

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

The definitions and interpretations commencing on page 11 of this Circular apply throughout this Circular including this front cover and the Form of Acceptance, Surrender, and Transfer (*blue*) attached to and forming part of this Circular unless specifically defined otherwise, or the context indicates a contrary intention.

**Action required by GPL shareholders**

GPL Shareholders are referred to page 3 of this Circular, which sets out the action required of them regarding the Offer, full details of which are set out in this Circular.

If you are in any doubt as to the action you should take, you should consult your Broker, banker, CSDP, attorney, accountant, or other professional advisor immediately.

If you have disposed of your entire shareholding in GPL, then this Circular, together with the enclosed Form of Acceptance, Surrender, and Transfer (*blue*) should be handed to the purchaser of such GPL Shares or to the Broker or agent through whom the disposal was effected.

This document is issued in compliance with the Takeover Regulations for the purpose of providing information to GPL Shareholders with respect to the Offer.

**Each of GPL and GMB does not accept responsibility and will not be held liable for any action of or omission by any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of GPL Shares to notify such beneficial owner of the details set out in this Circular.**



**GRAND PARADE**  
INVESTMENTS LIMITED

**Grand Parade Investments Limited**  
Incorporated in the Republic of South Africa  
(Registration number: 1997/003548/06)  
JSE share code: GPL ISIN: ZAE000119814  
("GPI" or "the Company")



**GMB Liquidity Corporation Proprietary Limited**  
(Registration number 2022/587629/07)  
(Incorporated in the Republic South Africa)  
("GMB" or the "Offeror")

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## COMBINED OFFER CIRCULAR TO GPL SHAREHOLDERS

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**Regarding:**

- a Mandatory Offer by the Offeror in terms of section 123 of the Companies Act, to acquire all of the ordinary shares in the Company not already held by the Offeror for a purchase consideration of R3.33 per GPL ordinary share; and
- a response circular by the Independent Board of GPL containing their views in respect of the Mandatory Offer.

**and incorporating:**

- a Form of Acceptance, Surrender, and Transfer (*blue*) for use by Certificated Shareholders, who wish to accept the Offer;
- the report of the Independent Expert in relation to the Mandatory Offer;
- extracts of historical financial information in respect of GPL; and
- trading history of GPL shares on the JSE.

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**Legal adviser to GPL**

**CLYDE & CO**

**Sponsor to GPL**



PSG CAPITAL

**Financial Adviser to GPL**



**Independent expert to GPL**



**Legal adviser to GMB**

**SOLARIS  
LAW** CORPORATE  
& TAX

**Auditors to GPL**

**Deloitte.**

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Date of issue: Thursday, 15 December 2022

This Circular is available in English only and copies hereof may be obtained from the registered office of GPL, the Offeror, and GPL's sponsor, PSG Capital, during normal office hours from the date of issue hereof until the date on which the Offer becomes unconditional. An electronic copy of this Circular will be available to eligible persons on GPL's website, [www.grandparade.co.za](http://www.grandparade.co.za)

**Offerees are advised that should they notify their CSDPs or Brokers, as the case may be, of their acceptance of the Offer, in the case of Dematerialised GPL Shareholders, or should they surrender documents of title and accept the Offer, in the case of Certificated GPL Shareholders, for their Offer Shares on or before the Closing Date, or any revised Closing Date, they are not permitted to sell or trade their Offer Shares until the date the contract of sale and purchase contemplated by the Offer does not come into effect due to the Conditions Precedent not being fulfilled or, where waiver or adjustment is permitted, not waived or adjusted, and, in the case of Certificated GPL Shareholders, the documents of title are returned.**

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## CORPORATE INFORMATION AND ADVISERS

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### **Grand Parade Investments Limited**

Registration number: 1997/003548/06  
JSE share code: GPL  
ISIN: ZAE000119814

### **Directors of GPL**

Alexander Abercrombie  
Walter Dayson Geach\*  
Mohsin Tajbhai  
Ronel Van Dijk\*  
Mark John Bowman\*  
Rozanna Kader  
Jayson October

\*Independent Board

### **Registered Office of GPL**

10<sup>th</sup> Floor  
33 On Heerengracht  
33 Heerengracht Street  
Cape Town  
8001

### **Company Secretary of GPL**

Statucor Proprietary Limited  
6<sup>th</sup> Floor  
119 – 123 Hertzog Boulevard  
Foreshore  
Cape Town  
8001

### **Financial Adviser to GPL**

Rand Merchant Bank, a division of  
FirstRand Bank Limited  
1 Merchant Place  
Cnr Rivonia Road and Fredman Drive  
Sandton  
2196  
(PO Box 786273, Sandton, 2146)

### **Legal Adviser to GPL**

Clyde & Co LLP  
13<sup>th</sup> Floor, South African Reserve Bank Building  
60 St Georges Mall  
Cape Town  
8001

### **GMB Liquidity Corporation Proprietary Limited**

Registration number: 2022/587629/07

### **Director of GMB**

Gregory Mark Bortz

### **Registered Office of GMB**

19 Clifton Road  
Clifton  
Cape Town  
Western Cape  
8005

### **Legal Adviser to GMB**

Solaris Law Proprietary Limited  
3<sup>rd</sup> Floor, The Hudson  
Hudson Street  
De Waterkant  
8001

### **Auditors to GPL**

Deloitte & Touche  
Deloitte Place  
5 Magwa Crescent  
Waterfall City  
Waterfall  
2090

### **Independent Expert**

KPMG Services Proprietary Limited  
KPMG Crescent  
85 Empire Road  
Parktown  
2193

**Sponsor to GPL**

PSG Capital Proprietary Limited  
1<sup>st</sup> Floor, Ou Kollege Building  
35 Kerk Street  
Stellenbosch, 7600  
(PO Box 7403, Stellenbosch, 7599)  
and  
Suite 1105, 11<sup>th</sup> Floor  
Sandton Eye Building  
126 West Street  
Sandton, 2196  
(PO Box 650957, Benmore, 2010)

**Place and date of incorporation of GPL**

Incorporated in the Republic of South Africa  
on 12 March 1997

**Transfer Secretaries**

Computershare Investor Services Proprietary Ltd  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
and  
Private Bag X9000  
Saxonwold  
2132

**Place and date of incorporation of GMB**

Incorporated in the Republic of South Africa  
on 6 July 2022

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## ACTIONS REQUIRED BY GPL SHAREHOLDERS

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The definitions and interpretations commencing on page 11 of this Circular apply, *mutatis mutandis*, to this section setting out the action required by GPL Shareholders in respect of the Offer.

**Please take careful note of the following provisions regarding the action required by GPL Shareholders**

1. If you have disposed of all of your GPL Shares, this Circular should be handed to the purchaser of such GPL Shares or to the Broker, CSDP, banker, attorney, or other agent through whom the disposal was effected.
2. If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, attorney, accountant, or other professional advisor.
3. **If you wish to reject the Offer, you do not need to take any further action.**

### MANDATORY OFFER

The options available to GPL Shareholders are:

- to accept the Offer in respect of all or some of your GPL Shares; or
- to reject the Offer.

**If you wish to reject the Offer, you do not need to take any further action.**

If you wish to accept the Offer, you must do so in the manner described below, depending on whether you are a Certificated Shareholder or a Dematerialised Shareholder.

#### 1. CERTIFICATED SHAREHOLDERS

- 1.1 If you are a Certificated Shareholder and wish to accept the Offer, you must complete the Form of Acceptance, Surrender, and Transfer (*blue*) attached to this Circular in accordance with its instructions and forward it, together with the relevant Documents of Title in respect of your GPL Shares to the Transfer Secretaries. The Form of Acceptance, Surrender, and Transfer (*blue*) may be delivered by hand or sent by mail to the Transfer Secretaries as follows:

**If delivered by hand**

Computershare Investor Services  
Proprietary Limited

Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

**By electronic mail:**

Computershare Investor Services  
Proprietary Limited  
corporate.events@computershare.co.za

**If sent by post**

Computershare Investor Services  
Proprietary Limited

Computershare Investor Services  
Proprietary Limited  
Private Bag X3000  
Saxonwold, 2132

so as to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date.

- 1.2 If a Form of Acceptance, Surrender, and Transfer (*blue*) and the relevant Documents of Title are not received by 12:00 on the Closing Date, the Offer will be deemed to have been declined. No late acceptances will be considered. Acceptances of the Offer that are sent through the post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the Offer are received timeously. It is therefore recommended that such acceptances be sent by email, registered mail, or delivered by hand to the Transfer Secretaries.
- 1.3 No receipts will be issued for Documents of Title that have been surrendered, unless specifically requested by the Certificated Shareholders concerned. GPL Shareholders requiring receipts must prepare a receipt and forward it together with their surrendered Documents of Title to the Transfer Secretaries.

- 1.4 If Documents of Title relating to any GPL Shares have been destroyed or lost, Certificated GPL Shareholders should nevertheless return the Form of Acceptance, Surrender, and Transfer (*blue*) duly signed and completed, together with (1) evidence satisfactory to the Offeror that the Documents of Title to the relevant GPL Shares have been destroyed or lost and (2) an indemnity acceptable to the Offeror against any damage, expense, loss or payment that it, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the Offer Consideration to such person. An acceptable form of indemnity may be obtained from the Transfer Secretaries.
- 1.5 The Offeror reserves the right, in its absolute and sole discretion:
  - 1.5.1 to treat as invalid, Forms of Acceptance, Surrender, and Transfer (*blue*) not accompanied by the relevant Documents of Title (or, if applicable, evidence satisfactory to the Offeror that the Documents of Title to the relevant GPL Shares have been destroyed or lost and an indemnity acceptable to the Offeror, as contemplated in paragraph 1.4 above);
  - 1.5.2 to treat as invalid, Forms of Acceptance, Surrender, and Transfer (*blue*) that have not been completed in accordance with the instructions set out therein;
  - 1.5.3 to require proof of the authority of the person signing the Form of Acceptance, Surrender, and Transfer (*blue*), where such proof has not been lodged with, or recorded by, the Transfer Secretaries; or
  - 1.5.4 to condone the non-compliance by any Certificated Shareholder with any of the terms of the Mandatory Offer.
- 1.6 If any person who is not a registered holder of GPL Shares surrenders a document of title in respect of GPL Shares, together with a transfer form for the registration of such GPL Shares purporting to have been properly completed by the registered holder thereof, such first mentioned person shall be entitled to receive settlement of the Offer Consideration pursuant to acceptance of the Offer, provided that GPL's Transfer Secretaries are satisfied that the Offer Consideration has not already been delivered or posted to the registered holder of such GPL Shares. GMB may require, in its sole discretion, to be furnished with an indemnity in a form and on terms acceptable to GMB, against any loss or damage, payment or expense which it or GPL, or any of their duly authorised representatives, may suffer or incur by reason of or arising from the settlement of the Offer Consideration to such person.
- 1.7 If a Form of Acceptance, Surrender, and Transfer (*blue*) is treated as invalid due to non-compliance with the instructions contained therein, then the Certificated Shareholder that submitted that Form of Acceptance, Surrender and Transfer (*blue*) will be deemed to have declined the Offer, unless that Certificated Shareholder resubmits a properly completed Form of Acceptance, Surrender, and Transfer (*blue*) to the Transfer Secretaries, which must be received before 12:00 on the Closing Date.
- 1.8 Documents of Title surrendered by Certificated GPL Shareholders in advance of the fulfilment or waiver (to the extent that the waiver is competent in law) of the Conditions Precedent contained in paragraph 6.6 of this Circular will be held in trust by GPL's Transfer Secretaries, at the Certificated GPL Shareholder's risk, pending the fulfilment or waiver (to the extent that the waiver is competent in law) of the Conditions Precedent. If the Conditions Precedent are not fulfilled by the date/s for fulfilment thereof in terms of paragraph 6.6 of this Circular, GMB reserves the right to extend the Closing Date to a date approved by the JSE, TRP and GMB. If the Conditions Precedent remain unfulfilled after the said extended date, GPL's Transfer Secretaries will return the documents of title, by registered post, to the Certificated GPL Shareholder in question, at their risk, within three Business Days after the date upon which an announcement is made on SENS and in the press that the Conditions Precedent have not been fulfilled or waived (to the extent that the waiver is competent in law).
- 1.9 If you accept the Offer in respect of all or some of your GPL Shares and surrender the relevant Documents of Title, you will not be able to trade such GPL Shares from the date of your acceptance of the Offer and surrender of the relevant Documents of Title in respect thereof.
- 1.10 **If you do not wish to accept the Offer, you need not take any action.**

## 2. DEMATERIALISED SHAREHOLDERS

- 2.1 If you are a Dematerialised Shareholder, you will be contacted by your duly appointed Broker or CSDP in the manner stipulated in the custody agreement entered into between you and your Broker or CSDP, as the case may be (“**Custody Agreement**”), in order to ascertain whether or not you wish to accept the Offer. If you wish to accept the Offer, you must notify your Broker or CSDP of your acceptance of the Offer in the time and manner stipulated in the Custody Agreement in order to constitute a valid acceptance.
- 2.2 If you are a Dematerialised Shareholder and wish to accept the Offer, but have not been contacted by your Broker or CSDP, it would be advisable for you to contact and furnish your Broker or CSDP with instructions in regard to the acceptance of the Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement.
- 2.3 You must **not** complete the attached Form of Acceptance, Surrender, and Transfer (*blue*).
- 2.4 If you notify your Broker or CSDP of your desire to accept the Offer, you will **not** be able to trade your GPL Shares from the date on which you notify your Broker or CSDP of your acceptance of the Offer.
- 2.5 **None of GMB, GPL or any of their authorised agents will accept any responsibility nor be held liable for any acts or omissions on the part of any CSDP or Broker of a Dematerialised GPL Shareholder who fails to communicate their acceptance of the Offer timeously or at all, for whatsoever reason.**

### OFFER CONSIDERATION

1. The discharge of the Offer Consideration will be made on the relevant dates set out in the “*Important Dates and Times*” section on page 10 of this Circular.
2. **If you do not wish to accept the Offer, you need not take any action.**

### GENERAL

1. Settlement of the Offer Consideration will take place within six Business Days of the later of the Offer being declared wholly unconditional and acceptance of the Offer by GPL Shareholders. The last day for settlement of the Offer Consideration is on the Offer Consideration Settlement Date.
2. For the sake of clarity, GPL Shares may not be dematerialised or re-materialised by GPL Shareholders between the day immediately following the last day to trade and the record date, both days inclusive.
3. GPL Shareholders who do not wish to accept the Offer need not take any action.
4. This Offer shall not constitute an offer to purchase or the solicitation of an offer to sell any GPL Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the laws of such jurisdiction.

