

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 11 of this Scheme Circular apply throughout this Scheme Circular, including this front cover.

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

Action required:

1. This Scheme Circular is important and should be read with particular attention to the section entitled “*Action required by Shareholders*”, which commences on page 5.
2. If you have disposed of all your Sabvest Shares, this Scheme Circular should be handed to the purchaser of such Sabvest Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

Sabvest 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 Sabvest Shares to notify such beneficial owner of the Proposed Restructure set out in this Scheme Circular.



SABVEST
LIMITED

SABVEST LIMITED

Incorporated in the Republic of South Africa

Registration number 1987/003753/06

Share code: SBV – ordinary shares (ISIN: ZAE000006417)

Share code: SVN – N ordinary shares (ISIN: ZAE000012043)

(“**Sabvest**” or “the **Company**”)

CIRCULAR TO SHAREHOLDERS

Reporting accountants

Deloitte.

Legal advisors



Independent Expert

IBDO

Transaction advisors

APEX
PARTNERS

Mechant bank and sponsor



Relating to:

The Proposed Restructure of Sabvest's current dual share capital structure, to be implemented in terms of the following indivisible components:

- a newly incorporated company Sabcap was formed, the authorised share capital of which comprises Sabcap Ordinary Shares as well as one Z Share;
- the issue of the Z Share to SFT in order to preserve SFT's control post-implementation of the Proposed Restructure;
- a scheme of arrangement to be proposed by the Board (on recommendation of the Independent Board) between Sabvest and Sabvest Shareholders, in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) whereby, if implemented, Sabcap will acquire all the Sabvest Shares held by Scheme Participants in exchange for the Scheme Consideration;

- **the subsequent delisting of all Sabvest Shares from the Main Board of the JSE; and**
- **the listing of Sabcap Ordinary Shares on the Main Board of the JSE.**

and incorporating:

- **a report prepared by the Independent Expert in terms of section 114(3) of the Companies Act (read with Regulation 90 of the Companies Regulations);**
- **extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions and section 164 of the Companies Act dealing with dissenting shareholders' appraisal rights attached as Annexure 5;**
- **a notice of N Ordinary Shareholder Class Meeting;**
- **a notice of Ordinary Shareholder Class Meeting;**
- **a notice of Scheme Meeting;**
- **a Form of Proxy (*grey*) in respect of the N Ordinary Shareholder Class Meeting for use by Certificated N Ordinary Shareholders and "Own Name" Dematerialised N Ordinary Shareholders only;**
- **a Form of Proxy (*green*) in respect of the Ordinary Shareholder Class Meeting for use by Certificated Ordinary Shareholders and "Own Name" Dematerialised Ordinary Shareholders only;**
- **a Form of Proxy (*blue*) in respect of the Scheme Meeting for use by Certificated Shareholders and "Own-Name" Dematerialised Shareholders only; and**
- **a Form of Surrender and Transfer (*pink*) for use by Certificated Shareholders only;**

and accompanied by:

- **a Prospectus in respect of Sabcap prepared in compliance with the Companies Act and the Listings Requirements.**

CORPORATE INFORMATION AND ADVISORS

Company secretary

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Aloe Grove, Houghton Estate Office Park
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Independent expert

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Sabvest registered office

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Legal advisors

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Transfer Secretaries

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Rosebank, 2196
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Reporting accountants

Deloitte & Touche
Deloitte Place
The Woodlands
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Woodmead
Sandton, 2196
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Transaction advisors

Apex Partners Holdings Proprietary Limited
(Registration number 2011/00794/07)
Ground Floor, Building 4
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Sandhurst, Sandton, 2191
(Private Bag X9976, Sandton, 2146)

Merchant bank and sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
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Sandton, 2196
(PO Box 78673, Sandton, 2146)

Date of incorporation

11 August 1987

Place of Incorporation

Republic of South Africa

This Scheme Circular is available in English only. A copy of the Scheme Circular will be made available for inspection by Sabvest Shareholders during normal office hours from 08:00 to 17:00 from the date of posting of this Scheme Circular on Friday, 28 February 2020 up to and including the date of the Scheme Meetings on Friday, 27 March 2020, at the registered offices of the Company. The Scheme Circular will also be made available on the Company's website, www.sabvest.com.

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IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 11 of this Scheme Circular have been used in this “Important Legal Notices” section.

APPLICABLE LAWS

The release, publication or distribution of this Scheme Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Scheme Circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This Scheme Circular does not constitute the solicitation of an offer to purchase or subscribe for shares or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful.

The Scheme, which, amongst other things, is the subject of this Scheme Circular, may be affected by the laws of the relevant jurisdictions of Non-resident Shareholders. Such Non-resident Shareholders should familiarise themselves with and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Non-resident Shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, which, amongst other things, is the subject of this Scheme Circular, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due to such jurisdiction.

The Scheme is governed by the law of South Africa and is subject to any applicable laws and regulations, including the Companies Act and the Companies Regulations.

Any Sabvest Shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

This Scheme Circular contains statements about Sabvest 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; 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 expenditure, acquisition strategy, and expansion prospects for future capital expenditure levels and other economic factors, such as, amongst other things, 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. Sabvest cautions 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 Sabvest operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Scheme Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Sabvest made by Sabvest as communicated in publicly available documents issued by Sabvest, all of which estimates and assumptions, although Sabvest 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 to Sabvest or not currently considered material by Sabvest.

Sabvest Shareholders should keep in mind that any forward-looking statement made in this Scheme 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 Sabvest 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. Sabvest has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Scheme Circular after the date of issue of this Scheme Circular, except as may be required by law.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 11 of this Scheme Circular have been used in this “Action Required by Shareholders” section.

This Scheme Circular is important and requires your immediate attention. The action you need to take is set out below.

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

If you have disposed of your Sabvest Shares on or before Friday, 21 February 2020, this Scheme Circular, together with the attached Form of Proxy (*grey* in the case of the Form of Proxy for the N Ordinary Shareholder Class Meeting, *green* in the case of the Form of Proxy for the Ordinary Shareholder Class Meeting, *blue* in the case of the Form of Proxy for the Scheme Meeting), should be handed to the purchaser of such Sabvest Shares or to the Broker or other agent who disposed of your Sabvest Shares for you.

1. THE CLASS MEETINGS

(a) N Ordinary Shareholder Class Meeting:

The class meeting of N Ordinary Shareholders will be held at 10:00 in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, or any other adjourned or postponed date and time, to be convened in connection with the Proposed Restructure for the purposes of considering and, if deemed fit, approving, without modification, the requisite resolutions as contained in the notice of N Ordinary Shareholder Class Meeting attached to and forming part of this Scheme Circular.

(b) Ordinary Shareholder Class Meeting:

The class meeting of Ordinary Shareholders will be held at 10:30 (or so soon thereafter as the N Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, or any other adjourned or postponed date and time, to be convened in connection with the Proposed Restructure for the purposes of considering and, if deemed fit, approving, without modification, the requisite resolutions as contained in the notice of Ordinary Shareholder Class Meeting attached to and forming part of this Scheme Circular.

2. THE SCHEME MEETING

The Scheme Meeting will be held at 11:00 (or so soon thereafter as the Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, or any other adjourned or postponed date and time, to be convened in connection with the Scheme for the purposes of considering and, if deemed fit, approving, without modification, the requisite resolutions as contained in the notice of Scheme Meeting attached to and forming part of this Scheme Circular.

3. ELECTRONIC PARTICIPATION IN THE CLASS MEETINGS AND THE SCHEME MEETING

In terms of section 61(10) of the Companies Act, Sabvest Shareholders or their proxies may participate in (but not vote at) the Class Meetings and Scheme Meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary of Sabvest by email at wendy@lkg.co.za by no later than 10:00 on Wednesday, 25 March 2020 in order to obtain a pin and dial-in details for the teleconference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Class Meetings and Scheme Meeting.

4. QUORUM AND VOTING PROCEDURE

(a) At the N Ordinary Shareholder Class Meeting:

- (i) The N Ordinary Shareholder Class Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the N Ordinary Shareholder Class Meeting to exercise, in aggregate, at least 51% of all the voting rights that are entitled to be exercised in respect of

at least one matter to be decided at the N Ordinary Shareholder Class Meeting. A matter to be decided at the N Ordinary Shareholder Class Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 51% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three N Ordinary Shareholders being personally present or represented by proxy (and if the N Ordinary Shareholder is a body corporate, it must be represented) and entitled to vote at the N Ordinary Shareholder Meeting on matters to be decided by N Ordinary Shareholders.

- (ii) All resolutions put to the vote shall be decided by way of a poll. Every N Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have one vote for each N Ordinary Share held by it.
- (b) At the Ordinary Shareholder Class Meeting:
 - (i) The Ordinary Shareholder Class Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the Ordinary Shareholder Class Meeting to exercise, in aggregate, at least 30% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Ordinary Shareholder Class Meeting. A matter to be decided at the Ordinary Shareholder Class Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 30% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Ordinary Shareholders being personally present or represented by proxy (and if the Ordinary Shareholder is a body corporate, it must be represented) and entitled to vote at the Ordinary Shareholder Meeting on matters to be decided by Ordinary Shareholders.
 - (ii) All resolutions put to the vote shall be decided by way of a poll. Every Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have 500 votes for each Ordinary Share held by it.
- (c) At the Scheme Meeting:
 - (i) The Scheme must be approved by a special resolution, in accordance with section 115(2)(a) of the Companies Act, at the Scheme Meeting, at which at least three Sabvest Shareholders are present (in person or represented by proxy) and furthermore sufficient Sabvest Shareholders are present to exercise, in aggregate, at least 30% of all the voting rights that are entitled to be exercised at the Scheme Meeting. In order to be adopted, the Scheme Resolution must be supported by at least 75% of voting rights exercised thereon at the Scheme Meeting.
 - (ii) All resolutions put to the vote shall be decided by way of a poll. Every N Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have one vote for each N Ordinary Share held by it and every Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have 500 votes for each Ordinary Share held by it.
- (d) Abstention by SFT at the Class Meetings and scheme meeting

Sabvest Shareholders are advised that in terms of the SFT Agreement, SFT has elected to abstain from exercising any of its voting rights on all of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, provided that any amendment to the Proposed Restructure after the Last Practicable Date will require the consent of SFT.

5. **DEMATERIALIZED SHAREHOLDERS WHO DO NOT HAVE OWN-NAME REGISTRATION**

If you have Dematerialised your Sabvest Shares without “Own-Name” Registration:

- (a) Voting at the Class Meetings and Scheme Meeting:
 - (i) Your CSDP or Broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP or Broker, in order to ascertain how you wish to cast your vote at the General Meeting and Scheme Meetings and, thereafter, to cast your vote in accordance with your instructions.
 - (ii) If you have not been contacted, it would be advisable for you to contact your CSDP or Broker and to furnish it with your voting instructions.
 - (iii) If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP or Broker.

(iv) You must **not** complete the attached Form of Proxy (*grey* in the case of the Form of Proxy for the N Ordinary Shareholder Class Meeting, *green* in the case of the Form of Proxy for the Ordinary Shareholder Class Meeting and *blue* in the case of the Scheme Meeting).

(b) Attendance and representation at the Class Meetings and Scheme Meeting

In accordance with the agreement concluded between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to attend the Class Meetings and/or Scheme Meeting in person, or if you wish to send a proxy to represent you at the Class Meetings and/or Scheme Meeting, and your CSDP or Broker will issue the necessary letter of representation for you or your proxy to attend the Class Meetings and/or Scheme Meeting.

6. DEMATERIALISED SHAREHOLDERS WHO HAVE OWN-NAME REGISTRATION

If you have Dematerialised your Sabvest Shares with “Own-Name” Registration:

(a) Voting, attendance and representation at the Class Meetings and Scheme Meeting:

(i) You may attend and vote at the Class Meetings and Scheme Meeting.

(ii) Alternatively, you may appoint a proxy to represent you at the Class Meetings and/or Scheme Meeting by completing the attached Form of Proxy (*grey* in the case of the Form of Proxy for the N Ordinary Shareholder Class Meeting, *green* in the case of the Form of Proxy for the Ordinary Shareholder Class Meeting and *blue* in the case of the Scheme Meeting) in accordance with the instructions it contains and returning it to the registered office of the Company or to the Transfer Secretaries so to be received, for administrative purposes, by no later than 10:00 on Wednesday, 25 March 2020 in the case of the Form of Proxy for the N Ordinary Shareholder Class Meeting, by no later than 10:00 on Wednesday, 25 March 2020 in the case of the Form of Proxy for the Ordinary Shareholder Class Meeting and by no later than 11:00 on Wednesday, 25 March 2020 in the case of the Form of Proxy for the Scheme Meeting.

7. CERTIFICATED SHAREHOLDERS

(a) Voting, attendance and representation at the Class Meetings and Scheme Meeting:

(i) You may attend and vote at the Class Meetings and Scheme Meeting.

(ii) Alternatively, you may appoint a proxy to represent you at the Class Meetings and/or Scheme Meeting by completing the attached Form of Proxy (*grey* in the case of the Form of Proxy for the N Ordinary Shareholder Class Meeting, *green* in the case of the Form of Proxy for the Ordinary Shareholder Class Meeting and *blue* in the case of the Scheme Meeting) in accordance with the instructions it contains and returning it to the registered office of the Company or to the Transfer Secretaries so to be received, for administrative purposes, by no later than 10:00 on Wednesday, 25 March 2020 in the case of the Form of Proxy for the N Ordinary Shareholder Class Meeting, by no later than 10:00 on Wednesday, 25 March 2020 in the case of the Form of Proxy for the Ordinary Shareholder Class Meeting and by no later than 11:00 on Wednesday, 25 March 2020 in the case of the Form of Proxy for the Scheme Meeting.

