENT

The Independent Board, individually and collectively, accepts responsibility for the accuracy of the information contained in this announcement, which relates to Safari and has placed reliance on the information pertaining to Heriot Properties and the Concert Parties as presented by it in the Firm Intention Announcement. To the best of the Independent Board's knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of such information.

6. CONTINUATION OF CAUTIONARY ANNOUNCEMENT

Safari Shareholders are advised to continue to exercise caution in respect of dealings in Safari Shares until the relevant offer circulars have been published, or until otherwise advised by the Company.

Pretoria
7 June 2022

Sponsor
PSG Capital



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Queries:

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