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## IMPORTANT LEGAL NOTICES

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The definitions and interpretations commencing on page 11 of this Circular apply, *mutatis mutandis*, to this section.

### FOREIGN GPL SHAREHOLDERS

The Circular is governed by the laws of South Africa and is subject to any applicable laws and regulations and has been prepared for the purposes of complying with the Companies Act and the Takeover Regulations and is published in terms thereof and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

**The release, publication, or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.**

This Circular is not intended to and does not constitute or form part of an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful or in which securities may not be offered or sold without registration or an exemption from registration.

This Circular does not constitute a prospectus or a prospectus-equivalent document. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Offer with care. Any decision to accept the Offer or other response to the proposals should be made only on the basis of the information in this Circular.

The Offer, which is the subject of this Circular, may be affected by the laws of the relevant jurisdictions of Foreign Shareholders. Foreign Shareholders must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities, and paying any transfer or other taxes due in such jurisdiction. Foreign Shareholders who are in any doubt as to their positions should consult their professional advisers immediately.

Any decision to accept the Offer should be made on the basis of the information in this Circular (and the publicly available information referred to herein) and the GPL response circular (Part B of this Circular).

### FORWARD-LOOKING STATEMENTS AND RISKS

This Circular contains statements about GMB or GPL that are, or may be, forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements as well as expectations based on existing disclosures regarding current or historical events and conditions. In addition to the information regarding these risks, uncertainties, assumptions, and other factors set forth in the public reports of GMB and GPL, important risk factors that may cause such a difference, and which should be considered in connection with a decision to participate in the Offer.

GMB and GPL caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity, and the developments within the industry in which GPL and GMB operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements about GPL and/or GMB are based on estimates and assumptions regarding GPL and/or GMB, as made by GPL or GMB, and although GPL and GMB believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known GPL or GMB or not currently considered material by GPL or GMB.

GPL Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of GPL or GMB not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Neither GPL nor GMB has a duty to, or intend to, update, or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

Any forward-looking statement has not been reviewed nor reported on by the external auditors.

#### **DISCLAIMER**

GPL Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of affected transactions when it approves them.

#### **RESPONSIBILITY**

This Circular is published jointly by GMB and GPL but contains two separate parts. Accordingly, Part A of this Circular is the responsibility of GMB and Part B of this Circular is the responsibility of the GPL Independent Board.

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## IMPORTANT DATES AND TIMES

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The definitions and interpretations commencing on page 11 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary intention).

Firm intention to make the Offer is announced on SENS	Wednesday, 9 November 2022
Record Date in order for GPL Shareholders to be eligible to receive this Circular on	Friday, 9 December 2022
Circular posted to GPL Shareholders and announced on SENS	Thursday, 15 December 2022
Opening Date of the Offer, at 09:00 on	Monday, 19 December 2022
Anticipated date for receipt of approval from Regulatory Authorities and Offer becoming unconditional	Tuesday, 14 March 2023
Finalisation Date announced on SENS	Wednesday, 15 March 2023
Last day to trade to take up the Offer	Tuesday, 28 March 2023
Shares trade "ex" the Offer	Wednesday, 29 March 2023
Record date to determine which shareholders may accept the Offer	Friday, 31 March 2023
Expected Closing Date of the Offer, at 12:00 on	Friday, 31 March 2023
Results of Offer to be announced on SENS	Monday, 3 April 2023
Offer Consideration Settlement Date	Monday, 3 April 2023

### Notes:

1. *The above dates and times are subject to amendment at the discretion of the Offeror with the approval of the TRP and the JSE, where required and the GPL Board, and may be subject to certain regulatory approval(s). Any such amendment will be released on SENS.*
2. *Although the important dates and times are subject to change, such statement may not be regarded as consent or dispensation for any change to the time period which may be required in terms of the Takeover Regulations, where applicable, and any such consent or dispensation must be specifically applied for and approved by the TRP.*
3. *The Mandatory Offer is subject to the fulfilment of certain conditions precedent. The process and the potential impact that such approval requirement may have on the Closing Date of the Mandatory Offer is set out in paragraph 6.6 of the Circular.*
4. *An announcement will be released on SENS that the Offer has become unconditional, one Business Day after the date on which the last of the Conditions Precedent has been fulfilled. Such announcement may impact the Closing Date of the Mandatory Offer as the Mandatory Offer must remain open for at least 10 Business Days from the date of such announcement.*
5. *The abovementioned dates and times are South African dates and times. All references to days are to Business Days.*
6. *Offerees should note that acceptance of the offer will be irrevocable.*
7. *The Offer Consideration will be settled by the Transfer Secretaries on the later date of either six Business Days after the Finalisation Date or every Monday on the applicable Offer Consideration Settlement Date which shall be within six Business Days of acceptance. If the Offer Consideration Settlement Date is a public holiday, then settlement of the Offer Consideration will be made on the first Business Day following the public holiday. The final settlement of the Offer Consideration, subject to the Extended Offer Period contemplated at paragraph 6.3 of the Circular, will be made by no later than close of business on 3 April 2023.*
8. *Share certificates may not be dematerialised or rematerialised from 29 March 2023 to 31 March 2023, both dates inclusive.*

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a person include references to a body corporate and *vice versa*:

<b>“Act” or “Companies Act”</b>	the Companies Act No. 71 of 2008, as amended;
<b>“Authorised Dealer”</b>	an authorised dealer of the South African Reserve Bank, designated as such in terms of the Exchange Control Regulations;
<b>“Broker”</b>	any person registered as a “broking member (equities)” in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
<b>“Business Day”</b>	a day other than a Saturday, Sunday, or official public holiday in South Africa;
<b>“Certificated Shareholders”</b>	GPL Shareholders who hold Certificated Shares;
<b>“Certificated Shares”</b>	GPL Shares represented by a share certificate or other physical Document of Title, which have not been Dematerialised;
<b>“Circular”</b>	this combined Offer Circular to GPL Shareholders issued to GPL Shareholders, dated Thursday, 15 December 2022, including the annexures and the Form of Acceptance, Surrender, and Transfer ( <i>blue</i> ) attached hereto, setting out the details of the Offer and incorporating all disclosures required to be made by GMB (as Offeror) and GPL (as Offeree regulated company) in terms of the Takeover Regulations;
<b>“Closing Date”</b>	the initial closing date of the Offer being 12:00 on 1 February 2023 or such extended date as contemplated in paragraph 6.7.3, if applicable. The Closing Date is currently expected to be 31 March 2023;
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland;
<b>“Companies Regulations”</b>	the Companies Regulations 2011, promulgated in terms of the Companies Act;
<b>“the Company”</b>	GPL;
<b>“CSDP”</b>	a Central Securities Depository Participant, being a “participant” as defined in the Financial Markets Act;
<b>“Dematerialise”</b>	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP and “Dematerialised” shall bear the corresponding meaning;
<b>“Dematerialised Shareholder”</b>	a GPL Shareholder who holds Dematerialised Shares;
<b>“Dematerialised Shares”</b>	GPL Shares which have been Dematerialised;
<b>“Documents of Title”</b>	valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of GPL Shares, reasonably acceptable to the Offeror;
<b>“Emigrant”</b>	any emigrant from the Common Monetary Area;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations, 1961, as amended, issued under section 9 of the Currency and Exchanges Act, 1933, as amended;

<b>“Extended Offer Period”</b>	has the meaning given to such term in paragraph 6.7.3.3;
<b>“Financial Markets Act”</b>	the Financial Markets Act No. 19 of 2012, as amended;
<b>“Finalisation Date”</b>	the date on which the Mandatory Offer becomes wholly unconditional, as described in paragraph 6.6;
<b>“Firm Intention Announcement”</b>	the joint firm intention announcement released on SENS on Wednesday, 9 November 2022, by the Offeror and GPL setting out the terms of the Offeror’s firm intention to propose the Offer to GPL Shareholders;
<b>“Form of Acceptance, Surrender, and Transfer”</b>	the Form of Acceptance, Surrender, and Transfer ( <i>blue</i> ) attached to and forming part of this Circular;
<b>“GMB”</b>	GMB Liquidity Corporation Proprietary Limited, registration number 2022/587629/07, a private company registered and incorporated according to the laws of South Africa, a wholly owned subsidiary of GMBI. GMB is a material shareholder in GPL and owns 48.94% of the total issued GPL Shares (excluding Treasury Shares) as at the Last Practicable Date;
<b>“GMBI”</b>	GMB Investments Proprietary Limited, registration number 2012/190460/07, a private company registered and incorporated according to the laws of South Africa, a company which is ultimately controlled by Gregory Bortz and his immediate family;
<b>“GPL”</b>	Grand Parade Investments Limited, registration number 1997/003548/06, a public company registered and incorporated with limited liability according to the laws of South Africa;
<b>“GPL Board”</b>	the board of directors of GPL whose names appear in the “ <i>GPL Corporate Information and Advisers</i> ” section of this Circular;
<b>“GPL Shareholders”</b>	the holders of GPL Shares registered as such in the Register during the Offer Period;
<b>“GPL Share/s”</b>	ordinary shares of no par value in the issued share capital of GPL;
<b>“Independent Board”</b>	collectively, Mark Bowman (Chairman of the Independent Board), Ronel Van Dijk, and Professor Walter Geach, being the members of the GPL Board who have been appointed as the independent board in relation to the Mandatory Offer for purposes of the Companies Regulations;
<b>“Initial Offer Period”</b>	has the meaning given to such term in paragraph 6.3.2;
<b>“JSE”</b>	JSE Limited, registration number 2005/022939/06, a public company registered and incorporated with limited liability according to the laws of South Africa and licensed to operate an exchange in accordance with the Financial Markets Act;
<b>“Last Practicable Date”</b>	Friday, 2 December 2022, being the last practicable date prior to the finalisation of this Circular;
<b>“Offer” or “Mandatory Offer”</b>	the offer by the Offeror in terms of section 123 of the Act to acquire from the GPL Shareholders, on the terms set out in this Circular, all or a part of their GPL Shares, for the Offer Consideration;
<b>“Offer Consideration” or “Mandatory Offer Consideration”</b>	the consideration of R3.33 per GPL Share to be paid by the Offeror to those GPL Shareholders who have validly accepted the Offer in respect of each of their GPL Shares for which the Offer is accepted;

<b>“Offer Consideration Settlement Date”</b>	the dates of settlement of the Offer Consideration in respect of those GPL Shares for which the Offer has, prior to the relevant settlement date, been accepted, being (i) prior to the Finalisation Date, six Business Days after the Finalisation Date and (ii) after the Finalisation Date, every Monday or if the Monday is a public holiday, then the first business day following the public holiday during the Offer Period;
<b>“Offerees”</b>	GPL Shareholders to whom the Offer is made;
<b>“Offer Period”</b>	the period from 09:00 on the Opening Date to 12:00 on the Closing Date;
<b>“Offer Shares” or “Mandatory Offer Shares”</b>	all GPL Shares;
<b>“Offeror”</b>	GMB;
<b>“Opening Date”</b>	the opening date of the Offer, being 09:00 on 19 December 2022;
<b>“Register”</b>	the securities register of the holders of GPL Shares maintained by GPL in terms of the Companies Act, including the register of the holders of Certificated Shares and the sub-registers of the holders of Dematerialised Shares maintained by the relevant CSDPs in accordance with the Companies Act;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Takeover Regulation Panel” or “TRP”</b>	the Takeover Regulation Panel established in terms of the Companies Act;
<b>“Takeover Regulations”</b>	the takeover regulations issued in terms of section 120 of the Companies Act;
<b>“Transfer Secretaries”</b>	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company registered and incorporated with limited liability according to the laws of South Africa and the transfer secretaries of GPL;
<b>“Treasury Shares”</b>	24 985 702 GPL Shares; and
<b>“VWAP”</b>	volume weighted average traded price.

## PART A: THE OFFER



### GRAND PARADE

INVESTMENTS LIMITED

## Grand Parade Investments Limited

Incorporated in the Republic of South Africa

(Registration number: 1997/003548/06)

Share code: GPL ISIN: ZAE000119814

("GPI" or "the Company")

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## OFFER TO ALL GPL SHAREHOLDERS

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### 1. PURPOSE OF THIS CIRCULAR

The purpose of this Mandatory Offer Circular is to:

- 1.1 set out the terms on which the Mandatory Offer is made to GPL Shareholders;
- 1.2 provide GPL Shareholders with information on GPL and the Offeror;
- 1.3 inform GPL Shareholders of the manner in which the Mandatory Offer may be accepted and the manner in which the Mandatory Offer will be implemented; and
- 1.4 provide GPL Shareholders with the Independent Expert's Report and the opinion and recommendation of the Independent Board, with regard to the Offer.

### 2. INTRODUCTION

- 2.1 It was announced on 9 November 2022 on SENS that GPL had received a notification from GMB that GMB had acquired additional GPL shares in the Company, such that GMB's total beneficial interest had surpassed 35% of the Company's issued ordinary share capital (net of Treasury Shares).
- 2.2 As such, the Offeror has proceeded with a Mandatory Offer to all GPL Shareholders to acquire their ordinary shares in GPL, as contemplated in section 123 of the Companies Act, for a cash consideration of R3.33 per Mandatory Offer Share.
- 2.3 The Mandatory Offer is an affected transaction as defined in section 117 of the Companies Act. Therefore, the Mandatory Offer is regulated by the Companies Act, the Companies Regulations, and the TRP.