(b) Surrender of Documents of Title:

(i) If the Scheme becomes operative, you will be required to surrender your Documents of Title in respect of all your Sabvest Shares in order to claim the Scheme Consideration deliverable to you.

(ii) If you wish to expedite receipt of the Scheme Consideration and surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Surrender (*pink*) and return it, together with the relevant Documents of Title relating to all your Sabvest Shares, in accordance with the instructions contained therein, to the Transfer Secretaries by 12:00 on the Scheme Record Date.

(iii) If Documents of Title relating to any Sabvest Shares to be surrendered are lost or destroyed, Sabvest may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Sabvest that the Documents of Title to the Sabvest Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to the Company. Accordingly, if the Documents of Title in respect of any of your Sabvest Shares have been destroyed, you should nevertheless return the attached Form of Surrender (*pink*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.

8. **DEMATERIALIZATION**

If you wish to Dematerialise your Sabvest Shares, please contact your CSDP or Broker. Sabvest Shareholders are advised that no dematerialisation or rematerialisation of Sabvest Shares may take place after Tuesday, 12 May 2020.

9. **COURT APPROVAL IN RESPECT OF THE SCHEME**

- (a) Sabvest Shareholders are advised that, in terms of section 115(3) of the Companies Act, Sabvest may, in certain circumstances, not proceed to implement the Scheme Resolution required to approve the Scheme despite the fact that it has been adopted at the Scheme Meeting without the approval of the Court.
- (b) A copy of section 115 of the Companies Act pertaining to the required approval for the Scheme is set out in Annexure 5 to this Scheme Circular.

10. **DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS**

- (a) A Sabvest Shareholder who is entitled to vote at the Scheme Meeting is entitled to seek relief in terms of section 164 of the Companies Act if that Sabvest Shareholder has given Sabvest Written Notice in advance of its intention to oppose the Scheme Resolution, was present at the Scheme Meeting and voted against the Scheme Resolution.
- (b) A copy of section 164 of the Companies Act pertaining to Dissenting Shareholders' Appraisal Rights is set out in Annexure 5 to this Circular.

11. **NON-RESIDENT SHAREHOLDERS**

Sabvest Shareholders who are not resident in, or who have registered addresses outside of South Africa, must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Scheme 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. Sabvest Shareholders who are in any doubt as to their positions should consult their professional advisors immediately. If receipt by a Sabvest Shareholder of the Scheme Consideration, which such shareholder is entitled to, would otherwise require Sabvest to comply with filing and/or other regulatory obligations in the jurisdiction in which such Sabvest Shareholder is resident or has its registered address (including but not limited to the United States of America, Canada, Australia and Japan), the relevant Scheme Consideration shall not be issued or transferred to such Cash-Only Shareholder personally, but shall instead be retained by the Transfer Secretaries who shall be obliged to dispose of such Scheme Consideration and to remit the proceeds of such disposal (net of applicable fees, expenses, taxes and charges) to such Cash-Only Shareholders.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 11 of this Scheme Circular have been used in the following table of *Salient Dates and Times*:

	2020
Record date to determine which Sabvest Shareholders are eligible to receive the Scheme Circular, notice of N Ordinary Shareholder Class Meeting, notice of Ordinary Shareholder Class Meeting and notice of Scheme Meeting	Friday, 21 February
Scheme Circular posted to Sabvest Shareholders and notice convening the Class Meetings and Scheme Meeting published on SENS on	Friday, 28 February
Notice convening the Class Meetings and Scheme Meeting published in the South African press on	Monday, 2 March
Last day to trade in order to be eligible to attend and vote at the Class Meetings and Scheme Meeting	Tuesday, 17 March
Record date in order to be eligible to attend and vote at the Class Meetings and Scheme Meeting	Friday, 20 March
Last day to lodge Forms of Proxy for the Class Meetings by 10:00 on	Wednesday, 25 March
Last day to lodge Forms of Proxy for the Scheme Meeting by 11:00 on	Wednesday, 25 March
N Ordinary Shareholder Class Meeting to be held at 10:00 in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on	Friday, 27 March
Ordinary Shareholder Class Meeting to be held at 10:30 (or so soon thereafter as the N Ordinary Shareholder Scheme Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on	Friday, 27 March
Scheme Meeting to be held at 11:00 (or so soon thereafter as the Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on	Friday, 27 March
Last date and time for Sabvest Shareholders to give notice to Sabvest objecting to the Scheme in terms of section 164(3) of the Companies Act, by 10:00 on	Friday, 27 March
Results of the Class Meetings and Scheme Meeting published on SENS on	Friday, 27 March
Results of the Class Meetings and Scheme Meeting published in the South African press on	Monday, 30 March
If the Conditions Precedent are fulfilled or waived (where capable of waiver and subject to SFT consenting to any such waiver where appropriate) and the Scheme is approved by Sabvest Shareholders at the Scheme Meeting	
Last day for Sabvest Shareholders who voted against the Scheme Resolution to require Sabvest to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of Sabvest Shareholders at the Scheme Meeting were exercised against the Scheme Resolution on	Friday, 3 April
Last day for Sabvest Shareholders who voted against the Scheme to apply to the Court for leave to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act on	Tuesday, 14 April
Last day for Dissenting Shareholders, by reason of the adoption of the Scheme Resolution, to make a demand to Sabvest that Sabvest pay such Dissenting Shareholders the fair value of all Sabvest Shares held by them, in terms of section 164(7) of the Companies Act on	Wednesday, 29 April

The following dates assume that no Court approval or review of the Scheme is required

Compliance certificate to be received from the TRP on	Thursday, 30 April
Finalisation announcement published on SENS on	Monday, 4 May
Finalisation announcement published in the South African press on	Tuesday, 5 May
Delisting application in respect of the Sabvest Shares lodged with the JSE on	Wednesday, 6 May
Last day to trade in Sabvest Shares in order to be eligible to receive the Scheme Consideration	Tuesday, 12 May
Sabvest Shares suspended from trading on the JSE with effect from the commencement of business on	Wednesday, 13 May
Sabcap Ordinary Shares to be allocated to Scheme Participants and Scheme Participants can trade their entitlement to Sabcap Ordinary Shares on the Sabcap Listing Date	Wednesday, 13 May
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements to the Ordinary Share Scheme Consideration, based on the VWAP of a Sabvest Ordinary Share traded on the JSE on Wednesday, 13 May 2020, discounted by 10%, on	Thursday, 14 May
Scheme Record Date in order to be eligible to receive the Scheme Consideration	Friday, 15 May
Dematerialised N Ordinary Shareholders' and Ordinary Shareholders' accounts with their CSDP or Broker credited with the Scheme Consideration on the Scheme Operative Date on or about	Monday, 18 May
Certificated N Ordinary Shareholders' and Ordinary Shareholders' Scheme Consideration posted by registered post at the risk of such Certificated N Ordinary Shareholders and Certificated Ordinary Shareholders on the Scheme Operative Date on or about	Monday, 18 May
Sabvest Shares delisted from the JSE with effect from the commencement of business on	Tuesday, 19 May

Notes:

- All dates and times are subject to change by Sabvest (subject to the approval of the JSE and/or TRP, if required). The dates have been determined based on certain assumptions regarding the dates by which certain shareholder and regulatory approvals including, but not limited to, that of the JSE, TRP and CIPC, will be obtained and that no court approval or review of the Scheme will be required. Sabvest Shareholders will be notified of any amendments to these Salient Dates and Times on SENS and in the South African press.
- All dates and times indicated above are South African standard dates and times.
- Sabvest Shareholders should note that as transactions in Sabvest Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore persons who acquire Sabvest Shares after the last day to trade in order to be eligible to attend and vote at the Class Meetings and Scheme Meeting (i.e. Tuesday, 17 March 2020) will not be eligible to vote at the Class Meetings and Scheme Meeting, but will, provided the Scheme is approved and they acquire the Sabvest Shares on or prior to the last day to trade in Sabvest Shares in order to be eligible to receive the Scheme Consideration (i.e. Tuesday, 12 May 2020), participate in the Scheme and receive the Scheme Consideration.
- A Sabvest Shareholder may submit a Form of Proxy at any time before the commencement of the Class Meetings and Scheme Meeting (or any adjournment of the Class Meetings and Scheme Meeting) or hand it to the chairman of the Class Meetings and Scheme Meeting before the appointed proxy exercises any of the relevant Sabvest Shareholder's voting rights at the Class Meetings and Scheme Meeting (or any adjournment of the Class Meetings and Scheme Meeting), provided that should a Sabvest Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours (excluding Saturdays, Sundays and official public holidays in South Africa) before the Class Meetings and Scheme Meeting, such Sabvest Shareholder will also be required to furnish a copy of such Form of Proxy to the chairman of the Class Meetings and Scheme Meeting before the appointed proxy exercises any of such Shareholder's voting rights at the Class Meetings and Scheme Meeting (or adjourned or postponed Class Meetings and Scheme Meeting).
- If the Class Meetings and/or Scheme Meeting is adjourned or postponed, Forms of Proxy submitted for the original Class Meetings and/or the Scheme Meeting will remain valid in respect of any such adjournment or postponement.
- Sabvest Shareholders are advised that there may be no re-materialisation or Dematerialisation of their Sabvest Shares after Tuesday, 12 May 2020.
- If the Scheme is approved by an insufficient number of Sabvest Shareholders at the Scheme Meeting so that a Sabvest Shareholder may require Sabvest to obtain court approval of the Scheme as contemplated in section 115(3)(a) of the Companies Act, and if a Sabvest Shareholder in fact delivers such a request, the dates and times set out above will need to be amended. Sabvest Shareholders will be notified separately of the applicable dates and times under this process.
- If any Sabvest Shareholder who votes against the Scheme Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will need to be amended. Sabvest Shareholders will be notified separately of the applicable dates and times under this process.

DEFINITIONS AND INTERPRETATIONS

In this Scheme Circular and the annexures hereto, unless the context indicates otherwise, the words in the first column shall have the meanings assigned to them in the second column, the singular includes the plural and *vice versa*, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, and cognate expressions shall bear corresponding meanings.

“Apex Partners”	Apex Partners Holdings Proprietary Limited (registration number 2011/002794/07), a private company duly registered and incorporated in accordance with the laws of South Africa and the transaction advisors to the Company;
“Appraisal Rights”	rights afforded to Sabvest Shareholders in respect of the Scheme in terms of section 164 of the Companies Act, an extract of which is set out in Annexure 5 to this Scheme Circular;
“Associate(s)”	will bear the meaning assigned to this term in the Listings Requirements;
“Authorised Dealer”	a person authorised to deal in foreign exchange, as contemplated in the Exchange Control Regulations;
“Board” or “Directors”	the board of directors of Sabvest, elected as such from time to time and whose names are set out on page 16 to this Scheme Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“Cash-only Shareholders”	Sabvest Shareholders who are not South African residents and who are unable to accept the Scheme Consideration other than by Sabvest complying with filing and/or other regulatory obligations within the jurisdictions in which such Sabvest Shareholders are resident;
“Certificated Shares”	Sabvest Shares that have not been Dematerialised and are represented by share certificates or other physical Documents of Title;
“Certificated Shareholders”	Sabvest Shareholders who hold Certificated Shares;
“Certificated N Ordinary Shareholders”	Sabvest Shareholders who hold Certificated N Ordinary Shares;
“Certificated Ordinary Shareholders”	Sabvest Shareholders who hold Certificated Ordinary Shares;
“Class Meetings”	collectively, the N Ordinary Shareholder Class Meeting and the Ordinary Shareholder Class Meeting, or either one of them as the context may require;
“CIPC”	Companies and Intellectual Property Commission;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
“Companies Act” or “Act”	the Companies Act, No. 71 of 2008, as amended;
“Companies Regulations”	the regulations promulgated in terms of section 223 of the Companies Act, published under Government Notice R351 in Government Gazette 34239 of 26 April 2011, as amended;
“Conditions Precedent”	the conditions precedent to the Proposed Restructure, which remain unfulfilled as at the Last Practicable Date, set out in paragraph 8 of this Scheme Circular;
“Court”	any South African court with competent jurisdiction to approve the implementation of the Scheme Resolution pursuant to section 115 of the Companies Act and/or to determine the fair value of Sabvest Shares and make an order pursuant to section 164(14) of the Companies Act;

