

AFRICAN PHOENIX INVESTMENTS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1946/021193/06)
Share code: AXL ISIN: ZAE000221370
("African Phoenix" or the "Company")



FIRM INTENTION BY LEGAE PERESEC PROPRIETARY LIMITED TO MAKE AN OFFER TO ACQUIRE AXL SHARES AND THE DELISTING OF AFRICAN PHOENIX

1. Introduction

Shareholders are referred to the update announcement released on SENS on 28 February 2020, wherein shareholders were advised that:

- 1.1. The board of directors of African Phoenix (the "**African Phoenix Board**") had resolved that, subject to securing the requisite approval from its shareholders in a general meeting and the JSE approving the Company's delisting application, it would be in the best interests of the Company to seek a delisting of the Company's shares from the JSE (the "**delisting**").
- 1.2. In compliance with the JSE Listings Requirement that the delisting must be accompanied by an offer (that must be fair) to be made to holders of all the Company's listed securities, being the A ordinary shares (the "**AXL shares**"), the Company has procured a commitment from Legae Peresec Proprietary Limited ("**Legae Peresec**" or the "**offeror**") in terms of which, subject to the delisting being approved, Legae Peresec will make a general offer to acquire all AXL shares from any shareholder who, post the approval of the delisting, either cannot or does not wish to continue to hold AXL shares in an unlisted structure (the "**offer**").
- 1.3. The delisting and the offer will be implemented on the basis that shareholders will be afforded an opportunity to either monetise their investment in African Phoenix shares at a fair price or to continue to hold shares in African Phoenix in an unlisted environment.
- 1.4. The offer will be made in compliance with the relevant provisions of the JSE Listings Requirements and Chapter 5 of the Companies Act 71 of 2008 (the "**Companies Act**") and the Takeover Regulations promulgated thereunder (the "**Takeover Regulations**").

This announcement contains further details of the offer and the delisting and constitutes a firm intention announcement in terms of Regulation 101 of the Takeover Regulations.

2. Information about the offeror

Legae Peresec is a 51% black owned financial services firm that collaborates with its clients and provides a comprehensive range of trading, custodial and prime broking services. The business is a market leader in South Africa.

3. Terms and conditions of the offer

The offer will be made in terms of section 117(1)(c)(v) of the Companies Act and Regulation 102 of the Takeover Regulations and in terms of section 1.15(c) of the JSE Listings Requirements. The material terms of the offer to be made by the offeror to all African Phoenix shareholders are as follows:

3.1. **Offer consideration**

The offer will be made for a cash consideration of 40 cents per African Phoenix share payable against delivery of registered and beneficial ownership of the relevant AXL shares into the offeror's name (the "**offer consideration**").

3.2. **Conditions precedent to the offer**

The offer remains conditional upon:

- 3.2.1. the African Phoenix Board resolving to proceed with the delisting and confirming that the offer is fair;
- 3.2.2. receipt of all the relevant regulatory approvals; and
- 3.2.3. the delisting being approved by African Phoenix shareholders at a general meeting, in terms of the JSE Listings Requirements.

4. **Ability to proceed with the offer**

The offeror has confirmed to the African Phoenix Board that the offeror has sufficient funds to fully satisfy the cash offer commitment. The offeror has delivered an irrevocable unconditional confirmation in accordance with Regulations 111(4) and 111(5) of the Takeover Regulations from The Standard Bank of South Africa that sufficient funds are available to satisfy the cash offer commitment.

5. **Legae Peresec mandatory offer**

The offer, if accepted by shareholders holding at least 22 118 583 AXL shares, will result in Legae Peresec acquiring AXL shares equal to or exceeding 35% of the issued share capital of African Phoenix. In consequence, a mandatory offer at a price of 40 cents per AXL share will be triggered by Legae Peresec in favour of holders of AXL shares.

The offer will, accordingly, be in fulfilment of the offer obligations imposed by both paragraph 1.15 of the JSE Listings Requirements and the mandatory offer provisions of Chapter 5 of the Companies Act and the Takeover Regulations.

6. **The delisting**

An application will be made to the JSE for the removal of the Company's shares from the list maintained by the JSE subject to:

- 6.1. the delisting being approved of by more than 50% of the votes of all shareholders present or represented by proxy at a general meeting, excluding any controlling shareholder, its associates and any party acting in concert, and any other party which the JSE deems appropriate, being cast in favour of such delisting resolution ("**delisting resolution**"); and
- 6.2. the offer to accompany the delisting being verified by an independent expert acceptable to the JSE as being fair.

7. **Shareholdings in African Phoenix of the offeror, persons related to the offeror and/or persons acting in concert with the offeror**

The offeror has disclosed the following shareholdings in African Phoenix held by the offeror, persons related to the offeror and/or persons acting in concert with the offeror:

Shareholder	Number of shares	% of issued shares
Legae Peresec	477 333 263	33.5
Total	477 333 263	33.5

8. **Irrevocable undertakings to vote in favour of the delisting**

Irrevocable undertakings to vote in favour of the delisting and not accept the offer have been received from the following African Phoenix shareholders holding in aggregate 558 397 460 African Phoenix shares, representing 39.68% of all African Phoenix shares (excluding treasury shares) and 60.06% of African Phoenix shares excluding treasury shares and shares held by the offeror.

	Number of shares	% of issued shares (excluding treasury shares)	% of issued shares (excluding shares held by the offeror and treasury shares)
Zarclear Holdings Limited	335 435 546	23.84	36.08
Ancilla Capital Proprietary Limited	192 936 914	13.71	10.28
SBSA ITF SUI GENERIS LPFP H4 QHF	30 025 000	2.13	20.75
Total	558 397 460	39.68	60.06

9. **The independent board and African Phoenix Board responsibility statement**

The independent board and African Phoenix Board (to the extent that the information relates to African Phoenix) collectively and individually accept responsibility for the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement relating to African Phoenix is true and this announcement does not omit anything that is likely to affect the import of such information.

10. **Offeror responsibility statement**

The offeror and (to the extent that the information relates directly to the offeror) accepts responsibility for the information contained in this announcement and certify that, to the best of its knowledge and belief, the information contained in this announcement relating to the offeror is true and this announcement does not omit anything that is likely to affect the import of such information.

11. **Appointment of the independent board and an independent expert**

In accordance with the provisions of the Companies Act and the Takeover Regulations, an independent sub-committee of the African Phoenix Board, comprising Koketso Mabe, Raisaka Ronald Masebelanga and Lungile Ngakane (the “**independent board**”) was appointed to advise African Phoenix shareholders of the offer.

The independent board appointed Mazars Corporate Finance Proprietary Limited (“**Mazars**”) to provide the independent board with its opinion as to whether the terms of the offer are fair and reasonable to African Phoenix shareholders, in accordance with the Takeover Regulations and the JSE Listings Requirements.

Mazars' full report, as well as the independent board's opinion on the offer and offer consideration, will be included in the circular to be posted to African Phoenix shareholders.

12. **Circular posting date**

A circular detailing the delisting and including a combined offer circular (containing full details in respect of the offer and incorporating the independent board's view of the offer and the offer consideration and the fair and reasonable opinion prepared by Mazars) is in the process of being prepared. The circular will be posted to African Phoenix shareholders within 20 business days of the date of this announcement.

Shareholders will be advised of the posting of the circular and the opening date of the offer by means of a SENS announcement.

The offer will remain open for acceptance for at least 30 business days after the opening date of the offer.

23 April 2020

Transaction sponsor and corporate advisor to African Phoenix

JAVACAPITAL