### 3. RATIONALE FOR THE OFFER

- 3.1 The Offeror believes that GPL will benefit from the support of GMB as a key shareholder subsequent to the Mandatory Offer. Furthermore, it is not the current intention of GMB to apply for the delisting of GPL from the JSE.
- 3.2 GPL has communicated to the market its intention to unlock value for all shareholders through a controlled sale of assets. Over the past 24 months GPL has disposed of its stake in Burger King South Africa, disposed of smaller investments and properties, closed unprofitable investments, and unbundled its stake in the Spur Corporation to its shareholders. The remaining assets within GPL consist of minority investments in SunWest International, the Golden Valley Casino and SunSlots, a minority investment in Infiniti Gaming Africa and two investment properties. Aligned with GPL's stated strategy to unlock value for its shareholders, GPL has recently commenced a process to potentially sell all the shares in GPL and/or its underlying assets, as announced to GPL Shareholders in the cautionary announcements released on SENS on 21 September 2022 and renewed on 31 October 2022.

- 3.3 Subsequent to, but independently of, GPL launching this process, GMB acquired its interest in GPL resulting in the Mandatory Offer. GPL sees the Mandatory Offer as being aligned with GPL's stated strategy to unlock value for all GPL Shareholders, whilst still allowing GPL Shareholders the choice to remain GPL Shareholders or to realise their investment in GPL at the Mandatory Offer Consideration.
- 3.4 The Mandatory Offer will afford GPL Shareholders an opportunity to realise their investment in GPL at the Mandatory Offer Consideration, which represents a premium of:
- 3.4.1 0.91% to the closing share price of R3.30 as at 8 November 2022, being the business day prior to the publication of the Firm Intention Announcement;
- 3.4.2 1.33% to the 5-day VWAP up to and including 8 November 2022; and
- 3.4.3 1.01% to the 30-day VWAP up to and including 8 November 2022.

#### 4. BACKGROUND INFORMATION ON THE OFFEROR

- 4.1 GMB is a wholly owned subsidiary of GMBI. Mr Gregory Bortz serves as the sole director and Chairman of both entities. GMBI is a family office platform established by Mr Bortz for investing in South Africa. Most recently, GMBI, through its wholly owned subsidiary GMB, made a financial investment in the horse racing operator in the Western Cape through financing Kenilworth Racing Proprietary Limited and Mr Bortz has assumed the position of chairperson of that organisation. GMB is not a related or inter-related person to GPL as contemplated in section 2 of the Companies Act.
- 4.2 The Offeror has disclosed the following direct and indirect beneficial interests in GPL held by the Offeror and its related parties as at the Last Practicable Date:

Shareholder	Number of GPL Shares	Percentage of GPL shares (net of Treasury Shares)
GMB	217 801 632	48.94%
<b>Total</b>	<b>217 801 632</b>	<b>48.94%</b>

- 4.3 There are no persons acting in concert with the Offeror.
- 4.4 The direct and indirect beneficial interests of the director of the Offeror and his related parties in the issued share capital of GPL as at the Last Practicable Date are as follows:

	Direct beneficial interest	Indirect beneficial interest	Total	Percent of total issued share capital
Gregory Bortz	–	217 801 632	217 801 632	46.34%

- 4.5 The direct and indirect beneficial interests of the director of the Offeror and its related parties in the issued share capital of the Offeror as at the Last Practicable Date is as follows:

	Direct beneficial interest	Indirect beneficial interest	Total
Gregory Bortz	–	100%	100%

#### 5. INFORMATION ON GPL

##### 5.1 Overview

- 5.1.1 GPL is an empowerment investment holding company with minority interests in the gaming industry. The group derives its income primarily from dividends received from its gaming businesses.



5.1.2 GPL's portfolio assets comprise:

- 5.1.2.1 30.0% shareholding in Sun Slots – a leading limited pay-out machine operator. Sun Slots has six route operators operating in Gauteng, KwaZulu-Natal, Mpumalanga and the Western Cape;
- 5.1.2.2 15.1% shareholding in SunWest International – a holding company that owns 100% of GrandWest, Cape Town's exclusive casino and entertainment destination and 100% of Table Bay Hotel situated at the V&A Waterfront in Cape Town;
- 5.1.2.3 15.1% shareholding in Golden Valley Casino – a casino and hotel situated in the Breede River Valley, Western Cape;
- 5.1.2.4 26.0% shareholding in Infiniti Gaming Africa – a supplier of integrated, scalable casino management and jackpot system solutions;
- 5.1.2.5 33 Heerengracht Street property – an A-grade office block in Cape Town City Centre; and
- 5.1.2.6 25/27 Thor Circle – a B-grade industrial/warehouse building with offices in Epping, Cape Town.

5.1.3 In 2019, GPL implemented a value unlock strategy aimed at reducing the discount at which the group trades relative to its intrinsic Net Asset Value (iNAV) which involved *inter alia*, exiting non-core investments and reducing debt. Over the last year GPL has made good progress on the implementation of this strategy and has completed several key initiatives such as the sale of Burger King SA, the unbundling of the group's interest in Spur and the recent liquidation of Mac Brothers. In addition, the group has reduced debt and head office costs which has strengthened the financial position of the group.

5.2 **Major Shareholders**

The following shareholders had a 3% or more beneficial (direct and indirect) interest in the issued share capital of GPL (net of Treasury Shares) as at the Last Practicable Date:

Shareholder	Number of GPL Shares	Percentage of GPL shares (net of Treasury Shares)
GMB	217 801 632	48.94%
Sun International (South Africa) Ltd	106 030 159	23.83%
GPI Woman's BBBEE Empowerment Trust	14 814 815	3.33%

5.3 **Offeror's dealings in GPL Shares in the previous six months prior to the Last Practicable Date**

Trade Date	Volume	Average price in c (day)
20-Oct-22	8 666 635	325.57
20-Oct-22	122 413 744	325.57
24-Oct-22	1 497 000	324.95
25-Oct-22	2 173 715	319.98
26-Oct-22	1 500 000	321.73
27-Oct-22	5 815 000	330.00
28-Oct-22	2 550 000	330.00
31-Oct-22	1 400 000	330.00
08-Nov-22	8 367 634	330.00
09-Nov-22	722 221	332.96
10-Nov-22	4 032	331.12
17-Nov-22	1 191 651	330.00
30-Nov-22	61 500 000	333.00
<b>Total</b>	<b>217 801 632</b>	

#### 5.4 **Share price history**

The price history of GPL shares on the JSE is set out in Annexure 3 to this Circular.

### 6. **TERMS OF THE OFFER**

6.1 The Offeror will make a Mandatory Offer, in terms of section 123(3) of the Companies Act whereby each Shareholder will be entitled to elect whether or not to dispose of all or some of their Mandatory Offer Shares to the Offeror for the Mandatory Offer Consideration.

#### 6.2 **Business of GPL**

6.2.1 The Offeror hereby advises that, pursuant to the implementation of the Offer –

6.2.1.1 it is currently intended by the Offeror that GPL shall continue to operate its business in line with current practices; and

6.2.1.2 the Mandatory Offer does not include a proposal for GPL to be delisted from the JSE.

6.2.2 Following the implementation of the Offer, the remuneration as well as the size and composition of the GPL Board will be considered. It is however intended that Mr Gregory Bortz will join the GPL Board as Chairman following implementation of the Offer.

6.2.3 Subject to paragraph 6.3.1 below, those GPL Shareholders who do not accept the Offer will remain GPL Shareholders if the Offer becomes wholly unconditional and is implemented.

#### 6.3 **Offer Period**

6.3.1 Subject to clause 6.3.2 below, the Offer will be open for acceptance from 09:00 on 19 December 2022 and will remain open until the Closing Date; provided that the Offeror may, at its discretion, but subject to the prior approval of the Takeover Regulation Panel and the JSE (where required), elect to make any changes to the dates referred to in this Circular (including extending the Closing Date), in which event, the amended dates will be published on SENS.

6.3.2 The Offer will be open for acceptance by GPL Shareholders for a period of at least 30 business days as required by the Takeover Regulations ("**Initial Offer Period**"), provided that if the Finalisation Date occurs later than 10 business days before the expiry of the Initial Offer Period, then the Offer will remain open for acceptance for at least 10 Business Days after the date on which the Finalisation Date has been announced, as contemplated in paragraph 6.7.3 below.

#### 6.4 **Mandatory Offer Consideration**

GPL Shareholders who have so elected shall receive the Mandatory Offer Consideration, in the amount of R3.33 per Mandatory Offer Shares held by such GPL Shareholder after the fulfilment of the Mandatory Offer Conditions as defined and set out below, on the Offer Consideration Settlement Date.

#### 6.5 **Basis of acquisition of GPL shares**

6.5.1 The Offer Shares in respect of which the Offer is accepted will be acquired by the Offeror together with all rights and benefits thereto, including without limitation the right to receive all dividends, distributions, benefits, or rights which accrue or are declared by GPL after the Closing Date.

6.5.2 Those GPL Shareholders who have accepted the Mandatory Offer warrant and undertake that they will deliver the Offer Shares to the Offeror free of all liens, equities, mortgages, options, rights of pre-emption, charges, encumbrances, and other third-party rights and interests of any nature whatsoever.

6.5.3 The acquisition by the Offeror of the Offer Shares shall, in respect of each GPL Shareholder, be deemed to take place on the Offer Consideration Settlement Date in respect of such GPL Shareholder.

## 6.6 The Mandatory Offer Conditions

Implementation of the Mandatory Offer is subject to the fulfilment of the following conditions (“**Mandatory Offer Conditions**”) by no later than 28 April 2023:

- 6.6.1 all approvals, consents and/or waivers from the applicable South African regulatory authorities as may be required in order for the Mandatory Offer to be implemented (other than the issue of the compliance certificate by the TRP as contemplated in paragraph 6.6.2) have been obtained, including, to the extent required, approval/s of the Competition Commission and/or Competition Tribunal and the relevant gambling authorities (“**Regulatory Authorities**”), provided that if such approvals are granted conditionally, this Mandatory Offer Condition shall not be regarded as having been fulfilled unless before such date GMB gives notice to the Company to the effect that such conditions and terms are acceptable to GMB; and
- 6.6.2 the TRP has issued a compliance certificate in relation to the Mandatory Offer in terms of section 119(4)(b) of the Companies Act.

## 6.7 Waiver and extension of Mandatory Offer Conditions:

- 6.7.1 The Mandatory Offer Conditions set out in paragraph 6.6.1 are not capable of being waived but the time and/or date for fulfilment of these Mandatory Offer Conditions may be extended from time to time as may be agreed in writing between the Offeror and the relevant Regulatory Authorities, to the extent required.
- 6.7.2 An announcement will be released on SENS as soon as practicable after all the Mandatory Offer Conditions have been fulfilled, if the Mandatory Offer Conditions are not fulfilled timeously, or if the time and/or date for fulfilment of the Mandatory Offer Conditions is extended.
- 6.7.3 In the event that the Mandatory Offer Conditions have not been fulfilled before or on the Opening Date, the following process will be followed in respect of the Mandatory Offer:
  - 6.7.3.1 Should the Mandatory Offer Conditions be fulfilled within a period of 20 business days after the Opening Date (“**Finalisation Period**”), the Mandatory Offer will be declared unconditional and implemented to the extent of the number of acceptances received at the end of the Initial Offer Period, being 30 Business Days following the Opening Date.
  - 6.7.3.2 If the Mandatory Offer Conditions are not fulfilled during the Finalisation Period, but are fulfilled prior to the expiry of the Initial Offer Period, then the Offer Period will be extended so that the Offer remains open for acceptance for a period of 10 Business Days after the Finalisation Date has been announced.
  - 6.7.3.3 If the Mandatory Offer Conditions are not fulfilled during the Initial Offer Period, then the Offer Period will be extended to accommodate this process (“**Extended Offer Period**”) subject to the approval of the TRP in terms of Regulation 103 of the Companies Regulations and, to the extent applicable, the JSE.
  - 6.7.3.4 If during the Extended Offer Period the Mandatory Offer Conditions are fulfilled, the Mandatory Offer shall be declared unconditional and as per Regulation 105 of the Companies Regulations, remain open for a further 10 Business Days.
  - 6.7.3.5 If the Mandatory Offer Conditions are not fulfilled by 28 April 2023, the Mandatory Offer will lapse and be of no further force or effect.

## 6.8 Approvals, consents, and undertakings received

- 6.8.1 The Offeror has obtained the necessary authorisations and approvals from its board of directors and shareholders, to the extent applicable, to proceed with the Offer.
- 6.8.2 The TRP has approved this Circular.
- 6.8.3 The JSE has noted the contents of this Circular and approved the timetable contained herein.
- 6.8.4 The TRP does not express any view or opinion on the commercial advantages or disadvantages of the Offer.

## 6.9 Confirmation of cash resources

- 6.9.1 The Offeror is required to provide a bank guarantee to the TRP from a South African registered bank unconditionally and irrevocably guaranteeing settlement of the full cash consideration payable in terms of the Offer or an irrevocable, unconditional cash confirmation in favour of the Offerees. A cash confirmation will therefore be required in respect of the shareholding of the Offerees (being the holders of 252 221 109 GPL shares, as set out below). Accordingly, the following is applicable:

<b>Mandatory Offer Price per Share</b>	<b>Aggregate Number of Issued Shares</b>	<b>Less Shares held by the Offeror</b>	<b>Shares available under the Mandatory Offer</b>	<b>Guarantee requirement</b>
R3.33	470 022 741	217 801 632	252 221 109	R839 896 293

- 6.9.2 The Offeror has obtained and delivered to the TRP an irrevocable unconditional bank guarantee issued by Investec Bank Limited (registration number 1969/004763/06) ("**Investec**") for the maximum possible Mandatory Offer Consideration, being R1 044 704 720 less an amount equal to the number of GPL Shares purchased by the Offeror after the date of the Firm Intention Announcement, multiplied by the Mandatory Offer Consideration, by delivering a notification of such purchases to the TRP in accordance with Regulation 98(2).