“CSDP”	Central Securities Depository Participant, being a “participant” as defined in section 1 of the Financial Markets Act;
“Deloitte & Touche” or “Reporting Accountants”	Deloitte & Touche South Africa, a professional partnership established in terms of South African law and the appointed reporting accountants to Sabvest;
“Dematerialise” or “Dematerialisation”	the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker;
“Dematerialised Shares”	Sabvest Shares that have been Dematerialised or have been issued in Dematerialised form;
“Dematerialised Shareholders”	Sabvest Shareholders who hold Sabvest Shares which have been dematerialised in terms of the requirements of Strate;
“Dematerialised N Ordinary Shareholder”	Sabvest Shareholders who hold Dematerialised N Ordinary Shares;
“Dematerialised Ordinary Shareholders”	Sabvest Shareholders who hold Dematerialised Ordinary Shares’;
“Dissenting Shareholders”	Sabvest Shareholders who exercise Appraisal Rights in terms of section 164 of the Companies Act, who deliver a Valid Demand to Sabvest and in respect of whom none of the events set out in section 164(9)(a) or (b) of the Companies Act have occurred, an extract of section 164 of the Companies Act is set out in Annexure 5 to this Scheme Circular;
“Documents of Title”	valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Sabvest Shares, reasonably acceptable to Sabvest;
“DWT”	Dividend Withholding Tax;
“Emigrants”	former residents of the Common Monetary Area whose addresses are outside the Common Monetary Area;
“ENS”	Edward Nathan Sonnenbergs Incorporated (registration number 2006/018200/21), a personal liability company duly registered and incorporated in accordance with the laws of South Africa and the legal advisors to the Company;
“Exchange Control Regulations”	Exchange Control Regulations, 1961, as amended, issued under section 9 of the Currency and Exchanges Act No. 9 of 1933, as amended;
“Financial Markets Act”	the Financial Markets Act No. 19 of 2012, as amended;
“Form of Proxy”	in the case of the N Ordinary Shareholder Class Meeting, the <i>grey</i> Form of Proxy attached to and forming part of this Scheme Circular, in the case of the Ordinary Shareholder Class Meeting, the <i>green</i> Form of Proxy attached to and forming part of this Scheme Circular and, in the case of the Scheme Meeting, the <i>blue</i> Form of Proxy attached to and forming part of this Scheme Circular;
“Form of Surrender”	the <i>pink</i> form of surrender and transfer attached to and forming part of this Scheme Circular, for use only by Certificated Shareholders who wish to surrender their Sabvest Shares in terms of the Scheme;
“Group”	Sabvest and its subsidiaries;
“Independent Board”	the independent sub-committee of the Board constituted in order to consider the terms and conditions of the Scheme in accordance with regulation 108(8) of the Companies Regulations and comprised of independent non-executive Directors, Dawn Mokhobo, Bheki Shongwe and Lindiwe Mthimunye-Bakoro;
“Independent Expert”	BDO Corporate Finance Proprietary Limited (registration number 1983/002903/07), a private company duly registered and incorporated in terms of the laws of South Africa, appointed by the Independent Board in terms of the Companies Regulations;
“JSE”	the Johannesburg Stock Exchange, operated by the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE, licensed as an exchange under the Financial Markets Act;

“Last Practicable Date”	Monday, 24 February 2020, being the last practicable date prior to the finalisation of this Scheme Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“MoI”	memorandum of incorporation;
“Non-resident”	a person not ordinarily resident in South Africa whose address is outside the Common Monetary Area and who is not an Emigrant;
“N Ordinary Scheme Consideration”	one Sabcap Ordinary Share for every one N Ordinary Share held by N Ordinary Shareholders on the Scheme Record Date;
“N Ordinary Shareholders”	registered holders of N Ordinary Shares;
“N Ordinary Shareholder Class Meeting”	the class meeting of N Ordinary Shareholders to be held at 10:00 in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, or any other adjourned or postponed date and time, to be convened in connection with the Proposed Restructure for the purposes of considering and, if deemed fit, approving, without modification, the requisite resolutions as contained in the notice of N Ordinary Shareholder Class Meeting attached to and forming part of this Scheme Circular;
“N Ordinary Shares”	N ordinary shares with a par value of 0.01 cent each in the issued share capital of Sabvest and with one vote each on a poll;
“Ordinary Scheme Consideration”	subject to paragraph 12 below, one Sabcap Ordinary Shares for every one Ordinary Share held by Ordinary Shareholders on the Scheme Record Date (in the case of Ordinary Shares held by SFT, one Sabcap Ordinary Share for every one Ordinary Share held by SFT on the Scheme Record Date);
“Ordinary Shares”	ordinary shares with a par value of 5 cents each in the issued share capital of Sabvest and with 500 votes each on a poll;
“Ordinary Shareholders”	registered holders of Ordinary Shares;
“Ordinary Shareholder Class Meeting”	the class meeting of Ordinary Shareholders to be held at 10:30 (or so soon thereafter as the N Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, or any other adjourned or postponed date and time, to be convened in connection with the Proposed Restructure for the purposes of considering and, if deemed fit, approving, without modification, the requisite resolutions as contained in the notice of Ordinary Shareholder Class Meeting attached to and forming part of this Scheme Circular;
“Own-Name Registration”	the status of Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-register (the list of Sabvest Shareholders maintained by the CSDP and forming part of the Register);
“Proposed Restructure”	the proposed restructure of Sabvest’s current dual share capital structure, to be implemented in terms of the following indivisible components: <ul style="list-style-type: none"> • the incorporation and registration of Sabcap; • the issue of the Z Share to SFT; • the Scheme; • the subsequent delisting of Sabvest Shares from the Main Board of the JSE; and • the Sabcap Listing;
“Prospectus”	the Sabcap prospectus and its annexures, registered with the CIPC on Wednesday, 26 February 2020, which has been prepared in compliance with the Companies Act and the Listings Requirements and which is issued simultaneously with, and accompanies, this Scheme Circular;
“Rand” or “R”	South African rand, the official currency of South Africa;
“Register”	Sabvest’s securities register maintained by the Transfer Secretaries in accordance with section 50(1) and section 50(3) of the Companies Act, including Sabvest’s Dematerialised sub-registers maintained by the CSDPs;

“RMB”	Rand Merchant Bank (A division of FirstRand Bank Limited) (registration number 1929/001225/06), a public company duly registered and incorporated in accordance with the laws of South Africa and the merchant bank and sponsor to the Company;
“Sabcap”	Sabvest Capital Limited (registration number 2020/030059/06), a public company duly registered and incorporated in accordance with the laws of South Africa;
“Sabcap Listing”	the proposed listing of the Ordinary Shares of Sabcap on the Main Board of the JSE in the <i>Financials – Investment Instruments – Equities</i> sector of the list, in terms of the Proposed Restructure;
“Sabcap Listing Date”	the date on which the Sabcap Listing will be effective, expected to be Wednesday, 13 May 2020;
“Sabcap Ordinary Shares”	Sabcap ordinary shares of no par value to be listed on the JSE in terms of the Sabcap Listing;
“Sabvest” or “the Company”	Sabvest Limited (registration number 1987/003753/06), a public company duly registered and incorporated in accordance with the laws of South Africa and the shares of which are listed on the Main Board of the JSE in the <i>Financials – Investment Instruments – Equities</i> sector of the list;
“Sabvest Shareholders” or “Shareholders”	collectively, the N Shareholders and the Ordinary Shareholders, or either one of them as the context may require;
“Sabvest Shares”	collectively, the N Ordinary Shares and the Ordinary Shares, or either one of them as the context may require;
“Scheme”	the scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by the Board (on the recommendation of the Independent Board) between the Sabvest and Sabvest Shareholders, in terms of which, if implemented, Sabcap will acquire all the Sabvest Shares held by Scheme Participants in exchange for the Scheme Consideration on the terms and conditions set out in this Scheme Circular;
“Scheme Circular”	this bound document, dated Friday, 28 February 2020, including all the annexures hereto and incorporating notices of the Class Meetings and Scheme Meeting, Forms of Proxy and Form of Surrender;
“Scheme Consideration”	collectively, the N Ordinary Scheme Consideration and the Ordinary Scheme Consideration, or either one of them as the context may require;
“Scheme Meeting”	the meeting of Sabvest Shareholders to be held at 11:00 (or so soon thereafter as the Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, or any other adjourned or postponed date and time, to be convened in connection with the Scheme for the purposes of considering and, if deemed fit, approving, without modification, the requisite resolutions as contained in the notice of Scheme Meeting attached to and forming part of this Scheme Circular;
“Scheme Operative Date”	the date on which the Scheme becomes operative and Scheme Participants receive the Scheme Consideration in exchange for their Sabvest Shares, being Monday, 18 May 2020;
“Scheme Participants”	Sabvest Shareholders recorded in the register on Friday, 15 May 2020 and are therefore entitled to receive the Scheme Consideration in terms of the Scheme, other than Dissenting Shareholders who do not subsequently become Scheme Participants as envisaged in paragraph 11.5 of this Scheme Circular;
“Scheme Record Date”	the date on which Sabvest Shareholders must be recorded in the Register in order to be eligible to receive the Scheme Consideration, being Friday, 15 May 2020;

“Scheme Resolution”	Special Resolution Number 1 to the notice of the Scheme Meeting, required to be approved by Sabvest Shareholders in order to implement and give effect to the Scheme, and which resolution will (for the sake of caution) include an approval in terms of section 44 of the Companies Act in respect of any financial assistance that may be provided by Sabvest in respect of the Proposed Restructure (the Scheme being an indivisible component of thereof), including without limitation, the payment of legal and other transaction costs to be borne by Sabvest in respect of the Proposed Restructure, as detailed in paragraph 31;
“SENS”	the Stock Exchange News Service of the JSE;
“SFT”	the Seabrooke Family Trust, (Master’s Reference No. IT 10547) and the Company’s controlling shareholder as at the Last Practicable Date;
“SFT Agreement”	the agreement entered into between SFT and Sabvest on or about 5 November 2019, in terms of which, amongst other things, SFT waives its rights to exercise its voting rights at the Class Meetings and the Scheme Meeting, provided that any amendment to the Proposed Restructure after the Last Practicable Date will require the consent of SFT;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a registered central securities depository responsible for the electronic clearing and settlement of trades on the JSE, in terms of the Financial Markets Act;
“Trading Day”	any day on which trading takes place through the usual trading systems on the JSE;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of South Africa and the transfer secretaries to Sabvest;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“Valid Demand/s”	demand/s made in terms of section 164(5) of the Companies Act, within the time period contemplated in section 164(7) of the Companies Act, by one or more Sabvest Shareholders who comply with the requirements of section 164(5)(a) and (c) of the Companies Act, in terms of which such Sabvest Shareholder/s demand that the Company pay such Sabvest Shareholder/s the fair value for all of the Sabvest Shares held by such Shareholder/s;
“VAT”	Value-Added Tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended;
“VWAP”	volume weighted average price, being the weighted average traded price of a share traded, divided by the total number of shares traded, over a particular period of time;
“Written Notice”	includes “electronic communication” as defined in the Electronic Communications and Transactions Act, Act No. 25 of 2002, as amended, as read with section 6(10) of the Companies Act and regulation 7 of the Companies Regulations; and
“Z Share”	one unlisted Z share issued by Sabcap to SFT at an issue price of R1,00 and having the terms set out in Annexure 7 to this Scheme Circular.



SABVEST
LIMITED

SABVEST LIMITED

Incorporated in the Republic of South Africa

Registration number 1987/003753/06

Share code: SBV – ordinary shares (ISIN: ZAE000006417)

Share code: SVN – N ordinary shares (ISIN: ZAE000012043)

(“**Sabvest**” or “the **Company**”)

Directors of Sabvest

Executive directors

Christopher Seabrooke (Chief Executive Officer)

Raymond Pleaner (Chief Financial Officer)

Leon Rood

Independent non-executive directors

Dawn Mokhobo (Chairperson)

Bheki Shongwe (Deputy Chairperson)

Lindiwe Mthimunye-Bakoro

Kuben Pillay

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

- 1.1 Sabvest Shareholders are referred to the announcement released on SENS on 28 October 2019 in which they were advised that, in accordance with the Company’s stated intention to simplify Sabvest’s dual listed share structure, the Company intends to implement the Proposed Restructure, which will be effected by way of, amongst other things, the Scheme and the Sabcap Listing.
- 1.2 Sabvest currently has a dual Share ownership structure comprising 24,276,919 N Ordinary Shares and 16,975,293 Ordinary Shares as at the Last Practicable date. In terms of the Company’s MoI, on a poll, the N Ordinary Shares carry one vote per N Ordinary Share and the high voting Ordinary Shares carry 500 votes per Ordinary Share. The N Ordinary Shares and Ordinary Shares rank *pari passu* for earnings and dividends, but not in respect of voting rights. Accordingly, Sabvest currently has 41,252,212 Shares in issue as at the Last Practicable Date with equal economic rights, but unequal voting rights.
- 1.3 As at the Last Practicable date, SFT held 11,895,000 Ordinary Shares and 4,105,000 N Ordinary Shares, giving it a 38.78% economic interest in Sabvest and a disproportionate 69.92% voting interest. As at the Last Practicable Date, the N Ordinary Shareholders are able to exercise only 0.29% of the 8,511,923,419 voting rights at a combined Shareholders’ meeting.
- 1.4 As an illustrative example of the implications of the current high voting Ordinary Shares, Sabvest would be required to issue approximately 3,3 billion N Ordinary Shares (or approximately 8000% of the Sabvest Shares in issue/80 times the number currently in issue) before SFT would lose its position of voting control. Consequently, SFT would still have voting control of Sabvest, while holding only 0.47% of its issued Share capital.
- 1.5 It is accordingly envisaged that the Company’s current dual Share ownership structure will be collapsed through the implementation of the Proposed Restructure and that, following the Sabcap Listing, all Sabvest Shareholders will have the same economic rights and will have one vote each, on a poll. SFT will, through its holding of the Z Share, retain 51% voting control of Sabcap, providing always that it maintains a minimum 10% interest in the issued Sabcap Ordinary Shares relative to all the Sabcap Ordinary Shares in issue from time to time.
- 1.6 Following the implementation of the Proposed Restructure, SFT’s control is materially less entrenched. If Sabcap were to issue approximately 2.8 times more Sabcap Ordinary Shares (being approximately 117,7 million more Sabcap Ordinary Shares than in issue on the Sabcap Listing Date), SFT’s control would be removed.

1.7 The Proposed Restructure steps are inextricably linked and the details of the Proposed Restructure steps are set out in paragraph of 4 below. The Conditions Precedent to which the Proposed Restructure is subject, are set out in paragraph of 8 below (which remain unfulfilled as at the Last Practicable Date).

