

AFRICAN PHOENIX INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1946/021193/06)

("African Phoenix" or "the Company")

ZARCLEAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2000/013674/06)

("Zarclear")

POSTING OF MANDATORY OFFER CIRCULAR AND SALIENT DATES AND TIMES IN RESPECT OF THE MANDATORY OFFER

INTRODUCTION AND POSTING OF MANDATORY OFFER CIRCULAR

African Phoenix shareholders are referred to the joint firm intention announcement released by African Phoenix and Zarclear on 11 May 2023 wherein African Phoenix shareholders were advised that:

- the Takeover Regulation Panel (the "**TRP**") has agreed to settle its investigation (the "**Settlement**") into certain affected transactions involving African Phoenix, eXtract Group Limited, enX Group Limited and Zarclear and others (the "**Investigated Parties**"); and
- pursuant to the terms of the Settlement, Zarclear, together with the parties acting in concert with Zarclear, being Peresec Prime Brokers Proprietary Limited, Hampden Capital Proprietary Limited and Oyama Andrew Mabandla (the "**Offerors**") are required to make a mandatory offer to African Phoenix shareholders to purchase their shares at an offer price of 51 cents per share in terms of section 123 of the Companies Act, 71 of 2008 (the "**Companies Act**") and the Takeover Regulations promulgated thereunder (the "**Mandatory Offer**").

African Phoenix and Zarclear have on Tuesday, 4 July 2023 distributed a combined offeror and offeree response circular (the "**Circular**") in respect of the Mandatory Offer to African Phoenix shareholders.

The Circular details, *inter alia*, the terms and conditions of the Mandatory Offer and the manner in which the Mandatory Offer will be implemented. Copies of the Circular are available on African Phoenix's website at www.phoenixinvestments.co.za. The Circular and may also be requested from the company secretary at cosec@phoenixinvestments.co.za.

SALIENT TERMS OF THE MANDATORY OFFER

The Offerors have made a Mandatory Offer to acquire from African Phoenix shareholders all the African Phoenix shares in respect of which they receive valid acceptances for an offer consideration of 51 cents per African Phoenix share, being the offer consideration agreed with the TRP in terms of the Settlement.

The Mandatory Offer will open at 09:00 on Wednesday, 5 July 2023 and will remain open until 12:00 on Monday, 21 August 2023. Shareholders who wish to accept the Mandatory Offer are required to complete the form of acceptance attached to the Circular. Detailed instructions of how to accept the Mandatory Offer can be found in the Circular.

SALIENT DATES AND TIMES

The salient dates and times in respect of the Mandatory Offer are set out below:

	2023
Record date to determine which African Phoenix shareholders are entitled to receive the Circular	Friday, 23 June
Circular together with the accompanying ancillary documents posted to African Phoenix shareholders on	Tuesday, 4 July
Mandatory Offer opens at 09:00	Wednesday, 5 July
Announcement relating to the issue of the Circular published in the press on	Wednesday, 5 July
Request for a TRP compliance certificate in terms of section 119(4)(b) of the Companies Act and Regulation 102(13) of the Takeover Regulations	Monday, 14 August
Expected date of receipt of TRP compliance certificate	Wednesday, 16 August
Record date on which African Phoenix shareholders must hold African Phoenix shares in order to accept the Mandatory Offer	Monday, 21 August
Mandatory Offer closes at 12:00 on	Monday, 21 August
Results of the Mandatory Offer announced	Tuesday, 22 August
Mandatory Offer consideration paid to offer participants	Tuesday, 22 August
Results of the Mandatory Offer published in the press	Wednesday, 23 August

Notes:

1. All dates and times above are local times in South Africa and may be changed by African Phoenix (subject to the approval of the TRP, if required).
2. The Mandatory Offer must remain open for at least 30 business days after the opening date.
3. Acceptance of the Mandatory Offer will be irrevocable.
4. Certificated shareholders who accept the Mandatory Offer will have the offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the mandatory offer payment date, being within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries, unless such forms of acceptance and documents of title are delivered on the closing date, in which case the offer consideration will be paid on the first business day following the offer record date.

PROPOSED SCHEME OF ARRANGEMENT

Whilst in no way impacting on the Mandatory Offer, African Phoenix shareholders are informed that the board of directors of African Phoenix intends to seek shareholder approval to implement a scheme of arrangement (the “**Scheme**”) to effect (i) a 10 000 000 to 1 share consolidation; (ii) an offer to shareholders holding less than an integer of 10 000 000 shares (the “**Share Consolidation Minimum Threshold**”) to subscribe for additional shares at a price of 90 cents per African Phoenix share (being African Phoenix’s net asset value per share at 30 June 2022); (iii) a cash repurchase of shares below the Share Consolidation Minimum Threshold at a price of 95 cents per share (being a 5.6% premium to the African Phoenix net asset value per share at 30 June 2022; and (iv) the conversion of African Phoenix to a private company.

For the avoidance of doubt, the Scheme is separate to the Mandatory Offer and implementation of the Scheme will be conditional on, *inter alia*, the closing of the Mandatory Offer in accordance with its terms.

The Scheme will be implemented shortly after the closing of the Mandatory Offer, subject to the Scheme becoming unconditional in accordance with its terms. Shareholders are referred to the scheme of

arrangement circular published concurrently with the Circular for further details. The scheme of arrangement circular is available on African Phoenix's website at www.phoenixinvestments.co.za.

OPINIONS AND RECOMMENDATIONS OF THE INDEPENDENT BOARD

The independent board of African Phoenix, comprising Graeme Tarr, Ayanda Vabaza-Mvandaba and Thomas Bemelman (the "**Independent Board**") appointed Nodus Capital TS Proprietary Limited ("**Nodus**") to provide the Independent Board with its opinion as to whether the terms of the Mandatory Offer are fair and reasonable to African Phoenix shareholders, in accordance with the requirements of the Takeover Regulations.

Nodus has delivered to the Independent Board its opinion that, as at the date of issue of its opinion, the Mandatory Offer is unfair and unreasonable to African Phoenix shareholders.

The Independent Board, having considered the terms of the Mandatory Offer and, *inter alia*, the opinion of Nodus, is of the view that the Mandatory Offer is unfair and unreasonable to African Phoenix shareholders.

The Independent Board also considered the Mandatory Offer and offer consideration in relation to the Scheme. In light of the Scheme, the view of the Independent Board is that shareholders should not accept the Mandatory Offer and should instead vote in favour of the Scheme.

Shareholders are referred to the Circular and the scheme of arrangement circular for further details of the opinions and the views of the Independent Board on the Mandatory Offer and Scheme.

RESPONSIBILITY STATEMENTS

The Offerors accept responsibility for the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything that is likely to affect the import of such information.

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

4 July 2023

Corporate advisor



Legal advisor