## 6.10 Financing Arrangements

- 6.10.1 The Offeror has received the following financing for the Mandatory Offer Consideration:

- 6.10.1.1 in respect of an amount equal to R700 000 000 (the "**Shareholder Loan Amount**"), the Offeror has received shareholder loan funding from its sole shareholder, GMBI (the "**GMB Shareholder Loan**"), which GMB Shareholder Loan shall be advanced in the manner and on the salient terms contemplated in paragraph 6.10.2; and
- 6.10.1.2 in respect of an amount equal to R392 000 000 (the "**Investec Loan Amount**"), the Offeror has received third-party debt funding by way of a loan facility made available to the Offeror by Investec (the "**Investec Facility**"), which Investec Facility shall be available for drawdown by the Offeror in the manner and on the salient terms contemplated in paragraph 6.10.5,

provided that the Offeror shall draw on the Investec Facility only if the Offeror's payment obligations in respect of the Mandatory Offer Consideration exceed the Shareholder Loan Amount. To the extent that the Mandatory Offer Consideration owing to Offerees having accepted the Mandatory Offer is less than the Shareholder Loan Amount, the entire the Mandatory Offer Consideration shall be funded by way of the GMB Shareholder Loan.

- 6.10.2 The salient provisions of the GMB Shareholder Loan are as follows:

- 6.10.2.1 the capital amount of the GMB Shareholder Loan is the Shareholder Loan Amount;
- 6.10.2.2 interest shall accrue on the outstandings on the GMB Shareholder Loan at a rate of 200 basis points above the quoted basic rate of interest, compounded monthly in arrears and calculated on a 365 day year irrespective of whether or not the year is a leap year, from time to time published by Investec as being its prime overdraft rate (the "**Investec Prime Rate**");
- 6.10.2.3 the GMB Shareholder Loan shall, unless extended by agreement between the Offeror and its shareholder, GMBI, be repayable in full on the 5th anniversary of the date on which the initial advance was made under the GMB Shareholder Loan;
- 6.10.2.4 proceeds received by the Offeror in respect of that portion of the Offer Shares which were funded by way of the GMB Shareholder Loan must be utilised to repay the amounts outstanding under the GMB Shareholder Loan, provided that such amounts shall first be applied in servicing the interest accrued on the GMB Shareholder Loan and thereafter be applied in repayment of the capital outstanding on the GMB Shareholder Loan;

- 6.10.2.5 the GMB Shareholder Loan shall be unsecured; and
- 6.10.2.6 GMBI's rights (as lender in terms of the GMB Shareholder Loan) shall be subordinated to the rights of Investec in terms of the Investec Facility.
- 6.10.3 GMBI advanced the Shareholder Loan Amount to the Offeror prior to the Last Practicable Date and the applicable funds having been advanced are retained by Investec in a dedicated Investec cash account (the "**Shareholder Loan Funds**").
- 6.10.4 In order to procure that the Offeror is able to timeously discharge its payment obligations in respect of all amounts owing to Offerees in terms of the Mandatory Offer which shall be funded from the Shareholder Loan Funds, the Offeror has been granted an additional settlement debt facility by Investec in an amount equal to the Shareholder Loan Amount (the "**Investec Settlement Facility**").
- 6.10.5 The Investec Settlement Facility shall be utilised in the following manner:
- 6.10.5.1 in anticipation of each settlement date upon which the Mandatory Offer Consideration is to be paid to Offerees who have accepted the Mandatory Offer, the Offeror shall draw on the Investec Settlement Facility in an amount equal to the amount owing to accepting Offerees and advance such amounts to the Transfer Secretaries for payment to such Offerees; and
- 6.10.5.2 immediately thereafter, an equivalent portion of the Shareholder Loan Funds shall be applied in repayment of the amount borrowed under the Investec Settlement Facility.
- 6.10.6 Accordingly, the Investec Settlement Facility is to be utilised by the Offeror merely to procure settlement of its payment obligations in terms of the Mandatory Offer and not to finance the portion of the Mandatory Offer Consideration which shall be funded from the GMB Shareholder Loan.
- 6.10.7 The salient provisions of the Investec Facility are as follows:
- 6.10.7.1 the maximum capital amount of the Investec Facility is the Investec Loan Amount;
- 6.10.7.2 interest shall accrue on the outstandings owing in respect of the Investec Facility at a rate of 25 basis points below the Investec Prime Rate;
- 6.10.7.3 the Investec Facility shall, unless extended by agreement between the Offeror and Investec, be repayable in full on the 3rd anniversary of the date on which the initial advance was made under the Investec Facility; and
- 6.10.7.4 the Offeror's obligations in favour of Investec in terms of the Investec Facility shall be secured by way of the Offeror granting to and in favour of Investec a cession *in securitatem debiti* in respect of the Offer Shares acquired by the Offeror in terms of the Mandatory Offer.
- 6.10.8 The Offeror will draw down on the Investec Facility only to the extent that the aggregate Mandatory Offer Consideration exceeds the funds available to the Offeror in terms of the GMB Shareholder Loan.
- 6.11 Acceptance of the Offer**
- 6.11.1 The Offer is open for acceptance from 09:00 on the Opening Date and GPL Shareholders are encouraged to tender their acceptances without delay in accordance with the procedures set out below.
- 6.11.2 GPL Shareholders may elect to accept the Offer in respect of all or some of their respective GPL Shares.
- 6.11.3 Certificated Shareholders
- 6.11.3.1 Certificated Shareholders who wish to accept the Offer, must complete the Form of Acceptance, Surrender, and Transfer (*blue*) attached to this Circular in accordance with its instructions and forward it, together with the relevant Documents of Title in respect of those GPL Shares for which the Certificated Shareholder wishes to accept the Offer, to the Transfer Secretaries. The Form of Acceptance, Surrender, and Transfer (*blue*) may be delivered by hand or sent by mail to the Transfer Secretaries as follows:

**If delivered by hand:**

Computershare Investor  
Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

**If sent by post:**

Computershare Investor Services  
Proprietary Limited  
Private Bag X3000,  
Saxonwold, 2132

**By electronic mail:**

Computershare Investor  
Services Proprietary Limited  
corporate.events@computershare.co.za

so as to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date.

- 6.11.3.2 If the Form of Acceptance, Surrender, and Transfer (*blue*) and the relevant Documents of Title are not received by 12:00 on the Closing Date, the Offer will be deemed to have been declined. No late acceptances will be considered. Acceptances of the Offer that are sent by mail are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the Offer are received timeously. It is therefore recommended that such acceptances be sent by registered mail or delivered by hand to the Transfer Secretaries.
- 6.11.3.3 No receipts will be issued for Documents of Title that have been surrendered, unless specifically requested by the Certificated Shareholders concerned. Certificated Shareholders requiring receipts must prepare a receipt and forward it together with their surrendered Documents of Title to the Transfer Secretaries.
- 6.11.3.4 If Documents of Title relating to any GPL Shares have been destroyed or lost, Certificated Shareholders should nevertheless return the Form of Acceptance, Surrender, and Transfer (*blue*), duly signed and completed, together with (1) evidence satisfactory to the Offeror that the Documents of Title to the relevant GPL Shares have been destroyed or lost, and (2) an indemnity acceptable to the Offeror, against any damage, expense, loss or payment that it, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the settlement of the Offer Consideration. An acceptable form of indemnity may be obtained from the Transfer Secretaries.
- 6.11.4 The Offeror reserves the right, in its absolute and sole discretion:
- 6.11.4.1 to treat as invalid, Forms of Acceptance, Surrender, and Transfer (*blue*) not accompanied by the relevant Documents of Title (or, if applicable, evidence satisfactory to the Offeror that the Documents of Title to the relevant GPL Shares have been destroyed or lost and an indemnity acceptable to the Offeror, as contemplated in paragraph 1.4 above);
- 6.11.4.2 to treat as invalid, Forms of Acceptance, Surrender, and Transfer (*blue*) that have not been completed in accordance with the instructions set out therein;
- 6.11.4.3 to require proof of the authority of the person signing the Form of Acceptance, Surrender, and Transfer (*blue*), where such proof has not been lodged with, or recorded by, the Transfer Secretaries; or
- 6.11.4.4 to condone the non-compliance by any Certificated Shareholder with any of the terms of the Offer.
- 6.11.5 If a Form of Acceptance, Surrender, and Transfer (*blue*) is treated as invalid due to non-compliance with the instructions contained therein, then the Certificated Shareholder that submitted that Form of Acceptance, Surrender, and Transfer (*blue*) will be deemed to have declined the Offer, unless that Certificated Shareholder concerned resubmits a properly completed Form of Acceptance, Surrender, and Transfer (*blue*) to the Transfer Secretaries, which must be received before 12:00 on the Closing Date.

- 6.11.6 If a Certificated Shareholder accepts the Offer in respect of all or some of such Certificated Shareholder's GPL Shares and surrenders the relevant Documents of Title, such Shareholder will not be able to trade such GPL Shares from the date of the acceptance of the Offer and surrender of the relevant Documents of Title in respect thereof.
- 6.11.7 If a Certificated Shareholder accepts the Offer in respect of all or some of such Certificated Shareholder's GPL Shares and surrenders the relevant Documents of Title, and during the Offer Period or Extended Offer Period the Offer is not declared un-conditional, the Documents of Title of those Offerees will be returned to the relevant Certificated Shareholder, at the risk of the Certificated Shareholder, by registered post.
- 6.11.8 Dematerialised Shareholders
- 6.11.8.1 Dematerialised Shareholders will be contacted by such Dematerialised Shareholder's duly appointed Broker or CSDP in the manner stipulated in the Custody Agreement entered into between such Shareholder and its Broker or CSDP, as the case may be, in order to ascertain whether or not such Shareholder wishes to accept the Offer. If a Dematerialised Shareholder wishes to accept the Offer, such Shareholder must notify its Broker or CSDP of its acceptance of the Offer in the time and manner stipulated in its Custody Agreement, in order to constitute a valid acceptance.
- 6.11.8.2 If a Dematerialised Shareholder wishes to accept the Offer, but has not been contacted by such Dematerialised Shareholder's Broker or CSDP, it would be advisable for such Dematerialised Shareholder to contact and furnish its Broker or CSDP with instructions in regard to the acceptance of the Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in such Dematerialised Shareholder's Custody Agreement.
- 6.11.8.3 A Dematerialised Shareholder must not complete the attached Form of Acceptance, Surrender, and Transfer (*blue*).
- 6.11.8.4 If a Dematerialised Shareholder notifies its Broker or CSDP of its desire to accept the Offer, it will not be able to trade its GPL Shares from the date on which it notifies its Broker or CSDP of its acceptance of the Offer.

6.11.9 Taxation

Acceptances of the Offer may have an impact on GPL Shareholders' personal tax position in relation thereto. Accordingly, GPL Shareholders should seek the advice of their tax advisors in this regard.

**6.12 Settlement of the Offer Consideration**

6.12.1 Certificated Shareholders

The Offeror will procure the settlement of the Offer Consideration to those Certificated Shareholders who have elected to accept the Offer and who have surrendered their Documents of Title and furnished duly signed Forms of Acceptance, Surrender, and Transfer (*blue*) in accordance with the instructions contained therein, at the risk of the GPL Shareholder concerned, on the first Offer Consideration Settlement Date, being, if an Offeree has accepted the Offer before the Finalisation Date, six Business Days after the Finalisation Date, or if the Offeree has accepted the Offer after the Finalisation Date, the Monday following acceptance of the Offer and if the Monday is a public holiday, then the first business day following the public holiday during the Offer Period. To the extent that the Offer was validly accepted after the Finalisation Date on a particular Offer Consideration Settlement Date, then the Offer Consideration shall be settled on the next Offer Consideration Settlement Date.

6.12.2 Dematerialised Shareholders

Dematerialised Shareholders who accept the Offer will have their accounts at their CSDP or Broker updated on the first Offer Consideration Settlement Date, being, if an Offeree has accepted the Offer before the Finalisation Date, six Business Days after the Finalisation Date, or if the Offeree has accepted the Offer after the Finalisation Date, the Monday following acceptance of the Offer and if the Monday is a public holiday, then the first business day following the public holiday during the Offer Period.

### **6.13 Ownership, risk, and benefit**

Ownership of, all risk in, as well as all benefits attaching to the GPL Shares, the subject of the Offer, will be acquired by the Offeror free of all counterclaims, encumbrances, liens, pre-emptive rights, and any other third-party rights and interest of any nature whatsoever, and together with all rights now and hereafter attaching to such GPL Shares.

### **6.14 No set-off of the Offer Consideration**

The settlement of the Offer Consideration, to which any GPL Shareholder is entitled under the Offer, will be implemented in full in accordance with the terms of the Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such GPL Shareholder.

### **6.15 Applicable law**

6.15.1 The Offer is made in compliance with the requirements of the Takeover Regulations and is governed by and subject to the provisions of the laws of South Africa and will be subject to the exclusive jurisdiction of a South African court.

6.15.2 Each Offeree will be deemed by his acceptance to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Offer and acceptance thereof.

### **6.16 Offer not made where illegal**

6.16.1 The legality of the Offer to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. The Offer is not made to persons in any jurisdiction in which it will be unlawful to make or accept the Offer.

6.16.2 Persons resident in jurisdictions outside of South Africa should acquaint themselves with any applicable legal requirements which they are obligated to observe.