2. PURPOSE OF THIS SCHEME CIRCULAR

The purpose of this Scheme Circular is to provide Sabvest Shareholders with information pertaining to the Proposed Restructure and to convene the Scheme Meetings and Scheme Meeting at which Sabvest Shareholders will be requested to consider and, if deemed fit, to approve, without modification, the requisite resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure, which will, amongst other things, result in the delisting of Sabvest Shares from the Main Board of the JSE.

Sabvest Shareholders are also required to familiarise themselves with the content of the Prospectus.

3. RATIONALE FOR THE PROPOSED RESTRUCTURE

The Independent Board believes that the Proposed Restructure will be beneficial to Sabvest and its Shareholders as it is expected, amongst other things, to:

- result in the elimination of the current dual ownership structure, creating a simplified, clear structure of one class of listed share with equal voting and economic rights;
- improve the demand, liquidity and marketability of the Sabcap Ordinary Shares;
- enhance Sabcap's ability to raise capital should it need to do so in order to support its long-term growth strategy;
- create enhanced voting for current Sabvest N Ordinary Shareholders, from 0.29% currently to approximately 28.49% post-implementation of the Proposed Restructure;
- result in shareholder participation in a higher market capitalisation share; and
- require SFT to hold a materially higher economic interest in Sabcap in order to retain its reduced voting control, in the event of new issues of Sabcap Ordinary Shares post-implementation of the Proposed Restructure.

Accordingly, the Independent Board resolved that the Proposed Restructure be proposed by the Board to Sabvest Shareholders for their consideration.

4. PROPOSED RESTRUCTURE STEPS

4.1 It is envisaged that the Proposed Restructure will be implemented by way of the Scheme and in accordance with the following key indivisible transaction steps:

- Sabcap has issued the Z Share (the terms of which are more fully described in paragraph 6 below) to SFT, in order to preserve SFT's control post-implementation of the Proposed Restructure;
- in terms of the Scheme, Sabcap will make an offer to Sabvest Shareholders to acquire all the N Ordinary Shares and Ordinary Shares in issue, for the Scheme Consideration; and
- the Sabcap Ordinary Shares will be listed on the JSE in terms of the Sabcap Listing. All Sabcap Ordinary Shares will have the same economic rights and will have one vote each, on a poll;
- following implementation of the Scheme, Sabcap will own all the N Ordinary Shares and Ordinary Shares, the Shares will be delisted from the Main Board of the JSE and Sabvest will therefore be Sabcap's unlisted, wholly-owned subsidiary.

4.2 The Proposed Restructure steps are inextricably linked, each of which is conditional on the others and none of which shall occur without the others. Accordingly, the various steps should be viewed as indivisible and part of a single Proposed Restructure mechanism.

5. TERMS OF THE SCHEME

5.1 In terms of the Scheme, Sabcap will make an offer to Sabvest Shareholders to acquire all the N Ordinary Shares and Ordinary Shares for the Scheme Consideration.

5.2 In settlement of the Scheme Consideration, Sabcap will acquire all the N Ordinary Shares in issue on the Scheme Record Date in exchange for Sabcap Ordinary Shares, on a 1:1 basis and all the Ordinary Shares in issue on the Scheme Record Date, in exchange for Sabcap Ordinary Shares, on a 1.1:1 basis – other than in respect of the Ordinary Shares held by SFT, which will be acquired on a 1:1 basis.

- 5.3 The higher exchange ratio applicable to the Ordinary Shares means that Ordinary Shareholders (other than SFT) will hold 10% more Sabcap Ordinary Shares post-implementation of the Scheme than the number of Ordinary Shares they currently hold. On implementation of the Scheme, current Ordinary Shareholders will accordingly control approximately 1.2% more of the Sabcap Ordinary Shares in issue than they otherwise would (if the exchange ratio applicable to Ordinary Shareholders (other than SFT) had been on a 1:1 basis, rather than the 1.1:1 basis proposed).
- 5.4 Of the 16,975,293 Ordinary Shares in issue as at the Last Practicable Date, 5,080,293 are not held by SFT. An additional 508,030 Sabcap Ordinary Shares will therefore be issued in terms of the Scheme, resulting in a total of 41,760,242 Sabcap Ordinary Shares in issue on the Sabcap Listing Date. The resultant economic dilution to all N Ordinary Shareholders (and to SFT's entire N Ordinary and Ordinary Shareholding) is approximately 1.2% and is considered necessary in order to facilitate the implementation of the Proposed Restructure.

6. SALIENT TERMS OF THE Z SHARE AND THE SABCAP ORDINARY SHARES

- 6.1 The Z Share issued to SFT pursuant to the Proposed Restructure has the following salient terms:
- it will entitle SFT to 51% voting control of Sabcap, provided that SFT maintains a minimum 10% shareholding of issued Sabcap Ordinary Shares from time to time;
 - it will have no economic rights;
 - it will be transferrable to Sabcap only;
 - in the event that SFT ceases to hold 10% or more of the economic rights in Sabcap (Sabcap Ordinary Shares), the voting rights attached to the Z Share will cease to be of force and effect and Sabcap will repurchase and cancel the Z Share for a consideration of R1,00; and
 - in the event that the Z Share is repurchased and cancelled and any person (other than SFT) holds a 35% or more shareholding in Sabcap Ordinary Shares in issue from time to time, a mandatory offer to all holders of Sabcap Ordinary Shares equally (and without any value attributable to the Z Share) will be made by such person in accordance with the Listings Requirements, Companies Act and Companies Regulations.
- 6.2 The full terms of the Z Share are attached as Annexure 6 to this Scheme Circular.
- 6.3 The Sabcap Ordinary Shares are non-convertible, no par value shares which rank *pari passu* with one another and which have the preferences, rights, limitations and other terms as detailed in the Sabcap MoI, extracts of which are contained in Annexure 7 to the Prospectus.

7. MECHANICS OF THE SCHEME

- 7.1 If the Scheme becomes operative:
- 7.1.1 Scheme Participants, whether they exercised voting rights in favour of the Scheme Resolution to approve the Scheme or not, or abstained or refrained from exercising voting rights, shall be deemed to have disposed of (or shall be deemed to have undertaken to transfer) all of their Sabvest Shares, free of any encumbrances, to Sabcap in exchange for the Scheme Consideration and Sabcap shall be deemed to have acquired all such Sabvest Shares in exchange for the Scheme Consideration;
- 7.1.2 the disposal and transfer by each Scheme Participants of their Sabvest Shares to Sabcap and the acquisition of those Shares by Sabcap pursuant to the Scheme shall, subject to the fulfilment or waiver (where capable of waiver and subject to SFT consenting to any such waiver where appropriate) of the Conditions Precedent, be effective from the Scheme Operative Date;
- 7.1.3 each Scheme Participant shall be deemed to have transferred to Sabcap all its rights, title and interest in and to the Sabvest Shares, without any further act or instrument being required;
- 7.1.4 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 7;
- 7.1.5 in terms of the Scheme, each Scheme Participant irrevocably and in rem suam authorises Sabcap, as agent, with full power of substitution, to cause the Sabvest Shares disposed of by Sabvest Shareholders in terms of the Scheme to be transferred to Sabcap on the Scheme Operative Date and to sign all such documents, to do all such things and to take all such steps (including the signing of any transfer form or the giving of written instructions to

every CSDP or its nominee concerned) as may be necessary or expedient in order to effect the transfer;

- 7.1.6 the Scheme Consideration will be settled in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counter-claim or other analogous right to which Sabcap may otherwise, or claim to be, entitled against a Scheme Participant;
 - 7.1.7 the rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by them against Sabcap only;
 - 7.1.8 the effect of the Scheme will be, amongst other things, that Sabcap will, with effect from the Scheme Operative Date, acquire all the Sabvest Shares from Sabvest Shareholders; and
 - 7.1.9 as a consequence of the Scheme, application will be made to the JSE for the delisting of all Sabvest Shares from the Main Board of the JSE following the Scheme Operative Date.
- 7.2 If the Conditions Precedent fail to be fulfilled or waived (where capable of waiver and subject to SFT consenting to any such waiver where appropriate), the Scheme will not be implemented. As a consequence, because the various steps comprising the Proposed Restructure (one of which being the Scheme) are inter-conditional, the Proposed Restructure will not be implemented.
- 7.3 Sabvest and Sabcap undertake that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all documents necessary to give effect to the Scheme.

8. CONDITIONS PRECEDENT TO THE PROPOSED RESTRUCTURE

- 8.1 The Proposed Restructure is subject to the fulfilment or waiver (where capable of waiver and subject to SFT consenting to any such waiver where appropriate) of the following Conditions Precedent (which remain unfulfilled as at the Last Practicable Date) by no later than Monday, 1 June 2020, or such later date as Sabvest in its discretion determines:
- 8.1.1 all of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure, are adopted at the Class Meetings and Scheme Meeting;
 - 8.1.2 the Scheme Resolution has been passed and, to the extent required under section 115(3)(a) of the Companies Act:
 - 8.1.2.1 approval of the implementation of the Scheme Resolution by the Court is obtained; and
 - 8.1.2.2 if applicable, Sabvest not having treated the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
 - 8.1.3 if the Scheme Resolution has been passed at the Scheme Meeting by the requisite majority of Sabvest Shareholders entitled to vote on the Scheme Resolution and any person who voted against the Scheme Resolution applies to court within 10 Business Days after the vote for a review of the Scheme in accordance with the requirements of section 115(3)(b) of the Companies Act:
 - 8.1.3.1 no leave is granted by the Court to such person to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act; or
 - 8.1.3.2 if leave is granted by the Court to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act, the Court has not set aside the Scheme Resolution in terms of section 115(7) of the Companies Act;
 - 8.1.4 in respect of Shareholders' Appraisal Rights, no Valid Demands are received by Sabvest; and
 - 8.1.5 The TRP has issued a compliance certificate in respect of the Proposed Restructure in terms of section 121(b) of the Companies Act.
- 8.2 The Conditions Precedent in:
- 8.2.1 paragraph 8.1.4 has been stipulated for the sole benefit of Sabvest, and Sabvest shall be entitled to waive the fulfilment of the aforesaid Condition Precedent (in whole or in part) on or before the date for fulfilment thereof or at any time before the Scheme Resolution to approve the Scheme is voted on at the Scheme Meeting; and

- 8.2.2 paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.5 are regulatory in nature and may not be waived, unless Sabvest determines to waive any of the aforesaid Conditions Precedent (or part thereof) on or before the date for fulfilment thereof on the basis that any such regulatory conditions are no longer (or are not) applicable to the Proposed Restructure.

9. REGULATORY APPROVALS

- 9.1 The TRP has granted dispensation from compliance with, amongst other things, regulation 102(2) of the Companies Regulations which requires, amongst other things, the posting of a combined circular. Sabvest Shareholders should take note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves exemption applications.
- 9.2 Save for the TRP issuing a compliance certificate in terms of section 121(b) of the Companies Act in respect of the Scheme, all requisite regulatory approvals regarding the Scheme, the creation and issue of the Z Share and the issue and listing of the Sabcap Ordinary Shares in terms of the Sabcap Listing, including South African Reserve Bank approval, have been obtained.

10. SETTLEMENT OF THE SCHEME CONSIDERATION

- 10.1 In the event that the Scheme becomes operative on the Scheme Operative Date, Sabvest Shareholders will be entitled to receive the Scheme Consideration on the Scheme Operative Date.
- 10.2 Sabvest will either itself and/or through the Transfer Secretaries, administer and procure the settlement of the Scheme Consideration.
- 10.3 The settlement of the Scheme Consideration is subject to Exchange Control Regulations. Sabvest Shareholders are referred to paragraph 11 (*Non-resident Shareholders*) of the "Action Required by Shareholders" section and paragraph 21 (Exchange Control Regulations) below.
- 10.4 If receipt by a Sabvest Shareholder of the Scheme Consideration, which such Sabvest Shareholder is entitled to, would otherwise require Sabvest to comply with filing and/or other regulatory obligations in the jurisdiction in which such Sabvest Shareholder is resident or has its registered address (including but not limited to the United States of America, Canada, Australia and Japan) the relevant Scheme Consideration shall not be issued or transferred to such Cash-only Shareholder personally, but shall instead be retained by the Transfer Secretaries who shall be obliged to dispose of such Scheme Consideration and to remit the proceeds of such disposal (net of applicable fees, expenses, taxes and charges) to such Cash-only Shareholders.
- 10.5 Certificated Shareholders:
- 10.5.1 who have submitted their Documents of Title and completed Forms of Surrender to the Transfer Secretaries on or before 10:00 on the Scheme Record Date, will have the Scheme Consideration posted to them by registered mail on the Scheme Operative Date, at their own risk, to the address reflected in the Register;
- 10.5.2 who submit their Documents of Title and completed Forms of Surrender after 10:00 on the Scheme Record Date, will have the Scheme Consideration posted to them by registered mail on the Scheme Operative Date, at their own risk, to the address reflected in the Register within five Business Days of the Transfer Secretaries having received their Documents of Title and completed Forms of Surrender, unless such Sabvest Shareholders were Dissenting Shareholders who have subsequently become Scheme Participants as envisaged in paragraph 11.5 below, in which case such Sabvest Shareholders will still need to submit their Documents of Title and completed Forms of Surrender to the Transfer Secretaries and the Scheme Consideration will only be posted to them on the date set out in paragraph 10.5 below; or
- 10.5.3 in the event that a Sabvest Shareholder who holds Certificated Shares fails to submit its Documents of Title and completed Form of Surrender to the Transfer Secretaries or, in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 11.5 below, the Scheme Consideration due to such Sabvest Shareholder will be held in trust by the Company or the Transfer Secretaries on behalf of Sabvest for the benefit of the Sabvest Shareholder concerned until lawfully claimed by such Sabvest Shareholder.
- 10.6 Dematerialised Shareholders:
- 10.6.1 will have their accounts at their CSDPs credited in electronic form with the Scheme Consideration and debited with their Sabvest Shares on the Scheme Operative Date or, in the case of Dissenting Shareholders who subsequently become Scheme Participants as envisaged in paragraph 11.5 below; and
- 10.6.2 will not have the Scheme Consideration posted to them.