6.16.3 It is the responsibility of any Offeree wishing to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith.

6.16.4 If received in any jurisdiction where it is illegal for the Offer to be made or accepted, this document should be treated as being received for information purposes only.

### **6.17 Tax implications for Offerees**

The tax treatment of Offerees is dependent on the individual circumstances and the jurisdiction applicable to such Offerees. It is recommended that, if Offerees are uncertain about the tax treatment of the receipt of the Offer Consideration, they seek appropriate advice in this regard.

## **7. EXCHANGE CONTROL REGULATIONS**

7.1 The settlement of the Offer Consideration for both Certificated Shareholders and Dematerialised Shareholders will be made subject to the Exchange Control Regulations.

7.2 The following is a summary of the Exchange Control Regulations. GPL Shareholders who are not resident in, or who have registered addresses outside South Africa must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities, and paying any issue, transfer, or other taxes due in that jurisdiction. If a GPL Shareholder is in any doubt, such Shareholder should consult its professional advisers without delay.

### **7.3 Emigrants from the Common Monetary Area**

In the case of GPL Shareholders who are Emigrants and whose GPL Shares form part of their blocked assets and to whom paragraph 7.4 below does not apply, the Offer Consideration will:

7.3.1 in the case of Certificated Shareholders whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the Authorised Dealers in foreign exchange in South Africa controlling such Certificated Shareholder's blocked assets in terms of the Exchange Control Regulations to be issued directly to the blocked Rand accounts of the Certificated Shareholder concerned. The Form of Acceptance, Surrender,



and Transfer (*blue*) makes provision for details of the Authorised Dealer concerned to be given. If the information regarding Authorised Dealers is not given, the Offer Consideration will be held in a designated account by the Transfer Secretaries for the Certificated Shareholder concerned, pending receipt of the necessary information or instructions. No interest will be paid on the Offer Consideration so held in trust; and

7.3.2 in the case of Dematerialised Shareholders, be issued to their Brokers or CSDPs, which will arrange for the Offer Consideration to be settled directly to the blocked Rand accounts of the Dematerialised Shareholders concerned with their Authorised Dealers in foreign exchange in South Africa.

#### 7.4 **All other non-residents of the Common Monetary Area**

The Offer Consideration accruing to non-resident GPL Shareholders whose registered addresses are outside the Common Monetary Area and who are not Emigrants from the Common Monetary Area, or who are Emigrants to whom paragraph 7.3 above does not apply, will:

7.4.1 in the case of Certificated Shareholders whose Documents of Title have been endorsed "non-resident" under the Exchange Control Regulations, be issued to their accounts at their CSDP or Broker (in terms of section 33(2) of the Financial Markets Act, Offer Consideration may not be issued in Certificated form and accordingly Certificated Shareholders would need to open an account with a Broker or CSDP in order to receive Offer Consideration in Dematerialised form), unless such Certificated Shareholder requests that the Offer Consideration be settled with an Authorised Dealer. The Form of Acceptance, Surrender, and Transfer (*blue*) makes provision for the details of an Authorised Dealer to be provided; and

7.4.2 in the case of Dematerialised Shareholders, be issued to their duly appointed Brokers or CSDPs and credited to such Dematerialised Shareholder in accordance with the provisions of the custody agreements with their Brokers or CSDPs.

#### 7.5 **Information not provided**

If the information regarding the Authorised Dealer is not given or instructions are not given as required, the Offer Consideration will be held by the Transfer Secretaries for the benefit of those GPL Shareholders concerned, pending receipt of the necessary information or instructions.

### 8. **IRREVOCABLE UNDERTAKINGS**

No GPL Shareholder has given any irrevocable undertaking or waiver in respect of accepting or rejecting the offer.

### 9. **SPECIAL ARRANGEMENTS AND UNDERTAKINGS**

9.1 No agreement exists between the Offeror, or any person acting in concert with the Offeror, and:

9.1.1 GPL;

9.1.2 any of the GPL Directors, or persons who were Directors within the preceding 12 months; or

9.1.3 holders of GPL Shares, or persons who were holders of GPL Shares within the preceding 12 months,

which agreement is considered to be material to a decision regarding the Offer.

### 10. **RESTRICTED JURISDICTIONS**

10.1 To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Circular is deemed to have been provided for information purposes only and neither the Offeror nor GPL accepts any responsibility for any failure by GPL Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

10.2 GPL Shareholders who are in doubt as to their position should consult their professional advisers.

## 11. COSTS OF THE OFFER

- 11.1 GPL shall pay the costs of the JSE documentation fees, the fee payable to the independent expert, the fee payable to the financial and legal advisors to the Independent Board.
- 11.2 The Offeror shall bear and pay the costs of its legal advisors, the costs payable in respect of the merger filing with the Competition Authorities and the fees levied by the TRP.
- 11.3 GPL shall bear 50% of Solaris Law's fees for the negotiation, drafting, preparation and finalisation of this Circular, provided that GPL shall not be liable for an amount exceeding R400,000 of such fees.
- 11.4 The securities transfer tax payable in respect of the transfer of the Offer shares and the fee payable to the corporate and legal advisors to the Offeror shall be paid by the Offeror.
- 11.5 It is estimated that the total expenses to be incurred by GPL in relation to the Offer will amount to approximately R15 030 000 (costs are exclusive of VAT) and includes the following:

Description	Party	Estimated Costs
Independent Expert	KPMG	R1 200 000
Legal Advisers	Clyde & Co	R2 000 000
Independent Board		R300 000
Financial Adviser	RMB	R10 500 000
Sponsor	PSG Capital	R185 000
Documentation Review – TRP		R30 000*
Documentation Review – JSE		R18 200
Transfer Secretaries	Computershare	R130 000
Printing and postage	Ince	R150 000
Other/contingency		R516 800
<b>Total</b>		<b>R15 030 000</b>

\*The balance of the TRP's fees in an amount of R200 000 (excluding VAT) will be borne by GMB.

## 12. OTHER TERMS OF THE OFFER

- 12.1 The Offer may be amended, varied, or revised in such manner as the Offeror in its sole discretion may determine, provided that no such amendment, variation or revision shall be made unless:
- 12.1.1 the prior consent of the TRP has been obtained;
- 12.1.2 there is no diminution in the value of the Offer Consideration offered; and
- 12.1.3 an announcement released on SENS and a press release (if required) containing the amended, varied, or revised Offer is made prior to the Closing Date of the Offer or such other date which is approved by the TRP.
- 12.2 In addition to the above, no amendment to, or variation of the Offer will be valid unless made in writing and signed by a duly authorised representative of the Offeror. Without prejudice to its other rights, the Offeror reserves the right to condone, in its sole discretion, the non-observance by any GPL Shareholder of any of the terms or conditions of the Offer. If the Offer is amended, varied, or revised in a manner which makes it more favourable to the GPL Shareholders, the benefit of such improved Offer will automatically accrue to any GPL Shareholder who has accepted the Offer prior to the amendment, variation or revision being made.
- 12.3 The acceptance by or on behalf of such GPL Shareholders of the Offer in its original or previous form shall be deemed to be an acceptance of any improved Offer pursuant to any such amendment, variation or revision and shall constitute an irrevocable authority and power of attorney *in rem suam* to any director or duly authorised representative of the Offeror:
- 12.3.1 to accept such amended, varied, or revised Offer on behalf of such GPL Shareholder; and
- 12.3.2 to execute on behalf of and in the name of such GPL Shareholder all such further documents (if any) as may be required to give effect to such acceptance.

**13. RESPONDING CIRCULAR BY GPL AND INDEPENDENT EXPERT OPINION**

The responding Circular by the Independent Board which in terms of the Takeover Regulations is to contain the substance of the opinion given to it by its Independent Expert is set out in Part B of this Circular.

**14. CONSENTS**

Each of the advisers set out on the “*GMB Corporate Information and Advisors*” section of this Circular has consented in writing to act in the capacity stated in this Circular and to their names being stated in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

**15. DIRECTORS’ RESPONSIBILITY STATEMENT**

The director of the GMB board:

- 15.1 has considered all statements of fact and opinion in this Offer document (Part A of this Circular); accepts full responsibility for the accuracy of the information given in Part A of the Circular;
- 15.2 certifies that, to the best of his knowledge and belief, the information in Part A of the Circular is true;
- 15.3 certifies that, to the best of his knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this Circular false or misleading;
- 15.4 has made all reasonable enquiries in this regard; and
- 15.5 confirms that the Offer document (Part A of the Circular) contains all information required by the Takeover Regulations Panel in respect of Offer circulars.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or copies thereof will be available for inspection during normal business hours at the registered office of GMB and at the offices of Solaris Law, from the date of issue of this Circular until the Closing Date of the Offer –

- 16.1 a signed copy of this Circular;
- 16.2 a copy of the approval letter from the TRP approving the Offer;
- 16.3 a copy of the approval letter from the Competition Authorities; and
- 16.4 copies of the letters of consent of the persons referred to in paragraph 14 above.

The aforementioned documents will also be available for inspection on GPL’s website ([www.grandparade.co.za](http://www.grandparade.co.za)).

Signed at Cape Town on 14 December 2022 by Gregory Bortz on behalf of the board of directors of the Offeror in terms of a signed board resolution dated 8 December 2022.



Date: 14 December 2022

## PART B: RESPONSE CIRCULAR



### GRAND PARADE

INVESTMENTS LIMITED

### GRAND PARADE INVESTMENTS LIMITED

(Registration number: 1997/003548/06)  
(Incorporated in the Republic South Africa)  
JSE share code: GPL  
ISIN: ZAE000119814

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## RESPONSE CIRCULAR FROM GPL

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### 17. INTRODUCTION

This Circular contains the response by the Independent Board of GPL to the Mandatory Offer proposed by the Offeror.

### 18. COMPOSITION OF THE INDEPENDENT BOARD

The Independent Board comprises of Mark Bowman (Chairman of the Independent Board), Ronel Van Dijk, and Professor Walter Geach.

### 19. APPOINTMENT OF INDEPENDENT EXPERT

The Independent Board has appointed KPMG as Independent Expert to provide the Independent Board with its opinion as to whether the terms of the Offer are fair and reasonable to the GPL Shareholders, in conformity with the applicable requirements of regulation 90 of the Takeover Regulations.

### 20. INTERESTS OF GPL IN OFFEROR, INTEREST OF THE DIRECTORS OF GPL IN GPL

#### 20.1 Interest of GPL in the Offeror

20.1.1 On the Last Practicable Date, GPL had no direct or indirect beneficial interest in the Offeror.

20.1.2 There has been no trading by GPL or its directors in the shares of the Offeror in the period commencing six months before the date of the firm intention announcement, being 9 November 2022 and ending on the Last Practicable Date.

#### 20.2 Interests of the directors of GPL in GPL and the Offeror

20.2.1 Direct and indirect beneficial interests of the GPL directors in the share capital of GPL, as at the Last Practicable Date, are as follows:

	Direct beneficial interest	Indirect beneficial interest	Total	Percent of total issued share capital
A Abercrombie	5 000	–	5 000	0.00%
WD Geach	–	–	–	–
M Tajbhai	243 544	–	243 544	0.05%
R Van Dijk	–	–	–	–
MJ Bowman	13 000	–	13 000	0.00%
R Kader	–	–	–	–
J October	28 485	–	28 485	0.01%
<b>Total</b>	<b>290 029</b>	<b>–</b>	<b>290 029</b>	<b>0.06%</b>

20.2.2 The following share options are outstanding as at the Last Practicable Date:

Jayson October has been awarded options to purchase GPL Shares by the Grand Parade Share Incentive Trust. The outstanding options and their related vesting dates are:

- 161,664 vesting on 9 September 2023 at a strike price of R2.80
- 161,664 vesting on 8 September 2024 at a strike price of R2.80

Mohsin Tajbhai has been awarded options to purchase GPL Shares by the Grand Parade Share Incentive Trust. The outstanding options and their related vesting dates are:

- 227,679 vesting on 9 September 2023 at a strike price of R2.80
- 227,679 vesting on 8 September 2024 at a strike price of R2.80
- 376,106 vesting on 1 November 2023 at a strike price of R2.26

The Grand Parade Share Incentive Trust ("**Trust**"), which is governed by its trust deed, has issued options to Jayson October and Mohsin Tajbhai to purchase the above GPL Shares from the Trust. The Trust holds a sufficient number of GPL Shares to settle its obligations to Jayson October and Mohsin Tajbhai in terms of the abovementioned options. The trustees of the trust, the GPL Board and the participants have agreed, in accordance with clause 21.3 the trust deed of the Trust, that if the Offer becomes unconditional, the outstanding options will vest on and with effect from the Finalisation Date, and that the participants will accordingly be entitled to exercise such options and participate in the Offer. The participants have agreed to waive any comparable offer to which they may be entitled in respect of their options, and the TRP has exempted the Offeror from compliance with the provisions of section 125(2) of the Companies Act read with Regulation 87(1) of the Takeover Regulations.

There are no outstanding GPL Share options issued by the Company as at the Last Practicable Date.

20.2.3 Save as set out below, no current directors of GPL have traded in GPL Shares in the period commencing six months before the date of the firm intention announcement and ending on the Last Practicable Date:

<b>Name of director</b>	<b>Date of transaction</b>	<b>Number of GPL shares</b>	<b>Share price</b>	<b>Total value of transaction</b>	<b>Nature of transaction</b>
Jayson October	11/11/2022	13 257	R3.05	R40 434	Exercise of options
Mohsin Tajbhai	11/11/2022	80 355	R3.05	R245 083	Exercise of options
Alexander Abercrombie (Rednaxela Proprietary Limited)	25/11/2002	7 000 000	R3.50	R24 500 000	On-Market Disposal

## 21. GPL DIRECTORS SERVICE CONTRACTS

There are no material particulars of an abnormal nature in respect of GPL directors' service contracts which require specific disclosure, nor were any directors' service contracts entered into or amended during the period beginning six months prior to the firm intention announcement, being 9 November 2022 and ending on the Last Practicable Date. Pursuant to GPL's remuneration policy as approved by GPL shareholders, Mohsin Tajbhai and Jayson October may be paid certain incentive bonuses as part of GPL's stated strategy to unlock value for all GP shareholders, in an amount is still to be determined by the GPL Board.