11. DISSENTING SHAREHOLDERS

- 11.1 Sabvest Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. A copy of section 164 of the Companies Act is attached as Annexure 5 to this Scheme Circular.
- 11.2 In terms of 164(2), Sabvest Shareholders are entitled to the Appraisal Rights provided for in section 164 of the Companies Act as a result of the Company giving notice to convene the Scheme Meeting to consider adopting the Scheme Resolution.
- 11.3 Sabvest Shareholders who wish to exercise their Appraisal Rights in terms of section 164 of the Companies Act are required, before the Scheme Resolution to approve the Scheme is voted on at the Scheme Meeting, to give Written Notice to the Company objecting to the Scheme Resolution in terms of section 164(3) of the Companies Act. Such notification must be delivered to the company secretary of Sabvest by electronic mail on wendy@lkg.co.za or to the Company's registered office. In addition, such Sabvest Shareholders must vote against the Scheme Resolution at the Scheme Meeting.
- 11.4 Any Dissenting Shareholder that, pursuant to the exercise of its Appraisal Rights, has made a Valid Demand and transferred its Sabvest Shares to the Company pursuant to section 164(13), section 164(15) or section 164(15A) of the Companies Act shall not participate in the Scheme.
- 11.5 In the event that any of the circumstances contemplated in section 164(9)(a) or (b) of the Companies Act occur and a Dissenting Shareholder has not exercised its rights in terms of section 164(14) of the Companies Act then:
- 11.5.1 on or prior to the Scheme Record Date, a Sabvest Shareholder who was, up until that time, a Dissenting Shareholder will participate in the Scheme and will be subject to the provisions of the Scheme; and
- 11.5.2 after the Scheme Record Date, a Sabvest Shareholder who was, up until that time, a Dissenting Shareholder shall be deemed to participate in and be subject to the provisions of the Scheme and to have transferred its Sabvest Shares to the Company, provided that the settlement of the Scheme Consideration shall take place on the later of: (i) the Scheme Operative Date or (ii) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Appraisal Rights Offer to lapse, as the case may be, without exercising its rights in terms of section 164(14) or (iii) if that Dissenting Shareholder is a Certificated Shareholder, the date which is five Business Days after that Dissenting Shareholder shall have submitted its Documents of Title and completed Form of Surrender to the Transfer Secretaries.
- 11.5.3 For the sake of clarity, except where expressly provided otherwise, all provisions applicable to Scheme Participants in respect of the Scheme shall apply equally to any Dissenting Shareholders who subsequently become entitled or obliged to participate in the Scheme as a result of such Dissenting Shareholders rights to their Sabvest Shares being reinstated in terms of section 164(10) of the Companies Act, or pursuant to a final order of the Court.
- 11.5.4 If the Scheme does not become operative as a result of non-fulfilment of the Conditions Precedents referred to in paragraph 8 above, the Scheme Resolution shall be revoked by virtue of the passing of Special Resolution Number 2 as set out in the notice convening the Scheme Meeting. As a consequence, Dissenting Shareholders shall have no further rights under section 164 of the Companies Act by virtue of the circumstance contemplated in section 164(9)(c) of the Companies Act.
- 11.5.5 Any Sabvest Shareholder who is in doubt as to what action to take should consult their legal or professional advisors immediately.
- 11.5.6 Before exercising their Appraisal Rights, Sabvest Shareholders should have regard to the following factors relating to the Scheme: (i) the report of the Independent Expert set out in Annexure 1 to this Scheme Circular which concludes that the terms of the Scheme are fair and reasonable to Sabvest Shareholders, and (ii) the Court is empowered to grant a cost order in favour of, or against, a Dissenting Shareholder, as applicable.

12. FRACTIONAL ENTITLEMENTS

- 12.1 Where a Sabvest Shareholder's entitlement to Sabcap Ordinary Shares issued in terms of the Scheme Consideration, calculated on the basis of one Sabcap Ordinary Share for every one N Ordinary Share held on the Scheme Record Date and 1.1 Sabcap Ordinary Shares for every one Ordinary Share (other than in respect of the Ordinary Shares held by SFT, which will be acquired on a one Sabcap Ordinary Share: one Ordinary Share basis) held on the Scheme Record Date, results in a fractional Sabcap Ordinary Share entitlement, such fraction of a Sabcap Ordinary Share will be rounded down to the nearest whole number, resulting in only allocations of whole Sabcap Ordinary Shares and a cash payment will be made to the Sabvest Shareholder for the fraction.

12.2 The applicable cash payment will be determined with reference to the VWAP of a Sabvest Ordinary Share traded on the JSE on Wednesday, 13 May 2020, (being the day on which Sabvest Shares begin trading “ex” the entitlement to receive the Scheme Consideration), discounted by 10%. The basis for the applicable cash payment will be announced on SENS on Thursday, 14 May 2020.

12.3 For illustrative purposes, this Scheme Circular assumes the VWAP of a Sabvest Ordinary Share traded on the JSE on Wednesday, 13 May 2020 to be 4320 cents. The basis for the applicable cash payment would therefore be 3888 cents (4320 cents discounted by 10%).

12.4 Example of fractional entitlement:

This example assumes that an Ordinary Shareholder holds 175 Ordinary Shares at the close of business on the Scheme Record Date.

Sabcap ordinary share entitlement = 175 x 1.1 (being the Scheme Consideration ratio of the issue of 1.1 Sabcap Ordinary Shares for every one Ordinary Share held on the Scheme Record Date)

= 192.5 Sabcap Ordinary Shares. The rounding provision described above is then applied and the Sabvest Shareholder will receive:

192 Sabcap Ordinary Shares in respect of the 175 Sabvest Shares held and a cash payment for the fractional entitlement based on the 3888 cents noted above of 0.5 x 3888 cents = 19.44 (19) cents.

Applicable DWT payable on the cash payment for fractional entitlements will be settled by Sabvest.

13. TAX CONSEQUENCES FOR SHAREHOLDERS

The tax circumstances of the Scheme will depend on the individual tax circumstances and residency of each Sabvest Shareholder. Sabvest Shareholders should seek advice from appropriate professional advisors if they are in any doubt as to their tax positions.

In general, Sabvest Shareholders who are South African tax residents will qualify for roll-over relief in terms of the corporate restructuring provisions of the Income Tax Act No. 58 of 1962 and will not be liable for DWT on the share exchange effected pursuant to the Scheme.

Sabvest Shareholders who are not South African tax residents will be required to determine the tax effects of the share exchange in their applicable foreign tax jurisdiction, but will not be subject to DWT.

14. ECONOMIC CONSEQUENCES FOR SHAREHOLDERS

14.1 The implementation of the Proposed Restructure is expected to have the following approximate impact on the voting and economic rights of Sabvest Shareholders:

Share class	Number of shares		Voting rights		Economic rights	
	Before [†]	Post Proposed Restructure*	Before [†]	Post Proposed Restructure*	Before [†]	Post Proposed Restructure*
N Ordinary Shares	24,276,919	24,276,919	0.29%	28.4%	58.85%	58.13%
The Seabrooke Family Trust	4,105,000	4,105,000	0.05%	4.8%	9.95%	9.83%
Other	20,171,919	20,171,919	0.24%	23.6%	48.90%	48.30%
Ordinary Shares	16,975,293	17,483,322	99.71%	20.5%	41.15%	41.87%
The Seabrooke Family Trust	11,895,000	11,895,000	69.87%	13.9%	28.83%	28.48%
Other	5,080,293	5,588,322	29.84%	6.5%	12.32%	13.38%
Z Shares	-	1.00	-	51.00%	0.00%	0.00%
The Seabrooke Family Trust	-	1.00	0.00%	51.00%	0.00%	0.00%
Total	41,252,212	41,760,242	100.00%	100.00%	100.00%	100.00%

Notes:

[†] Based on the total number of N and Ordinary shares as at the Last Practicable Date

* Based on the total number of Sabcap shares

14.2 The higher exchange ratio applicable to the Ordinary Shares means that Ordinary Shareholders (other than SFT) will hold 10% more Sabcap Ordinary Shares post-implementation of the Scheme than the number of Ordinary Shares they currently hold. On implementation of the Scheme, current Ordinary Shareholders will accordingly control approximately 1.2% more of the Sabcap Ordinary Shares in issue than they otherwise would (if the exchange ratio applicable to Ordinary Shareholders (other than SFT) had been on a 1:1 basis, rather than the 1.1:1 basis proposed).

14.3 Of the 16,975,293 Ordinary Shares in issue 5,080,293 are not held by SFT. An additional 508,030 Sabcap Ordinary Shares will therefore be issued in terms of the Scheme, resulting in a total of 41,760,242 Sabcap Ordinary Shares in issue on the Sabcap Listing Date. The resultant economic dilution to all N Ordinary Shareholders (and to SFT's entire N Ordinary and Ordinary Shareholding) is approximately 1.2% and is considered necessary in order to facilitate the implementation of the Proposed Restructure.

14.4 Sabvest Shareholders are referred to the report of the Independent Expert, attached as Annexure 1 to this Scheme Circular, for further analysis in this regard.

15. ABSTENTION BY SFT AT THE CLASS MEETINGS AND SCHEME MEETING

Sabvest Shareholders are advised that in terms of the SFT Agreement, SFT has elected to abstain from exercising any of its voting rights on all of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, provided that any amendment to the Proposed Restructure after the Last Practicable Date will require the consent of SFT.

16. INDEPENDENT EXPERT REPORT

At the request of the JSE, the report of the Independent Expert, a copy of which is attached as Annexure 1 to this Scheme Circular, opines on the fairness and reasonableness of the Scheme and includes items required by section 114(3) of the Companies Act and regulation 90 of the Companies Regulations. The Independent Expert has concluded that the terms of the Scheme are fair and reasonable to Sabvest Shareholders.

17. INDEPENDENT BOARD

17.1 Sabvest has constituted an Independent Board to consider the terms and conditions of the Proposed Restructure.

17.2 The Independent Board, having considered the terms and conditions of the Scheme and having taken into account the fair and reasonable opinion prepared by the Independent Expert, is of the opinion that the Scheme is fair and reasonable insofar as Sabvest Shareholders are concerned.

17.3 The Independent Board therefore recommends that Sabvest Shareholders vote in favour of all the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure.

17.4 Each of the members of the Independent Board who hold Sabvest Shares (and who are eligible to vote) intends to vote in favour of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure.

18. OPINION OF THE DIRECTORS

Each of the Directors who hold Sabvest Shares intends to vote in favour of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure.

19. PRO FORMA FINANCIAL INFORMATION

Given that Sabvest Shareholders will, in terms of the Scheme, exchange their Sabvest Shares for Sabcap Ordinary Shares, their Sabcap Ordinary Shares following implementation of the Scheme will mirror the current economics of their Sabvest Shares.

Accordingly, there will be no impact on the earnings (other than transaction costs) and underlying net asset value attributable to each Sabvest Shareholder of Sabvest as a result of the Proposed Restructure, other than for the impact of the proposed higher exchange ratio applicable to the acquisition by Sabcap of all the Sabvest Ordinary Shares in issue, in exchange for Sabcap Ordinary Shares, on a 1.1:1 basis (excluding the Sabvest Ordinary Shares held by SFT, which will be acquired on a 1:1 basis). This higher

exchange ratio means that Sabvest Ordinary Shareholders (other than SFT) will hold 10% more Sabcap Ordinary Shares post-implementation of the Scheme than the number of Sabvest Ordinary Shares they currently hold, resulting in a corresponding marginal dilution for SFT and for all N Ordinary Shareholders.

The table below sets out the *pro forma* financial effects of the Proposed Restructure on Sabvest's published, unaudited interim financial results for the six months ended 30 June 2019. The *pro forma* financial effects have been prepared for illustrative purposes only and because of their nature, may not fairly present Sabvest's financial position, changes in equity, results of operations or cash flows.

The *pro forma* financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published audited consolidated financial results of Sabvest for the year ended 31 December 2018. The *pro forma* financial effects are furthermore presented in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants and Regulation 106(6)(d)(ii) and (106(7)(c)(ii) of the Companies Regulations, 2011. The Board is responsible for the compilation, contents and preparation of the *pro forma* financial effects. This responsibility includes determining that the Sabvest *pro forma* financial effects have been properly compiled on the basis stated and that the *pro forma* adjustments are appropriate.

	Reviewed interim results – before the proposed restructure (Note 1)	<i>Pro forma</i> adjustments	<i>Pro forma</i> – after the proposed restructure	% change
Earnings per share – cents*	125.7	(22.3)	103.4	(17.74)
Headline earnings per share – cents*	125.7	(22.3)	103,4	(17.74)
Net asset value per share – cents	5,908	(92)	5,816	(1.56)
Number of shares in issue – 000's	41,802	508	42,310	1.22
Number of weighted shares in issue – 000's	41,802	508	42,310	1.22

* There are no diluting instruments

Notes and assumptions

1. This information has been extracted, without adjustment, from the Group's reviewed results for the six months ended 30 June 2019 ("**interim results**").
2. The above table reflects the financial effects of the total number and weighted number of Sabvest Shares. The N Ordinary and Ordinary Shares have been combined as they both hold the same economic interest.
3. The *pro forma* number and weighted number of Sabvest Shares are calculated as to the number of Sabvest Shares as at the date of the interim results of 41,802,212, plus the additional 508,030 Sabcap Ordinary Shares issued in terms of the Proposed Restructure.
4. The *pro forma* financial information reflects the impact on the interim results, had the Proposed Restructure been implemented as at 1 January 2019, for both earnings per share and headline earnings per share purposes, and at 30 June 2019, for net asset value per share purposes.
5. The *pro forma* financial information takes into account the estimated, non-tax deductible, transaction costs of R8,8 million. The one-off transaction costs will have no continuing effect on the Group and have been written off as an expense. These costs had the effect on the *pro forma* financial results of reducing both earnings per share and headline earnings per share by 18.9 cents and the net asset value per share by 18.9 cents.
6. The issue of the "Z" Share has no effect on the earnings per share, headline earnings per share and net asset value per share.
7. Subsequent to the interim results date, the Group repurchased and cancelled 550 000 N Ordinary Shares. If that repurchase and cancellation had been effective at 1 January 2019, the *pro forma* financial effects on the adjusted interim results would have been as follows:

	Reviewed interim results – before the Proposed Restructure and after cancellation of treasury shares repurchased	Pro forma adjustments	After the Proposed Restructure and after cancellation of treasury shares repurchased	% change
Earnings per share – cents*	127.4	(22.6)	104.8	(17.74)
Headline earnings per share – cents*	127.4	(22.6)	104.8	(17.74)
Net asset value per share – cents	5 943	(94)	5,849	(1.58)
Number of shares in issue – 000's	41,252	508	41,760	(1.23)
Number of weighted shares in issue – 000's	41,252	508	41,760	(1.23)

The Company's financial results for the year ended December 2019, including the declaration of any final dividend approved by the Board, will be published by or before the end of March 2020.

The detailed *pro forma* financial information and notes thereto are contained in Annexure 3 to this Scheme Circular. The independent Reporting Accountants' limited assurance report on the *pro forma* financial information is contained in Annexure 4 to this Scheme Circular.

20. DELISTING

Subject to the fulfilment of the Conditions Precedent detailed in paragraph 8 above, Sabvest Shares will be suspended from trading on the JSE at the commencement of business on Wednesday, 13 May 2020 and all Sabvest Shares will be delisted from the Main Board of the JSE with effect from the commencement of business on Tuesday, 19 May 2020.

21. EXCHANGE CONTROL REGULATIONS

The transition from holding a Share to holding a Sabcap Ordinary Share is effectively a switch transaction, whereby a Sabvest Shareholder's investment moves from one listed security to another listed security. This transition is accommodated by the Exchange Control Regulations and involves an administrative function to be fulfilled by the Shareholder's CSDP. Sabvest Shareholders whose registered address is outside the Common Monetary Area will need to comply with the Exchange Control Regulations summarised in Annexure 6 to this Scheme Circular. If Shareholders are in any doubt as to what action to take, they should consult their professional advisors.

22. RESTRICTED JURISDICTIONS

22.1 To the extent that the release, publication or distribution of this Scheme Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction, then this Scheme Circular is deemed to have been provided for information purposes only and the Board does not accept any responsibility for any failure by Sabvest Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

22.2 Sabvest Shareholders who are in doubt as to their position should consult their professional advisors.

23. DESCRIPTION OF THE BUSINESS OF SABCAP

23.1 Upon implementation of the Proposed Restructure, Sabcap's only asset will be its 100% holding of the Sabvest Shares. Sabcap will therefore serve primarily as an investment holding company for Sabvest's business and will be listed on the Main Board of the JSE in the Financials – Investment Instruments – Equities sector of the list in terms of the Sabcap Listing.

23.2 Sabvest is an investment group with significant interests in nine unlisted groups, long-term direct and indirect holdings in six JSE-listed investments and equity funds, and offshore bond portfolios, all accounted for on a fair value basis. In addition, Sabvest makes finance advances, participates in debt instrument portfolios and undertakes other fee and profit earning activities.

Further information relating to Sabcap and Sabvest is available in the Prospectus and on the Company's website, www.sabvest.com.

24. PROSPECTS

24.1 On implementation of the Proposed Restructure, Sabvest's business, strategy and investments will continue unaffected, but the Company will be repositioned as the unlisted, wholly-owned subsidiary of Sabcap.

24.2 The Directors' service contracts and remuneration will not be varied as a result of implementation of the Proposed Restructure. If the Proposed Restructure becomes unconditional, the Directors will be appointed as directors of Sabcap, as detailed in Annexure E of the Prospectus.

25. HISTORICAL FINANCIAL INFORMATION

Extracts from the audited historical financial information of Sabvest for the years ended 31 December 2018, 31 December 2017 and 31 December 2016, together with extracts from the reviewed interim financial results for the six months ended 30 June 2019 are included in Annexure 2 to this Scheme Circular. The Reporting Accountants' report thereon is included in Annexure Bii to the Prospectus. The full set of audited financial statements are available on the Company's website, www.sabvest.com.

The audited opening statement of financial position of Sabcap as at 20 January 2020 is included in Annexure A to the Prospectus. The Reporting Accountants' report thereon is included in Annexure Ai thereto.

26. MAJOR BENEFICIAL SHAREHOLDERS

26.1 Major beneficial Shareholders as at the Last Practicable Date

Insofar as it is known to the Directors, the following Shareholders, other than Directors, have a direct, beneficial interest in 5% or more of the issued N Ordinary Share capital of the Company, as at the Last Practicable Date:

Shareholder	Number of N Ordinary Shares held	% of issued N Ordinary Share capital
The Seabrooke Family Trust	4,105,000	16.9%
Eric Ellerine Trust	2,900,000	11.9%
Total	7,005,000	28.8%

As at the Last Practicable Date, Sabcap held no N Ordinary Shares.

Insofar as it is known to the Directors, the following Shareholders, other than Directors, have a direct, beneficial interest in 5% or more of the issued Ordinary Share capital of the Company, as at the Last Practicable Date:

Shareholder	Number of Ordinary Shares held	% of issued Ordinary Share capital
The Seabrooke Family Trust	11,895,000	70.07%
Valderoma Investments SA	2,915,498	17.17%
Total	14,810,498	87.24%

As at the Last Practicable Date, Sabcap held no Ordinary Shares.

26.2 Major beneficial Shareholders on implementation of the Proposed Restructure

Insofar as it is known to the Directors, the following Shareholders, other than Directors, will have a direct, beneficial interest in 5% or more of the Sabcap Ordinary Shares in issue, on implementation of the Proposed Restructure:

Shareholder	Number of issued Sabcap Ordinary Shares in issue	% of issued Sabcap Ordinary Shares in issue
The Seabrooke Family Trust*	16,000,000	38.31*
Valderoma Investments SA	3,207,048	7.68
Eric Ellerine Trust	2,900,000	6.94
Total	22,107,048	52.93

* Inclusive of the 51% voting rights in the Z Share

On implementation of the Proposed Restructure, Sabcap will hold no Sabcap Ordinary Shares in treasury.

27. DIRECTORS' INTERESTS IN SHARES

27.1 Directors' interests in Sabvest Shares as at the Last Practicable Date

As at the Last Practicable Date, the direct and indirect beneficial interests of the Directors and their Associates in the 24,276,919 issued N Ordinary Share capital of Sabvest are set out below:

	Direct beneficial interest		Indirect beneficial interest		Total	
	Number	%	Number	%	Number	%
Chris Seabrooke	–	–	4,105,000	16.91	4,105,000	16.91
Raymond Pleaner	1,030,000	4.25	–	–	1,030,000	4.25
Leon Rood	160,865	0.67	–	–	160,865	0.67
Dawn Mokhobo	30,000	0.12	–	–	30,000	0.12
Lindiwe Mthimunye-Bakoro	30,000	0.12	–	–	30,000	0.12
Bheki Shongwe	30,000	0.12	–	–	30,000	0.12
Kuben Pillay	–	–	–	–	–	–
Total	1,280,865	5.28	4,105,000	16.91	5,385,865	22.19

As at the Last Practicable Date, the direct and indirect beneficial interests of the Directors and their Associates in the 16,975,293 issued Ordinary Share capital of Sabvest are set out below:

	Direct beneficial interest		Indirect beneficial interest		Total	
	Number	%	Number	%	Number	%
Chris Seabrooke	–	–	11,895,000	70.072	11,895,000	70.072
Raymond Pleaner	20,000	0.118	–	–	20,000	0.118
Leon Rood	500	0.003	–	–	500	0.003
Dawn Mokhobo	–	–	–	–	–	–
Lindiwe Mthimunye-Bakoro	–	–	–	–	–	–
Bheki Shongwe	–	–	–	–	–	–
Kuben Pillay	–	–	–	–	–	–
Total	20,500	0.121	11,895,000	70.072	11,915,500	70.193

27.2 Directors' interests in Sabcap Ordinary Shares on implementation of the Proposed Restructure

On implementation of the Proposed Restructure, the direct and indirect beneficial interests of the Directors and their Associates, including Directors having resigned in the last 18 months, in the 41,760,242 issued Sabcap Ordinary Shares in issue will be as set out below:

	Direct beneficial interest		Indirect beneficial interest		Total	
	Number	%	Number	%	Number	%
Chris Seabrooke	–	–	16,000,000	38.32	16,000,000	38.32
Raymond Pleaner	1,052,000	2.52	–	–	1,052,000	2.52
Leon Rood	161,415	0.39	–	–	161,415	0.39
Dawn Mokhobo	30,000	0.07	–	–	30,000	0.07
Lindiwe Mthimunye-Bakoro	30,000	0.07	–	–	30,000	0.07
Bheki Shongwe	30,000	0.07	–	–	30,000	0.07
Kuben Pillay	–	–	–	–	–	–
Total	1,303,415	3.12	16,000,000	38.32	17,303,415	41.4

As at the Last Practicable Date, the Company held no Sabvest Shares in treasury.

28. SABVEST SHARE CAPITAL

28.1 The table below set out the authorised and issued Share capital of Sabvest, as at the Last Practicable Date and on implementation of the Proposed Restructure:

	R'000
Authorised	
80,000,000 N Ordinary Shares of 0.01 cent each	8
24,000,000 Ordinary Shares of 5 cents each	1,200
Issued	
24,276,919 N Ordinary Shares of 0.01 cent each	3
16,975,293 Ordinary Shares of 5 cents each	848

As at the Last Practicable Date, the Company held no Sabvest Shares in treasury.

29. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Group since the publication of the Group's unaudited interim financial results for the six months ended 30 June 2019 to the Last Practicable Date.

30. RESPONSIBILITY STATEMENTS

30.1 Board of Directors

The Directors, whose names are set out on page 16 of this Scheme Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Scheme Circular (excluding information in relation to the matters on which the Independent Board has opined) in relation to Sabvest and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement in this Scheme Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Scheme Circular contains all information required by law and by the Listings Requirements.

30.2 Independent Board

The Independent Board, whose members are named on page 11 of this Scheme Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Scheme Circular in relation to Sabvest and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement in this Scheme Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Scheme Circular contains all information required by law and by the Listings Requirements.

31. EXPENSES

31.1 There have been no preliminary expenses relating to the Proposed Restructure and incurred by Sabvest in the three years immediately preceding the date of this Scheme Circular.

31.2 The expenses relating to the Proposed Restructure (exclusive of VAT) are expected to be:

Expense	Payable to:	R'000
Independent Expert	BDO	175
Merchant bank and sponsor ¹	RMB	3,500
Reporting accountant	Deloitte & Touche	500
Legal advisors	ENS	3,600
Transaction advisors ²	Apex Partners	–
TRP documentation fees	TRP	230
JSE fees	JSE	67
Printing and posting costs	Ince	12
Total		8,795

Notes:

1. Acting under one mandate.
2. Acting under ongoing advisory mandate.

32. CONSENTS

The Company's advisors, whose names appear in the "Corporate Information and Advisors" section of this Scheme Circular have given and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names in the form and context in which they appear in this Scheme Circular.

33. DOCUMENTS AVAILABLE FOR INSPECTION

33.1 The following documents or copies thereof, will be available for inspection by Shareholders during normal office hours, from 08:00 to 17:00, from the date of posting of this Scheme Circular on Friday, 28 February 2020 up to and including the date of the General Meeting and the Scheme Meetings on Friday, 27 March 2020, at the registered offices of the Company and at the offices of the Transfer Secretaries.

- the Company's MoI;
- the Sabcap MoI;
- the published, audited annual financial statements of Sabvest for each of the three years ended 31 December 2016, 31 December 2017 and 31 December 2018 and the published, unaudited interim financial statements for the six months ended 30 June 2019;
- the audited opening statement of financial position of Sabcap as at 20 January 2020;
- the signed consent letters referred to in paragraph 32 above;
- a signed copy of this Scheme Circular;
- a signed copy of the Prospectus;
- the TRP letter of approval of this Scheme Circular dated Wednesday, 26 February 2020;
- the SFT Agreement;
- Subscription agreement (issue of Z Share to SFT);
- the signed Independent Expert's report attached as Annexure 1 to this Scheme Circular; and
- the signed Independent Reporting Accountants' reports attached as Annexure 4 to the Scheme Circular and as Annexure Bii to the Prospectus.