## 22. INTENDED ACTION OF GPL DIRECTORS

The directors of GPL, who hold GPL Shares in their personal capacities, currently intend to dispose of their direct and indirect shareholdings in GPL and therefore intend to accept the Offer and have each communicated such intention to the chairman of the GPL Board prior to the closed period of the Company which commences on 31 December 2022.

## 23. FINANCIAL INFORMATION IN RELATION TO GPL

### 23.1 Extracts of historical financial information

- 23.1.1 Extracts of the audited historical financial information of GPL for the financial years ended 30 June 2020, 30 June 2021, and 30 June 2022 are set out in Annexure 2 to this Circular.
- 23.1.2 There have been no material variations in the accounting policies of GPL subsequent to its latest published financial results for the year ended 30 June 2022.
- 23.1.3 The Offer, being a cash offer to the Offerees, will have no financial effect on the Company, other than the costs set out in paragraph 11.1 of part A of this Circular.

### 23.2 Share price history

The price history of GPL shares on the JSE is set out in Annexure 3 to this Circular.

## 24. AGREEMENTS RELATING TO THE OFFER

To the best knowledge of GPL, no agreement exists between GPL and:

- 24.1 the Offeror (or any person acting in concert with it in relation to the Offer);
- 24.2 any Offeror director or any person who was a director of the Offeror within the period commencing 12 months prior to the Last Practicable Date; or
- 24.3 any Offeror shareholders, or persons who were Offeror shareholders within the period commencing 12 months prior to the Last Practicable Date,

that are considered to be material to a decision regarding the Offer to be taken by GPL Shareholders or Offeror shareholders.

## 25. COSTS OF THE OFFER

The estimated costs incurred or to be incurred by GPL and the Offeror respectively in respect of the Offer are set out in paragraph 11 in Part A of the Circular.

## 26. INDEPENDENT BOARD'S RESPONSIBILITY STATEMENT

The members of the Independent Board whose names are set out in the "*Corporate Information and Advisers*" section on page 1 of this Circular, individually and collectively:

- 26.1 accept responsibility for the information in relation to GPL contained in this GPL response circular (Part B of the Circular);
- 26.2 confirm that to the best of their knowledge and belief, the information in relation to GPL contained in this GPL response circular (Part B of the Circular) is true; and
- 26.3 confirm that, where appropriate, this GPL response circular (Part B of the Circular) does not omit anything likely to affect the importance of the information in relation to GPL contained in this GPL response circular (Part B of the Circular).

No member of the Independent Board is excluded from this statement.

## 27. THE INDEPENDENT EXPERT'S REPORT

- 27.1 The Independent Board appointed KPMG as an independent expert acceptable to the Takeover Regulation Panel, to provide appropriate external advice in the form of a fair and reasonable opinion in relation to the Offer.
- 27.2 The Independent Expert's Report prepared in accordance with Regulation 90 of the Takeover Regulations is provided in Annexure 1 to this Circular.
- 27.3 Having considered the terms and conditions of the Offer, and based upon and subject to the terms and conditions set out in the Independent Expert's Report, the Independent Expert is of the opinion that the Offer Consideration is fair and reasonable to GPL Shareholders.

## 28. THE INDEPENDENT BOARD OPINION

- 28.1 The Independent Board, after due consideration of the terms and conditions of the Offer and the Independent Expert's Report, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Offer and Offer Consideration, as contemplated in Regulation 110(3)(b) of the Takeover Regulations.

The Independent Board has formed a view of the range of the fair value of the GPL Shares, which accords with the valuation range contained in the Independent Expert's Report.

- 28.2 In forming its opinion, the Independent Board considered the factors which are difficult to quantify or are unquantifiable (as contemplated in Regulation 110(6) of the Takeover Regulations) as identified in the Independent Expert's Report.
- 28.3 The Independent Board, after taking into consideration the opinion of the Independent Expert, is unanimously of the opinion that the terms and conditions of the Offer are fair and reasonable to GPL Shareholders. Accordingly, the Independent Board recommends to GPL Shareholders that they accept the Offer.
- 28.4 The Independent Board confirms that GPL has not received any other Offers in respect of the GPL Shares since the publication of the Firm Intention Announcement or within the six months prior to such publication.
- 28.5 The Independent Board has no objection to the intentions of the Offeror and its concert parties in respect of GPL or to the statements contained in Part A of this Circular insofar as they pertain to GPL.

## 29. MATERIAL CHANGES

There have been no material changes in the financial position of GPL that has occurred since the release of GPL's historical financial information in respect of the year ended 30 June 2022.

## 30. CONSENTS

Each of the advisers set out in the "*Corporate Information and Advisers*" section on page 1 of this Circular, have consented in writing to act in the capacities stated in this Circular and to their names being stated in this Circular and have not withdrawn their consent prior to the date of issue of this Circular.

## 31. GOVERNING LAW AND JURISDICTION OF THE SOUTH AFRICAN COURTS

This Circular, the Offer, and any acceptance thereof:

- 31.1 will be governed by and construed in accordance with South African law; and
- 31.2 will be subject to the exclusive jurisdiction of the South African Courts of competent jurisdiction.

## 32. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the registered office of GPL and the Transfer Secretaries whose addresses are set out in the "*GPL Corporate Information and Advisers*" section of this Circular, respectively, during normal business hours from 15 December 2022 until the Closing Date:

- 32.1 a signed copy of this Circular;
- 32.2 memorandum of incorporation of GPL;
- 32.3 powers of attorney signed by the Independent Board;
- 32.4 a copy of the approval letter from the Takeover Regulation Panel approving the Offer;
- 32.5 copies of the letters of consent of the persons referred to in paragraph 30 above;
- 32.6 the signed Independent Expert Report; and
- 32.7 the annual financial statements of GPL for the last three completed financial years.

The aforementioned documents will also be available for inspection on GPL's website ([www.grandparade.co.za](http://www.grandparade.co.za))

Signed at Cape Town on 14 December 2022 by Mark Bowman on behalf of the Independent Board in terms of signed powers of attorney signed by the members of the Independent Board



14 December 2022

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## THE INDEPENDENT EXPERT'S REPORT

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12 December 2022

Dear Sirs

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### **INDEPENDENT FAIR AND REASONABLE OPINION REGARDING THE MANDATORY OFFER TO ACQUIRE ALL OF THE ORDINARY SHARES IN GRAND PARADE INVESTMENTS LIMITED NOT ALREADY HELD BY GMB LIQUIDITY CORPORATION PROPRIETARY LIMITED FOR A PURCHASE CONSIDERATION OF R3.33 PER ORDINARY SHARE, IN TERMS OF SECTION 123 OF THE COMPANIES ACT**

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#### **Section 1.01 Introduction**

It was announced on 9 November 2022 on SENS that Grand Parade Investments Limited ("GPL" or "the Company") had received a notification from GMB Liquidity Corporation Proprietary Limited ("GMB" or "the Offeror") that GMB had acquired additional GPL shares in the Company, such that GMB's total beneficial interest had surpassed 35% of the Company's issued ordinary share capital (net of treasury shares).

As such, the Offeror has proceeded with a mandatory offer to all GPL shareholders to acquire their ordinary shares in GPL as contemplated in section 123 of the Companies Act ("the Mandatory Offer"), for a cash consideration of R3.33 per mandatory offer share ("the Mandatory Offer Consideration") (collectively "the Transaction").

The Mandatory Offer is an affected transaction as defined in section 117 of the Companies Act. Therefore, the Mandatory Offer is regulated by the Companies Act, the Companies Regulations and the Takeover Regulation Panel ("TRP").

#### **Section 1.02 Scope**

An independent fair and reasonable opinion is required to be obtained by the board of directors of GPL in terms of section 117 of the Companies Act.

KPMG Services (Proprietary) Limited ("KPMG") has been appointed by the GPL Independent Board as the independent professional expert to advise on whether the terms and conditions of the Transaction are fair and reasonable to the shareholders of GPL.

#### **Section 1.03 Responsibility**

The compliance with the Companies Act is the responsibility of the GPL Independent Board. Our responsibility is to report on the terms and conditions of the Transaction in compliance with the related provisions of the Companies Act.

We confirm that our fair and reasonable opinion has been provided to the GPL Independent Board for the sole purpose of assisting the GPL Independent Board in forming and expressing an opinion for the benefit of GPL shareholders.

#### **Section 1.04 Definition of the terms "fair" and "reasonable"**

A transaction will generally be considered fair to a company's shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. The Mandatory Offer may be considered fair if the fair value of the ordinary shares in GPL is considered to be equal to or less than the value of the Mandatory Offer Consideration made by GMB in terms of the Mandatory Offer.



The assessment of reasonableness is generally based on qualitative considerations surrounding the transaction. Hence, even though the quantifiable benefits received by GPL shareholders may be less than the value surrendered by GPL shareholders, the entire Transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

### **Section 1.05 Information utilised and procedures performed**

#### (a) Key fairness considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the Transaction:

- Obtained an understanding of the structure of the Transaction;
- Considered the terms and conditions of the Mandatory Offer;
- Considered the audited financial statements of the portfolio assets<sup>1</sup> for the financial years ended 31 December 2018 to 2021 and the unaudited management accounts for the year-to-date period ended 31 October 2022;
- Held discussions with the directors and management of GPL to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the gambling industry;
- Evaluated the risks and expected returns associated with the portfolio assets;
- Reviewed the forecasts for Sun Slots (RF) Proprietary Limited and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on market research, analyst reports and discussions with GPL management;
- Reviewed the reasonableness of material assumptions in the forecast relating to:
  - The basis on which the forecast was prepared;
  - Growth rates in respect of revenue;
  - Profit margins;
  - Capital expenditure (“capex”) and depreciation; and
  - Working capital movements;
- Adjusted the forecast to reflect KPMG’s assumptions of revenue growth, capex and net working capital, where applicable;
- Adjusted the financial model to reflect KPMG’s assumptions of cost of capital, terminal growth rate and company specific risk;
- Stress tested the material assumptions applied which included, *inter alia*, the discount rate, terminal growth rate, other premiums and discounts and key economic parameters;
- Reviewed the budgets for Sunwest International Proprietary Limited and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on market research, analyst reports and discussions with GPL management;
- Based on the above, performed valuations of the portfolio assets. The discounted cash flow (“DCF”) methodology was the primary valuation methodology employed for Sun Slots (RF) Proprietary Limited. Key value drivers to the valuation are:
  - The discount rate applied;
  - The terminal growth rate assumed; and
  - The forecast cash flows used;
- As a reasonableness test to the DCF, we also utilised the market approach based on the Enterprise value (“EV”) to earnings before interest, depreciation and amortisation (“EBITDA”) multiples from both comparable companies (i.e. trading multiples) and comparable transactions. This methodology was used as a primary valuation methodology for the portfolio assets other than Sun Slots (RF) Proprietary Limited;
- Reviewed certain publicly available information relating to GPL, including company announcements and media articles;

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<sup>1</sup> The portfolio assets consist of Sun Slots (RF) Proprietary Limited, Sunwest International Proprietary Limited, Worcester Casino Proprietary Limited and Ininiti Gaming Africa Group Proprietary Limited

- Compared the 12-month historical share price movement of GPL shares to shares of comparable companies in order to assess the relative trading activities, liquidity and volatility of GPL shares; and
- Considered any further material adjustments to value based on matters arising in the period from the date when forecasts were prepared to the date of this opinion.

(b) Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Transaction:

- Consideration of the rationale for the Mandatory Offer and the benefits thereof to GPL as set out in the circular and based on discussions with members of the GPL Independent Board; and
- Consideration of the VWAP of the GPL shares for the 30 days prior to 8 November 2022 relative to the Mandatory Offer Consideration.

**Section 1.06 Valuation**

KPMG performed a valuation of GPL using a sum of the parts approach to determine whether the Mandatory Offer Consideration represents fair value to GPL shareholders. The DCF valuation methodology was the primary valuation methodology employed on Sun Slots (RF) Proprietary Limited. This was supplemented with the market approach based on the EV to EBITDA multiples of comparable companies to assess the reasonableness of the results of our primary valuation methodology.

The EV to EBITDA methodology valuation methodology was the primary valuation methodology employed for Sunwest International Proprietary Limited, Worcester Casino Proprietary Limited and Infiniti Gaming Africa Group Proprietary Limited.

The valuation was performed taking cognisance of risk and other market and industry factors affecting GPL. Additionally, sensitivity analyses were performed considering key assumptions.

Key value drivers to the valuation included the discount rate, operating margins, maintainable earnings, market discounts and future growth in the business. Prevailing market and industry conditions were also considered in assessing the risk profile of GPL.

In undertaking the primary valuation exercise above, we determined a valuation range of GPL's shares of R3.16 to R3.58 per ordinary share with a most likely value of R3.37 per ordinary share.

The valuation above is provided solely in respect of this fair and reasonable opinion and should not be used for any other purposes.

**Section 1.07 Opinion**

KPMG has considered the terms and conditions of the Transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction are fair to the GPL shareholders.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Transaction are reasonable in the circumstances.

Our opinion is necessarily based upon the information available to us up to 2 December 2022, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

**Section 1.08 Limiting conditions**

This opinion is provided to the GPL Independent Board in connection with and for the purposes of the Transaction for the sole purpose of assisting the GPL Independent Board in forming and expressing an opinion for the benefit of the GPL shareholders. This opinion is prepared solely for the GPL Independent Board for use in the indicated manner and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of GPL shareholders. Should a GPL shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual GPL shareholder's decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances. The assessment as to whether or not the GPL Independent Board decides to recommend the Transaction is a decision that can only be taken by the GPL Independent Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of GPL, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of GPL and/or its portfolio assets relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of GPL and/or its portfolio assets will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of GPL. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of GPL and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Transaction will be legally enforceable.