Signed on behalf of the Board

Christopher Seabrooke
26 February 2020

Lindiwe Mthimunye-Bakoro
Signed on behalf of the Independent Board
26 February 2020

REPORT OF THE INDEPENDENT EXPERT



The Directors
 Sabvest Limited
 Ground Floor, Commerce Square, Building 4
 39 Rivonia Road
 Sandhurst
 Sandton

24 February 2020

Dear Sirs

REPORT OF THE INDEPENDENT EXPERT TO SABVEST LIMITED REGARDING A SCHEME OF ARRANGEMENT IN TERMS OF SECTION 114 OF THE COMPANIES ACT BETWEEN THE COMPANY AND ITS SHAREHOLDERS PURSUANT TO WHICH, IF IMPLEMENTED, THE COMPANY WILL ACQUIRE ALL OF THE SABVEST ORDINARY SHARES AND SABVEST “N” ORDINARY SHARES IN EXCHANGE FOR ORDINARY SHARES IN SABVEST CAPITAL LIMITED

INTRODUCTION

In an announcement published by Sabvest Limited (“Sabvest”, or the “Company”) on the Stock Exchange News Service of the JSE Limited (“JSE”) (“SENS”) on 24 October 2019, the Company advised registered holders of ordinary shares with a par value of 5 cents each with 500 votes each in the share capital of Sabvest (“Sabvest Ordinary Share”) (“Ordinary Shareholders”) and “N” ordinary shares with a par value of 0.01 cent with one vote each in the share capital of Sabvest (“Sabvest N Shares”) (“N Shareholders”) (“Sabvest Shareholders” or “Shareholders”) of the Company’s intention to simplify Sabvest’s current dual share structure (“Proposed Restructure”). All resolutions at general meetings are determined by way of a poll. The Proposed Restructure is to be effected by way of a scheme of arrangement between the Company and its Shareholders in terms of s114 of the Companies Act 71 of 2008, as amended (“Companies Act”) (“Scheme”) and in accordance with, *inter alia*, the following transaction steps as a single indivisible transaction:

- a new company, Sabvest Capital Limited (“Sabcap”) has been incorporated and registered on 20 January 2020;
- Sabcap has created an unlisted Z share, which has been issued to the Company’s controlling shareholder, The Seabrooke Family Trust (“SFT”) (“Z Share”) in order to preserve SFT’s control post-implementation of the Proposed Restructure;
- Sabcap will create and issue one class of ordinary shares (“Sabcap Ordinary Shares”), to be listed on the exchange operated by the JSE (“Sabcap Listing”);
- in terms of the Scheme, Sabcap will make an offer:
 - to all N Shareholders to acquire all the Sabvest N Shares in issue in exchange for Sabcap Ordinary Shares, on a 1:1 basis (the “Sabvest N Share Exchange Ratio”); and
 - to all Ordinary Shareholders to acquire all the high-voting Sabvest Ordinary Shares in issue, in exchange for Sabcap Ordinary Shares, on a 1,1:1 basis, other than in respect of the Sabvest Ordinary Shares held by SFT, which will be acquired on a 1:1 basis. The higher exchange ratio means that Ordinary Shareholders (other than SFT) will hold 10% more Sabcap Ordinary Shares post-implementation of the Scheme than the number of Sabvest Ordinary Shares they currently hold. On implementation of the Scheme, current Ordinary Shareholders will accordingly hold 1.2% more of the Sabcap Ordinary Shares in issue than would have been the case, in the event that the exchange ratio applicable to Ordinary Shareholders (other than SFT) had been on a 1:1 basis, rather than the 1,1:1 basis proposed) (the “Sabvest Ordinary Share Exchange Ratio”);
 - (the Sabvest N Share Exchange Ratio and Sabvest Ordinary Share Exchange Ratio are collectively, the “Exchange Ratios”).

If the Scheme is approved and successfully implemented, the Sabvest Ordinary Shares and Sabvest N Shares will be delisted from the Main Board of the exchange operated by the JSE and Sabvest will be an unlisted, wholly-owned subsidiary of Sabcap.

If the Scheme is approved and successfully implemented, the Sabcap Ordinary Shares will be listed on the Main Board of the exchange operated by the JSE in the Financials – Investment Instruments – Equities sector of the JSE list (in which Sabvest is currently listed). The Sabcap Listing will ensure that Sabvest shareholders are able to trade their Sabcap shares on the Main Board of the JSE, as they were previously able to trade their Sabvest shares.

Salient terms of the Z Share

It is anticipated that the Z Share to be issued to SFT pursuant to the Scheme will have the following salient terms:

- it will entitle SFT to 51% voting control of Sabcap, providing that SFT maintains a minimum 10% shareholding in Sabcap, whether directly or indirectly through a wholly-owned subsidiary;
- it will have no economic rights;
- it will be transferable to Sabcap only; and
- in the event that SFT ceases to hold 10% or more of the economic rights in Sabcap Ordinary Shares, whether directly or indirectly through a wholly-owned subsidiary, the voting rights attached to the Z Share will cease to be of force and effect and Sabcap will repurchase and cancel the Z Share in exchange for one Sabcap Ordinary Share.

As at Monday, 24 February 2020, the share capital of the Company comprises:

- Authorised share capital comprising:
 - 24,000,000 Sabvest Ordinary Shares;
 - 80,000,000 Sabvest N Shares;
- Issued share capital comprising:
 - 16,975,293 Sabvest Ordinary Shares; and
 - 24,276,919 Sabvest N Shares(collectively, “Sabvest Shares”).

The Company holds no treasury shares.

Accordingly, there are currently 41,252,212 shares in issue with equal economic rights, but unequal voting rights. SFT currently holds 11,895,000 Sabvest Ordinary Shares and 4,105,000 N Shares, giving it a 38.78% economic interest in Sabvest and a disproportionate 69.92% voting interest. The Company’s N ordinary shareholders currently control 0.29% of the 8,511,923,419 voting rights at a combined shareholders’ meeting.

Full details of the Proposed Restructure are contained in the circular to be dated on or about 28 February 2020, which will include a copy of this letter (“Circular”).

Copies of sections 115 and 164 of the Companies Act are set out in Annexure 5 of the Circular and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

FAIR AND REASONABLE OPINION REQUIRED IN RESPECT OF THE PROPOSED RESTRUCTURE

The Scheme is an affected transaction as defined in Section 117(1)(c) of the Companies Act. In terms of Section 114(2) of the Companies Act, as read with Regulation 90 and 110 of the Companies Regulations, 2011 (“Companies Regulation”), the independent board of directors of Sabvest (“Independent Board”) is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act and Regulation 90 and 110 of the Companies Regulations (“the Opinion” or “Fair and Reasonable Opinion”). In addition, in a ruling issued by the JSE in respect of the Proposed Restructure, the independent expert report is required to comply with Schedule 5 of the JSE Listings Requirements.

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert by the Board to assess the Scheme as required in terms of section 114 of the Companies Act and Regulation 90 and 110 of the Companies Regulations, in respect of the Proposed Restructure, which will be provided for the sole purpose of assisting the Board in forming and expressing an opinion on the Scheme for the benefit of Sabvest Shareholders.

RESPONSIBILITY

Compliance with the JSE Listings Requirements, the Companies Act and the Companies Regulations is the responsibility of the Board and Independent Board. Our responsibility is to opine on whether the terms and conditions of the Scheme are fair and reasonable to Sabvest Shareholders, in respect of the Proposed Restructure.

The Independent Board has not instructed BDO Corporate Finance to prepare a formal valuation of the Company or any of its securities or assets and the Opinion shall not be construed as such. BDO Corporate Finance has however conducted such analyses as it considered necessary in the circumstances to prepare and deliver the Opinion.

DEFINITION OF THE TERMS “FAIR” AND “REASONABLE” APPLY IN THE CONTEXT OF THE PROPOSED RESTRUCTURE

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value ceded by shareholders.

The assessment of reasonableness of the Scheme is based on qualitative factors.

The Independent Board has requested that we prepare our Opinion as to the fairness, from a financial point of view, of the Exchange Ratios to Sabvest Shareholders and the reasonableness of the Exchange Ratios, based on qualitative factors.

DETAIL AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- an understanding of the terms and conditions of the Proposed Restructure;
- audited financial statements of Sabvest for the years ended 31 December 2016, 2017 and 2018;
- unaudited interim results of Sabvest for the six months ended 30 June 2019;
- unaudited management accounts for the year ended 31 December 2019;
- discussions with Sabvest directors and management and/or their advisors regarding the historical and forecast financial information;
- discussions with Sabvest directors and management and/or their advisors on prevailing market, economic, legal and other conditions which may affect underlying value;
- share price information of Sabvest for the five years ended 22 January 2020;
- various studies regarding the value of voting rights;
- publicly available information relating to Sabvest that we deemed to be relevant, including company announcements and media articles; and
- publicly available information relating to the markets in which Sabvest operates.

The information above was secured from:

- Sabvest directors and management and/or their advisors; and
- third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Sabvest.

PROCEDURES AND METHODS

- In arriving at our opinion we have undertaken the following procedures and employed the following methods in evaluating the fairness and reasonableness of the Proposed Restructure:
- reviewed the terms and conditions of the Proposed Restructure;
- held discussions with Sabvest directors and management and/or their advisors and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- reviewed the audited and unaudited financial information of Sabvest;
- considered the rationale for the Proposed Restructure;
- assessed the long-term potential of Sabvest;
- evaluated the relative risks associated with Sabvest and the industry in which it operates;
- reviewed publicly available information regarding the shares trading history of the Sabvest Shares;
- reviewed public information with respect to other transactions of a comparable nature considered by us to be relevant, including transactions involving multiple classes of shares;
- considered various empirical studies and research publications which compare public companies which have differential voting class share structures to public companies which have a single class of ordinary shares which were considered relevant;
- considered publicly available information pertaining to the listed securities of companies with a capital structure including multiple classes or more than one class of shares or shares with different voting rights or restricted voting rights;

- considered various studies regarding the value of voting rights;
- reviewed certain publicly available information relating to Sabvest and the sector in which the Company operates that we deemed to be relevant, including Company announcements and media articles;
- where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Sabvest operates, and to analyse external factors that could influence the business of Sabvest;
- performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the industries in which Sabvest operates; and
- held discussions with Sabvest directors and management and/or their advisors regarding the past and current business operations, regulatory requirements, financial condition and future prospects of the Company and such other matters as we have deemed relevant to our inquiry.

MATERIAL ASSUMPTIONS

We arrived at our opinion based on the following material assumptions:

- that all agreements that have been entered into in terms of the Proposed Restructure will be legally enforceable;
- that the Restructure will have the legal, accounting and taxation consequences described in the Circular and in discussions with, and materials furnished to us by representatives and advisors of Sabvest; and
- that reliance can be placed on the audited and unaudited financial information of Sabvest.

LIMITING CONDITIONS

This Opinion is provided in connection with and for the purposes of the Proposed Restructure. The Opinion does not purport to cater for each individual Sabvest Shareholder's perspective, but rather that of the general body of Sabvest Shareholders. Should a Shareholder be in doubt as to what action to take, he or she should consult an independent advisor.

Individual Sabvest Shareholders' decisions regarding the Proposed Restructure may be influenced by such Sabvest Shareholders' particular circumstances and accordingly individual Sabvest Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Proposed Restructure.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, 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 an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Sabvest relates to future events and is 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 Sabvest will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Proposed Restructure will have the legal consequences described in the Circular and in discussions with, and materials furnished to us by representatives and advisors of Sabvest and we express no opinion on such consequences.

Our opinion is based on current information and takes into account current economic, regulatory, market and other conditions. Subsequent developments or changes to these conditions may affect the opinion, however, we are under no obligation to update, review or re-affirm our opinion based on such developments or changes.

We have been neither a party to the negotiations entered into in relation to the Proposed Restructure nor have we been involved in the deliberations leading up to the decision on the part of Sabvest to enter into the Proposed Restructure.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Restructure. All such evaluations, advice, judgements or comments remain the sole responsibility of the Board and their advisors. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of Sabvest Shares. We do not express any view as to the price at which Sabvest Shares may trade nor on the future value, financial performance or condition of Sabvest.

It is also not within our terms of reference to compare the merits of the Proposed Restructure to any alternative arrangements that were or may have been available to Sabvest. Such comparison and consideration remain the responsibility of the Board and their advisors.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that neither we nor any related person with us have a direct or indirect interest in the Sabvest Shares or the Proposed Restructure nor any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and Regulation 90(3)(a) of the Companies Regulations, that we are independent in relation to the Proposed Restructure and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion on the Proposed Restructure and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R175,000 (excluding VAT) are payable in cash and are not contingent upon the success of the Proposed Restructure.

APPROACH TO FAIRNESS AND REASONABLENESS

Fairness of the Exchange Ratios

In assessing the fairness of the Exchange Ratios from a financial point of view, BDO Corporate Finance considered the following:

- the context under which the Sabcap Shares were created;
- the legal attributes and voting rights of each class of Sabvest Shares; and
- the net benefits that accrue to each class of Sabvest Shares as a result of the Proposed Restructure (i.e. the economic and voting rights before and after the Proposed Restructure).

BDO Corporate Finance reviewed and considered precedent dual class share collapse transactions in numerous jurisdictions and the historical relative trading values of classes of shares with different voting rights.