#### **Section 1.09 Independence, competence and fees**

We confirm that we have no direct or indirect interest in GPL shares or the Transaction. We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion on the Transaction.

Furthermore, we confirm that our professional fees of between R1 075 000 and R1 175 000 (excluding vat and outlays) are not contingent upon the success of the Transaction.

#### **Section 1.10 Consent**

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the shareholders of GPL in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully



#### **Heather Carswell**

Director  
KPMG Services (Proprietary) Limited  
KPMG Crescent  
85 Empire Road  
Parktown  
2193

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**SUMMARISED AUDITED HISTORICAL FINANCIAL INFORMATION OF GPL FOR THE FINANCIAL YEARS ENDED 30 JUNE 2022, 30 JUNE 2021, AND 30 JUNE 2020**

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The summarised audited results for the three financial years ended 30 June 2022, 30 June 2021 and 30 June 2020 of GPL, have been extracted and compiled from the full set of audited annual financial statements for the three financial years ended 30 June 2022, 30 June 2021 and 30 June 2020, which was prepared under the supervision of Jayson October (CA) SA, which are available on the Company's website at <https://www.grandparade.co.za> and at its registered address.

The preparation of the summarised audited results for the three financial years ended 30 June 2022, 30 June 2021 and 30 June 2020 is the responsibility of the GPL Directors.

**Summarised Consolidated Statement of Financial Position at 30 June 2022**

R'000s	2022	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>	1 075 652	2 268 137	2 278 699
Investments in jointly controlled entities	624 485	638 160	612 911
Investments in associates	341 536	351 611	375 608
Investments held at fair value through OCI	14 695	162 619	143 527
Goodwill	–	55 104	55 104
Investment properties	76 500	–	7 599
Property, plant and equipment	1 415	554 815	566 263
Intangible assets	12	20 703	21 952
Right-of-use assets	–	295 964	318 192
Deferred tax assets	3 052	189 161	177 543
Deferred proceeds	13 957	–	–
Assets classified as held for sale	44 650	25 050	43 959
<b>Current assets</b>	198 537	324 507	329 010
Inventory	305	53 934	64 313
Related party receivable	6 032	22 473	22 975
Trade and other receivables	3 959	116 866	122 576
Income tax receivable	1 329	4 002	1 917
Cash and cash equivalents	186 912	127 232	117 229
<b>Total assets</b>	1 318 839	2 617 694	2 651 668
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
<b>Total equity</b>	1 140 901	1 710 243	1 719 347
Ordinary share capital	798 586	798 586	798 586
Treasury shares	(152 790)	(153 079)	(153 962)
Accumulated profit	502 921	1 176 897	1 205 929
Investments held at fair value reserve	(8 638)	(113 028)	(132 120)
Share based payment reserve	822	867	914
Non-controlling-interest	–	(34 612)	(32 980)
<b>Total shareholders' equity</b>	1 140 901	1 675 631	1 686 367
<b>Non-current liabilities</b>	102 303	521 919	575 165
Preference shares	100 000	131 711	183 696
Interest-bearing borrowings	–	10 304	16 703
Lease liabilities	–	365 886	364 682
Provisions	120	10 580	8 377
Deferred tax liabilities	2 183	3 438	1 707
<b>Current liabilities</b>	75 635	420 144	390 136
Preference shares	–	55 260	19 399
Interest-bearing borrowings	35 868	33 061	36 788
Lease liabilities	–	33 444	40 103
Provisions	316	12 996	7 719
Trade and other payables	5 708	172 725	178 824
Dividends payable	21 267	10 129	10 129
Dividend tax payable	12 362	–	888
Income tax payable	114	190	96 286
Bank overdraft	–	102 339	–
<b>Total equity and liabilities</b>	1 318 839	2 617 694	2 651 668

**Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022**

<b>R'000s</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>CONTINUING OPERATIONS</b>			
Revenue	17 527	1 012	1 312 326
Cost of sales	–	–	(709 005)
<b>Gross Profit</b>	17 527	1 012	603 321
Operating costs	(92 020)	(46 621)	(561 601)
<b>Profit from operations</b>	(74 493)	(45 609)	41 720
Profit from equity-accounted investments	107 905	73 253	69 395
Expected credit loss	(50 820)	–	(2 906)
Loss on sale of investment	–	–	(9 050)
Impairment of assets	–	–	(10 799)
Impairment of Goodwill	–	–	(38 598)
Depreciation	–	–	(95 016)
Amortisation	–	–	(6 814)
Finance income	4 297	2 927	5 343
Finance costs	(11 663)	(18 252)	(76 988)
<b>(Loss)/profit before taxation</b>	(24 774)	12 319	(123 713)
Taxation	(576)	1 443	11 903
<b>(Loss)/profit for the year from continuing operations</b>	(25 350)	13 762	(111 810)
<b>DISCONTINUED OPERATIONS</b>			
Profit/(loss) for the year from discontinued operations	13 773	(44 387)	(14 697)
<b>Loss for the year</b>	(11 577)	(30 625)	(126 507)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>	3 172	19 092	(13 686)
Realised fair value adjustments on investments held at fair value through OCI	2 242	–	26 525
Unrealised fair value adjustments on investments held at fair value through OCI	930	19 092	(40 211)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	(8 405)	(11 533)	(140 193)
Weighted average number of ordinary shares in issue	429 977	429 502	426 920
Weighted average number of diluted ordinary shares in issue	429 977	429 502	427 074
Basic earnings per ordinary share (cents)	(2.73)	(6.75)	(28.93)
Diluted basic earnings per ordinary share (cents)	(2.73)	(6.75)	(28.92)
Headline earnings per ordinary share (cents)	(3.20)	(6.29)	(14.44)
Diluted headline earnings per ordinary share (cents)	(3.20)	(6.29)	(14.44)

## Summarised consolidated statement of changes in equity for the year ended 30 June 2022

	Ordinary share capital	Treasury shares	Accumulated profits	Financial asset fair value reserve	Share based payment reserve	Non- controlling interest	Total equity
<b>R'000s</b>							
<b>Balance at 30 June 2019</b>	<b>798 586</b>	<b>(166 286)</b>	<b>1 401 781</b>	<b>(154 229)</b>	<b>2 085</b>	<b>(30 000)</b>	<b>1 851 937</b>
IFRS 16 transition adjustment	-	-	(33 879)	-	-	-	(33 879)
Total comprehensive loss for the year	-	-	(123 527)	(13 686)	-	(2 980)	(140 193)
- Loss for the year from continuing operations	-	-	(108 830)	-	-	(2 980)	(111 810)
- Loss for the year from discontinued operations	-	-	(14 697)	-	-	-	(14 697)
- Other comprehensive loss	-	-	-	(13 686)	-	-	(13 686)
Treasury shares allocated to employees	-	12 324	(4 464)	-	(1 791)	-	6 069
Share-based payment reserve expense	-	-	-	-	2 433	-	2 433
Share options lapsed	-	-	1 813	-	(1 813)	-	-
Disposal of Atlas Gaming Holdings	-	-	(1 493)	1 493	-	-	-
Disposal of Spur	-	-	(34 302)	34 302	-	-	-
<b>Balance at 30 June 2020</b>	<b>798 586</b>	<b>(153 962)</b>	<b>1 205 929</b>	<b>(132 120)</b>	<b>914</b>	<b>(32 980)</b>	<b>1 686 367</b>
Total comprehensive (loss)/income for the year	-	-	(28 993)	19 092	-	(1 632)	(11 533)
- Loss for the year from continuing operations	-	-	(28 993)	-	-	(1 632)	(30 625)
- Loss for the year from discontinued operations	-	-	-	-	-	-	-
- Other comprehensive loss	-	-	-	19 092	-	-	19 092
Treasury shares allocated to employees	-	883	(814)	-	(70)	-	(1)
Share based payment reserve expense	-	-	-	-	748	-	748
Share options lapsed	-	-	775	-	(725)	-	50
<b>Balance at 30 June 2021</b>	<b>798 586</b>	<b>(153 079)</b>	<b>1 176 897</b>	<b>(113 028)</b>	<b>867</b>	<b>(34 612)</b>	<b>1 675 631</b>
Total comprehensive (loss)/income for the year	-	-	(11 577)	3 172	-	-	(8 405)
- Loss for the year from continuing operations	-	-	(25 350)	-	-	-	(25 350)
- Profit for the year from discontinued operations	-	-	13 773	-	-	-	13 773
- Other comprehensive loss	-	-	-	3 172	-	-	3 172
Dividends declared	-	-	-	-	-	-	-
Realised fair value adjustments on investments held at fair value through OCI	-	-	(101 218)	101 218	-	-	-
Increase in BKSA investment	-	-	(16 725)	-	-	16 725	-
Dividends paid	-	-	(544 212)	-	-	-	(544 212)
Ordinary dividend paid	-	-	(393 412)	-	-	-	(393 412)
Dividend <i>in specie</i>	-	-	(150 800)	-	-	-	(150 800)
Treasury shares allocated to employees	-	289	(244)	-	(45)	-	-
Derecognition of BKSA non-controlling interest	-	-	-	-	-	17 887	17 887
<b>Balance at 30 June 2022</b>	<b>798 586</b>	<b>(152 790)</b>	<b>502 921</b>	<b>(8 638)</b>	<b>822</b>	<b>-</b>	<b>1 140 901</b>

**Summarised consolidated statement of cash flows for the year ended 30 June 2022**

<b>R'000s</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>			
Net cash utilised by operations	(16 175)	(20 933)	40 933
Income tax paid	(262)	–	5 511
Finance income received	4 297	2 927	5 375
Cash inflow from discontinued operations	73 082	93 542	–
<b>Net cash inflow from operating activities</b>	<b>60 942</b>	<b>75 536</b>	<b>51 819</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of BKSA and GFMP investments	477 393	–	–
Proceeds from disposal of investment property	–	32 000	–
Acquisition of property, plant and equipment	–	–	(85 671)
Acquisition of intangible	–	–	(6 380)
Disposal of subsidiary	–	–	(1 231)
Proceeds from disposal of property, plant and equipment and intangible assets	–	–	3 670
Proceeds from disposal of non-current assets-held-for-sale	–	–	3 847
Consideration received from the disposal of investments	–	–	260 354
Dividends received	142 384	72 001	112 922
Cash outflow from discontinued operations	(37 123)	(50 235)	–
<b>Net cash inflow from investing activities</b>	<b>582 654</b>	<b>53 766</b>	<b>287 511</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(369 912)	–	(276)
Proceeds from employees on settlement of share awards	–	–	6 069
Employee loans	17 683	–	–
Preference share redemption	(184 988)	(16 002)	(228 338)
Preference share issued	100 000	–	–
Bridging facility raised	100 000	–	–
Bridging facility repaid	(100 000)	–	–
Repayment of Interest-bearing loans	(7 500)	(10 996)	(7 500)
Repayment of lease liabilities	–	–	(29 207)
Related party loans	2 500	–	–
Finance costs	(11 663)	(18 252)	(131 593)
Cash (outflow/inflow) from discontinued operations	(130 036)	22 237	–
<b>Net cash outflow from financing activities</b>	<b>(583 916)</b>	<b>(23 013)</b>	<b>(390 845)</b>
<b>Net increase in cash and cash equivalents</b>	<b>59 680</b>	<b>106 289</b>	<b>(51 515)</b>
Cash and cash equivalents at the beginning of the year	127 232	20 943	72 458
Total cash and cash equivalents at the end of the year	186 912	127 232	20 943



## Segment Analysis for the year ended 30 June 2022

<b>R'000s</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Segmental revenue</b>			
Spur	10 729	–	14 086
GPI Properties	6 798	821	316
Mac Brothers			125 605
Grand Foods Meat Plant			142 241
Burger King			1 028 976
Central Cost		191	1 102
	<b>17 527</b>	<b>1 012</b>	<b>1 312 326</b>
<b>Operating costs</b>			
GPI Properties	(10 137)	4 643	1 248
Central costs	(52 291)	(48 565)	(48 292)
Mac Brothers			(53 019)
Grand Foods Meat Plant			(11 674)
Burger King			(449 650)
Dunkin Donuts			(3 567)
Baskin Robbins			(1 701)
Bakery			(1 729)
Spur			(212)
	<b>(62 428)</b>	<b>(43 922)</b>	<b>(568 596)</b>
<b>Equity accounted earnings</b>			
SunWest	39 175	25 250	39 869
Sun Slots	65 831	45 157	31 255
Worcester Casino	2 248	1 276	(90)
Infinity Gaming Africa	651	1 570	(1 639)
	<b>107 905</b>	<b>73 253</b>	<b>69 395</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>			
Spur	9 265	(73)	13 874
GPI Properties	(3 125)	5 464	1 564
Central costs	(52 585)	(48 374)	(47 190)
SunWest	39 175	25 250	39 869
Sun Slots	65 831	45 157	31 255
Worcester Casino	2 248	1 276	(90)
Infinity Gaming Africa	651	1 570	(1 639)
Mac Brothers			(24 961)
Grand Foods Meat Plant			1 484
Burger King			96 951
Dunkin Donuts			(3 567)
Baskin Robbins			(1 701)
Bakery			(1 729)
	<b>61 460</b>	<b>30 270</b>	<b>104 120</b>

<b>R'000s</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Net profit/(loss) after tax</b>			
Spur	9 280	(73)	7 106
GPI Properties	(21 748)	6 914	(2 290)
Central costs	(120 787)	(62 969)	(72 568)
SunWest	39 175	25 250	39 869
Sun Slots	65 831	45 157	31 255
Worcester Casino	2 248	1 276	(90)
Infinity Gaming Africa	651	1 570	(1 639)
Mac Brothers			(83 168)
Grand Foods Meat Plant			(846)
Burger King			(29 549)
Dunkin Donuts			(4 047)
Baskin Robbins			(1 627)
Bakery			(9 023)
	<b>(25 350)</b>	<b>17 125</b>	<b>(126 507)</b>
<b>Segment Assets and liabilities</b>			
<b>Segment Assets</b>			
Spur	–	162 709	143 648
GPI Properties	131 187	158 105	169 933
Central costs	221 631	156 768	90 380
SunWest	624 485	638 160	612 911
Sun Slots	316 083	325 252	352 095
Worcester Casino	23 200	24 758	23 482
Infinity Gaming Africa	2 252	1 601	31
Mac Brothers			127 844
Grand Foods Meat Plant			55 537
Burger King			1 065 000
Dunkin Donuts			4 379
Baskin Robbins			474
Bakery			5 954
	<b>1 318 838</b>	<b>1 467 353</b>	<b>2 651 668</b>
<b>Segment liabilities</b>			
Spur		(254)	(109)
GPI Properties	(41 714)	(64 101)	(77 917)
Central costs	(136 045)	(207 364)	(136 271)
Mac Brothers			(112 726)
Grand Foods Meat Plant			(25 398)
Burger King			(610 245)
Dunkin Donuts			(1 501)
Baskin Robbins			(537)
Bakery			(597)
	<b>(177 759)</b>	<b>(271 719)</b>	<b>(965 301)</b>

## TRADING HISTORY OF GPL SHARES ON THE JSE

Set out below is a table showing the aggregate volumes and values traded, closing price and the highest and lowest prices traded in GPL shares for:

- each month over the 12 months preceding the Last Practicable Date prior to the issue of this Circular; and
- each day over the 30 days preceding the Last Practicable Date and prior to the issue of this Circular.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value Traded (R)	Volume Weighted Average Price ("VWAP") (cents)
30 November 2022	355	311	355	170 205 793	584 708 570	344
31 October 2022	341	250	341	154 376 152	509 390 184	330
30 September 2022	300	255	300	2 577 013	7 349 806	285
31 August 2022	275	218	275	4 419 177	11 539 850	261
31 July 2022	247	185	247	4 654 315	10 220 179	220
30 June 2022	264	180	264	5 938 522	13 609 840	229
31 May 2022	265	246	265	1 840 567	4 716 638	256
30 April 2022	268	246	268	3 203 089	8 214 782	256
31 March 2022	279	240	279	5 205 832	13 534 662	260
28 February 2022	280	214	280	5 317 800	14 324 156	269
31 January 2022	300	260	300	1 773 986	4 816 109	271
31 December 2021	290	255	290	6 300 764	17 149 479	272
<b>Daily</b>						
<b>2022/12/02</b>	326	348	326	10 784	36 422	338
<b>2022/12/01</b>	326	326	326	27 100	88 346	326
<b>2022/11/30</b>	337	337	323	61 622 956	205 202 775	333
<b>2022/11/29</b>	350	359	345	58 528	205 650	351
<b>2022/11/28</b>	342	349	342	8 000	27 476	343
<b>2022/11/25</b>	342	354	340	7 019 219	24 567 484	350
<b>2022/11/24</b>	355	356	340	60 700	208 920	344
<b>2022/11/23</b>	340	341	340	8 500	28 901	340
<b>2022/11/22</b>	350	350	340	79 948	272 951	341
<b>2022/11/21</b>	347	348	342	107 586	373 673	347
<b>2022/11/18</b>	337	340	335	36 640 018	128 239 475	350
<b>2022/11/17</b>	340	340	335	929 155	3 157 564	340
<b>2022/11/16</b>	339	340	335	71 316	240 204	337
<b>2022/11/15</b>	348	349	341	50 096	171 348	342
<b>2022/11/14</b>	342	360	340	321 066	1 109 787	346
<b>2022/11/11</b>	351	361	335	12 224 294	42 768 859	350
<b>2022/11/10</b>	337	340	311	725 436	2 452 526	338
<b>2022/11/09</b>	333	340	320	49 461 410	172 986 461	350
<b>2022/11/08</b>	330	335	321	344 451	1 136 339	330
<b>2022/11/07</b>	334	334	320	65 533	210 758	322
<b>2022/11/04</b>	330	330	317	283 938	935 895	330
<b>2022/11/03</b>	319	319	319	4 028	12 849	319
<b>2022/11/02</b>	322	322	322	34 270	110 349	322
<b>2022/11/01</b>	322	341	317	85 345	288 326	338
<b>2022/10/31</b>	341	341	330	4 190 008	14 078 285	336
<b>2022/10/28</b>	340	340	315	3 749 783	12 373 097	330
<b>2022/10/27</b>	330	330	313	5 815 100	19 189 663	330
<b>2022/10/26</b>	310	325	310	1 663 857	5 346 301	321
<b>2022/10/25</b>	313	320	311	2 192 272	7 014 151	320
<b>2022/10/24</b>	320	330	310	1 627 300	5 283 698	325



**GRAND PARADE**

INVESTMENTS LIMITED

**Grand Parade Investments Limited**

(Registration number: 1997/003548/06)  
(Incorporated in the Republic South Africa)  
JSE share code: GPL  
ISIN: ZAE000119814  
("GPL" or "the Company")



**Gmb Liquidity Corporation Proprietary Limited**

(Registration number 2022/587629/07)  
(Incorporated in the Republic South Africa)  
("GMB" or the "Offeror")

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## **FORM OF ACCEPTANCE, SURRENDER, AND TRANSFER**

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The definitions and interpretations commencing on page 11 of the Circular to GPL Shareholders dated 15 December 2022 ("**Circular**") to which this form of acceptance, surrender and transfer ("**Form**") is attached, apply throughout this Form, unless otherwise defined in this Form or the context clearly indicates otherwise.

### **FOR USE BY CERTIFICATED SHAREHOLDERS ONLY**

This Form is only applicable to GPL Shareholders holding Certificated Shares who wish to accept the Offer as set out in the Circular. This form is **NOT** to be used by Dematerialised Shareholders who are required to instruct their CSDP or Broker if they wish to accept the Offer in accordance with the terms of their agreement with their CSDP or Broker.

Each GPL Shareholder, upon completion of this Form confirms that, if subject to the laws of any jurisdiction outside of South Africa, it has observed the laws of such jurisdiction, obtained any requisite governmental or other consents, complied with all formalities needed and to be observed, paid all issue, transfer and other taxes or duties due in such jurisdiction in connection with such acceptance and has not taken any action that would or may result in the Offeror being in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or such Shareholder's acceptance thereof.

## NOTES AND INSTRUCTIONS

1. Persons who have acquired GPL Shares after the issue of the Circular, can obtain copies of the Circular and this Form from the Transfer Secretaries at the address given overleaf.
2. Part A must be completed by all GPL Shareholders holding their own GPL Share certificates who wish to accept the Offer.
3. Section 1 of Part B must be completed by all GPL Shareholders holding their own GPL Share certificates who are Emigrants and such GPL Shareholders are referred to paragraph 7.3 of the Circular in this regard.
4. Section 2 of Part B must be completed by all other GPL Shareholders holding their own GPL Share certificates who are non-residents of the Common Monetary Area and who are not required to complete section 1 and are referred to paragraph 7.4 of the Circular in this regard.
5. No receipts will be issued for Documents of Title lodged unless specifically requested to do so. Lodging agents are requested to prepare special transaction receipts, if required.
6. If you are in any doubt as to how to complete this Form, please consult your Broker, banker, attorney, accountant, or other professional adviser immediately.
7. This form must be returned to the Transfer Secretaries together with your GPL Share certificates or other Documents of Title, so as to be received prior to 12:00 on the Closing Date. If your Documents of Title have been lost or destroyed, you should nevertheless return this Form, together with a duly executed indemnity provided by the Transfer Secretaries. The Offeror may, in its sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Documents of Title have been lost or destroyed and upon provision of a suitable indemnity. Unless otherwise agreed by the Offeror, only indemnity forms obtained from the Transfer Secretaries (available on request) will be regarded as suitable.
8. Signatories of this Form may be called upon for evidence of their authority or capacity to sign this Form.
9. Any alteration to this Form must be signed in full and not initialled. Any alteration may be rejected by the Offeror.
10. If this Form is signed under a power of attorney, then such power of attorney, or a notarial certified copy hereof must be sent with this Form for noting, unless it has already been noted by the Transfer Secretaries.
11. Where a GPL Shareholder holding its own GPL Share certificate is a company or a close corporation or other juristic person, a certified copy of the directors' or members' or other resolution authorising the signing of this Form must be submitted together with this Form, unless it has already been registered with the Transfer Secretaries.
12. Where GPL Shares are jointly held, this Form must be signed by all joint holders; however, the Offeror shall be entitled, in its absolute discretion, to accept signature only of that holder whose name stands first in the Register in respect of such GPL Shares.
13. The Offer Consideration due to a non-resident GPL Shareholder who is an Emigrant will be sent to the Authorised Dealer in foreign exchange controlling such non-resident GPL Shareholder's blocked assets in terms of the Exchange Control Regulations and such GPL Shareholders are referred to paragraph 7 of the Circular in this regard.
14. GPL Shareholders are advised to consult their professional advisers about the tax implications regarding the acceptance of the Offer and receipt of the Offer Consideration.
15. GPL Shareholders are referred to the Circular for the further terms and conditions applicable to the Offer and its acceptance, which Circular must be read in its entirety to properly consider the Offer.
16. In the event of any conflict between this Form and the Circular, the Circular shall prevail.

### The Transfer Secretaries

#### **By hand**

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196

#### **By post**

Computershare Investor Services Proprietary Limited  
Computershare Investor Services  
Proprietary Limited  
Private Bag X3000,  
Saxonwold, 2132

#### **By electronic mail:**

Computershare Investor Services Proprietary Limited  
corporate.events@computershare.co.za

Dear Sirs,

### **Acceptance of the Offer**

I/We hereby irrevocably accept the Offer on the terms and conditions set out in the Circular in respect of (\*) \_\_\_\_\_ GPL Shares, held by me/us ("**Subject Shares**") and surrender and enclose the share certificates, certified transfer deeds and/or other Documents of Title, in respect of my/our holding of the Subject Shares. (\* *Insert the number of GPL Shares that the GPL Shareholder wishes to sell to the Offeror in terms of the Offer.*)

I/We hereby instruct the Transfer Secretaries to register transfer of such GPL Shares to the Offeror. I/We hereby appoint any one of the directors of the Offeror and/or the Transfer Secretaries acting on his/her own as my attorney and agent with full power and authority on my behalf (*in rem suam*) to sign all documents and do all such acts as may be necessary or desirable for the purpose of transferring the Subject Shares to the Offeror pursuant to my/our acceptance of the Offer.

**PART A****To be completed by all Certificated Shareholders who wish to accept the Offer**

Surname/Name of corporate body \_\_\_\_\_

First names (in full, if applicable) \_\_\_\_\_

Title (Mr, Mrs, Miss, Ms, etc.) \_\_\_\_\_

<b>Name of account holder (must be the same as the shareholder)</b>	
<b>Banking details (name of bank, branch, branch code, account number) NB: No third party account</b>	
Contact person:	
Contact telephone number: (    )	

The Offer Consideration will be settled in accordance with the provisions of paragraph 6.12 of the Circular.

In order to comply with Financial Intelligence Centre Act requirements, the Transfer Secretaries will be unable to record any changes of address or payment mandates unless a certified true copy of the under mentioned documentation is received from the relevant Shareholder:

- (i) a copy of an identification document (in respect of change of address and payment mandate);
- (ii) a copy of a bank statement (in respect of bank mandate);
- (iii) an original certified copy of a document issued by the South African Revenue Service to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths (in respect of change of address and payment mandate); and
- (iv) an original or an original certified copy of a services bill to verify your residential address (in respect of a change of address mandate).

I/We hereby accept the Offer upon the terms and conditions as set out in the Circular, and I/we surrender and enclose, in accordance with such terms and conditions, the share certificates, certified transfer deeds and/or other Documents of Title, details in respect of which are set out in the table below, in respect of my/our holding of GPL Shares:

<b>Name of the registered holder (separate form for each holder)</b>	<b>Certificate number(s) (in numerical sequence)</b>	<b>Number of Shares</b>
<b>Total</b>		

I/We acknowledge that if the information set out above is incorrect or incomplete in any way, it will nevertheless irrevocably be deemed to indicate acceptance of the Offer in respect of my/our entire holding of Shares.

I/We acknowledge that this Form must be lodged, together with the relevant Documents of Title, prior to the Closing Date.

\_\_\_\_\_  
Signature of GPL Shareholder

**PART B**

1. **To be completed only by GPL Shareholders who are Emigrants (see notes 3 and 13 above and paragraph 7.3 of the Circular)**

Name and address of Authorised Dealer in South Africa \_\_\_\_\_

Blocked Rand account number \_\_\_\_\_

2. **To be completed by all GPL Shareholders who are non-residents of the Common Monetary Area, other than those required to complete 1 above (see note 4 above and paragraph 7.4 of the Circular).**

The Offer Consideration will be settled to the nominated Authorised Dealer and it will be incumbent on the GPL Shareholder concerned to instruct the nominated Authorised Dealer(s) as to the disposal of the amount concerned.

Name and address of Authorised Dealer in South Africa \_\_\_\_\_

Non-resident Rand account number \_\_\_\_\_

Substitute address in South Africa \_\_\_\_\_

3. If no nomination is made in terms of 1 and 2 above, the Offer Consideration will be held in trust in accordance with paragraph 7 of the Circular.

<b>Signature of or on behalf of GPL Shareholder</b>	<b>Stamp and address of agent lodging this form (if any)</b>
Name: (who warrants that he/she is duly authorised)	
Capacity:	
Assisted by me (if applicable): (State full name and capacity of assistance)	
Date:	