The following factors, *inter alia*, were considered:

- the impact of the dual class share structure was designed to retain control by SFT. SFT exercises 69.92% of the voting rights in the Company, disproportionate to its 38.78% economic interest in Sabvest, through the Company's current dual share capital structure;
- the Sabvest Ordinary Shares and Sabvest N Shares rank *pari passu* in all respects other than voting rights;
- subsequent to the implementation of the Proposed Restructure only the Sabcap Ordinary Shares will have an economic interest in Sabcap and be entitled to dividends;
- the range of studies considered indicate that where superior vote shareholders gave up their superior voting status (all shares became "one share one vote") these shareholders received (in most cases) compensation in the form of additional shares. This is applicable particularly in instances where majority shareholders transfer control to the market. Unifications are essentially intracompany transactions of the exchange of voting rights for economic rights, and provide observations of the intracompany-assessed price of voting rights as perceived by the majority shareholders ("PVR"). The range of studies yields a median PVR estimate of 0.03, which implies the price of vote of 0.03% of firm equity per 1% of vote;
- in terms of the Proposed Restructure, the Sabvest Ordinary Shareholders (excluding SFT¹) experience a dilution in voting rights and are compensated via an increase in economic interest. The premium in excess of economic interest attributable to Sabvest Ordinary Shares is 1.0%¹ (increase in economic rights from 12.2%¹ of book equity to 13.2%¹ of book equity) and the loss in voting rights for Sabvest Ordinary Shares is 23.2%¹ (decrease in voting rights from 29.8%¹ to 6.6%¹ of book equity), yields a PVR estimate of 4.5%, which implies the price of vote in respect of the Proposed Restructure is 0.045% of firm equity per 1% of vote which is the compensation received by Sabvest Ordinary Shareholders¹;
- in terms of the Proposed Restructure, the Sabvest N Shareholders¹ experience an increase in voting rights and pay for this increase via a dilution in economic interest. The loss in economic interest attributable to Sabvest N Shares is 0.6%¹ (decrease in economic rights from 49.6%¹ of book equity to 49.0%¹ of book equity) and the gain in voting rights for Sabvest N Shares is 23.8%¹ (increase in voting rights from 0.2%¹ to 24.0%¹, which yields a PVR estimate of 2.5%, which implies the price of vote in respect of the Proposed Restructure is 0.025% of firm equity per 1% of vote which is the compensation paid by Sabvest N Shareholders¹;
- We note that SFT experiences a dilution in both voting rights and economic interest, i.e. the overall voting rights decline from 69.92% attributable to its holding of Sabvest Ordinary Shares and Sabvest N Shares to 69.83% attributable to its holding of the Z Share and Sabcap Ordinary Shares and overall economic interest declines from 38.78% to 38.31% which implies a negative price of vote in respect of the Proposed Restructure attributable to SFT; and

- The PVR implied by the Exchange Ratios in respect of the Proposed Restructure are consistent with market ranges for Sabvest Ordinary Shareholders¹ and Sabvest N Shareholders¹.

Reasonableness of the Exchange Ratio

In assessing the reasonableness of the Exchange Ratios we note the following:

- Sabvest is expected to benefit from improved Corporate Governance, simplification of the share structure and improved trading liquidity. These benefits are expected to accrue to both classes of Shareholders as evidenced by the performance of both classes of shares since the initial announcement of the Proposed Restructure.

RESULTS

Sabvest Ordinary Share Exchange Ratio:

We note that in terms of the Proposed Restructure, the Sabvest Ordinary Shareholders¹ experience a dilution in voting rights and are compensated via an increase in economic interest, hence, the lower the exchange ratio, the more unfair this would be to Sabvest Ordinary Shareholders as they would receive fewer Sabcap Shares for every Sabvest Ordinary Share, i.e. a PVR greater than 0.03%.

In undertaking the exercise above, we determined a fair Sabvest Ordinary Share Exchange Ratio of 1.07 Sabcap Shares for every one Sabvest Ordinary Share.

Based on the above, the Sabvest Ordinary Share Exchange Ratio of 1.10 Sabcap Shares for every one Sabvest Ordinary Share falls above the suggested PVR calculated from our analysis.

Sabvest N Shares Exchange Ratio:

We note that in terms of the Proposed Restructure, the Sabvest N Shareholders¹ experience an increase in voting rights and pay for this increase via a dilution in economic interest, hence the lower the exchange ratio, the more unfair this would be to N Shareholders as they would receive fewer Sabcap Shares for every Sabvest N Share, i.e. a PVR of below 0.03% results in a fair outcome.

In undertaking the exercise above, we determined a fair Sabvest N Share Exchange Ratio of 0.90 Sabcap Shares for every one Sabvest N Share.

Based on the above, the Sabvest N Share Exchange Ratio of 1.00 Sabcap Shares for every one Sabvest N Share falls below the suggested PVR calculated from our analysis.

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

Note: ¹All calculations have been performed excluding the Sabvest Ordinary Shares and Sabvest N Shares held by SFT, before and after the Proposed Restructure.

OPINION

BDO Corporate Finance has considered the proposed terms and conditions of the Proposed Restructure, based upon and subject to the conditions set out herein, is of the opinion that the Sabvest Ordinary Share Exchange Ratio, based on quantitative considerations, are fair to Sabvest Ordinary Shareholders. Based on qualitative factors, we are of the opinion that the Sabvest Ordinary Share Exchange Ratio is reasonable from the perspective of Sabvest Ordinary Shareholders.

BDO Corporate Finance has considered the proposed terms and conditions of the Proposed Restructure, based upon and subject to the conditions set out herein, is of the opinion that the Sabvest N Share Exchange Ratio, based on quantitative considerations, are fair to Sabvest N Shareholders. Based on qualitative factors, we are of the opinion that the Sabvest N Share Exchange Ratio is reasonable from the perspective of Sabvest N Shareholders.

Our opinion is necessarily based upon the information available to us up to Monday, 24 February 2020, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Proposed Restructure have been fulfilled 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.

CONSENT

We hereby consent to the inclusion of this Fair and Reasonable Opinion, in whole or in part and references thereto in the Circular and in any required regulatory announcement or documentation.

Yours faithfully

N Lazanakis CA (SA)
Director

BDO Corporate Finance Proprietary Limited

Wanderers Office Park
52 Corlett Drive
Illovo
2196

**EXTRACT OF AUDITED HISTORICAL FINANCIAL INFORMATION OF
SABVEST FOR THE THREE YEARS ENDED 31 DECEMBER 2018 AND
EXTRACT OF THE REVIEWED INTERIM FINANCIAL RESULTS FOR THE
SIX MONTHS ENDED 30 JUNE 2019**

A complete set of Sabvest's financial statements are available on the Company's website, www.sabvest.com.

This annexure contains a report of the historical information of Sabvest. The information is an extraction from the full audited consolidated financial statement of Sabvest, which were prepared in accordance with the International Financial Reporting Standards (IFRS), the JSE Limited's Listings Requirements and the requirements of the Companies Act, No. 71 of 2008.

The information presented in this annexure is the responsibility of the directors of Sabvest.

The preparation of these financial statements was supervised by the Chief Financial Officer R Pleaner CA (SA).

Full sets of these financial results can be found on the Sabvest website www.sabvest.com

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 31 December 2018 R'000	Audited 31 December 2017 R'000	Restated Audited 31 December 2016 R'000
Non-current assets	2,367,060	1,135,885	2,009,727
Property, plant and equipment	2,688	1,050	1,365
Investment holdings	2,364,372	1,134,835	2,008,362
Unlisted equity investments	1,707,546	652,547	1,421,820
Listed investments	566,699	332,279	474,492
Listed investments held indirectly	90,127	150,009	112,050
Current assets	452,538	1,514,928	158,207
Finance advances and receivables	34,987	1,388,447	3,858
Listed investments held indirectly (held-for-sale)	65,985	–	151,262
Listed equity portfolio	–	101,556	–
Equity investment	–	24,867	23,003
Listed bond portfolio	101,993	–	128,259
Cash balances	249,573	58	3,087
Total assets	2,819,598	2,650,813	2,167,934
Ordinary shareholders' equity	2,446,148	2,303,945	1,659,255
Share capital and premium	851	29,288	34,400
Non-distributable reserves	143,818	42,295	54,513
Accumulated profit	2,301,479	2,232,362	1,570,342
Non-current liabilities	277,109	235,807	413,689
Interest-bearing debt	100,000	110,000	90,000
Deferred tax liabilities	177,109	125,807	323,689
Current liabilities	96,341	111,061	94,900
Interest-bearing debt	66,176	70,897	77,732
Current portion of interest-bearing debt	40,000	30,000	30,000
Equity portfolio finance	–	7,685	36,577
Interest-bearing debt	26,176	33,212	11,155
Accounts payable	12,654	10,728	5,343
Provisions	17,511	29,436	11,915
Total equity and liabilities	2,819,598	2,650,813	2,167,934
Net asset value per share – cents*	5,852	5,085	3,646

* Additional disclosure to comply with Rule 8.11 of the JSE Listings Requirements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited 31 December 2018 R'000	Audited 31 December 2017 R'000	Restated Audited 31 December 2016 R'000
Gross income from operations and investments	364,351	570,934	111,329
Dividends received	53,557	94,273	63,340
Interest received	27,758	7,117	10,980
Forex gain	21,681	–	–
Income/(loss) on financial instruments and shares	68,405	(22,558)	5,313
Fees and sundry income	2,047	1,362	1,147
Fair value adjustments to investments	190,903	490,740	30,549
– Listed	(89,653)	(44,022)	(170,103)
– Listed held indirectly	6,103	(67,091)	42,678
– Unlisted	274,453	601,853	157,974
Transactional costs	(11,877)	(633)	(518)
Net reversal of impairment/(impairments)	851	(1,506)	–
Fair value loss on initial recognition of interest-free loans	(3,907)	–	–
Interest paid	(16,752)	(15,839)	(15,175)
Net income before operating expenses	332,666	552,956	95,636
Less: Expenditure	(43,281)	(62,474)	(24,329)
Operating costs – fixed	(27,222)	(26,323)	(23,943)
Operating costs – variable	(15,487)	(35,785)	–
Depreciation	(572)	(366)	(386)
Net income before taxation	289,385	490,482	71,307
Taxation	(51,302)	197,882	(67,133)
– current year	(51,302)	197,882	(11,422)
– CGT arising from change in inclusion rate	–	–	(55,711)
Net income for the year attributable to equity shareholders	238,083	688,364	4,174
Translation of foreign subsidiary*	101,523	(12,217)	(15,961)
Total comprehensive income for the year attributable to equity shareholders	339,606	676,147	(11,787)
Earnings per share – cents**/**	531,3	1,517,3	9,2
Headline earnings per share – cents**/**	530,9	1,517,3	9,2
Dividends per share – cents**	68,0	61,0	55,0
Special dividend per share – cents**	0	0	100

* This item may subsequently be classified to profit and loss.

** There are no diluting instruments.

*** Additional disclosure to comply with Rule 8.11 of the JSE Listings Requirements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited 2018 R'000	Audited 2017 R'000	Audited 2016 R'000
Cash flows (utilised in)/from operating activities			
Net income for the year	(52,477)	20,766	(2,077)
	238,083	688,364	4,174
Adjustments for:			
Depreciation	572	366	386
Fair value adjustments to investments	(190,903)	(490,740)	(30,549)
Fair value loss on initial recognition of interest-free loans			
Interest received	3,907	–	–
	(377)	–	–
Deferred taxation	51,302	(197,882)	67,133
(Net reversal of impairments)/impairment	(851)	1,506	(15)
Other (loss)/income on financial instruments and shares			
Loss on sale of property, plant and equipment	(68,405)	22,591	(5,419)
	(155)	–	5
Provisions	(13,253)	17,199	(11,854)
Increase in accounts payable	3,254	5,706	(2,210)
Cash flows from operations	23,174	47,110	21,651
Dividends paid – ordinary	(30,345)	(26,344)	(23,728)
Dividends paid – special	(45,306)	–	–
Cash flows from investing activities	438,465	(31,848)	(101,748)
Purchase of property, plant and equipment	(2,355)	(51)	(387)
Purchase of investment holdings and offshore portfolios	(1,557,661)	(240,877)	(328,014)
Proceeds from sale of investment holdings and offshore portfolios	643,431	207,675	156,450
Decrease in offshore cash investment portfolio	–	–	66,954
Proceeds from sale of fixed assets	300	–	–
Increase in loans to subsidiaries	–	–	–
Proceeds of special dividend	1,387,500	–	–
Decrease in finance advances and receivables	(32,750)	1,405	3,249
Cash effects of financing activities	(136,473)	8,053	51,881
Increase in long-term loan	–	20,000	20,000
(Decrease)/increase in other interest-bearing debt	(7,036)	22,057	1,915
Purchase of company shares held in treasury	(1,143)	(5,112)	(6,611)
Repurchase of company shares	(120,609)	–	–
Distribution received from share trust	–	–	–
Decrease in loan from share trust	–	–	–
Decrease in equity portfolio finance	(7,685)	(28,892)	36,577
Change in cash and cash equivalents	249,515	(3,029)	(51,944)
Cash and cash equivalents at beginning of year	58	3,087	55,031
Cash and cash equivalents at end of year	249,573	58	3,087

CONSOLIDATED CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Non- distributable reserves R'000	Accumulated profit R'000	Total R'000
Balance as at 1 January 2016	856	40,155	70,475	1,589,896	1,701,382
Total comprehensive (loss)/income for the year	–	–	(15,961)	4,174	(11,787)
Accumulated loss in share trust	–	–	(1)	–	(1)
Shares held in treasury – written back	–	5,593	–	–	5,593
Shares held in treasury	(1)	(12,203)	–	–	(12,204)
Dividends paid	–	–	–	(23,728)	(23,728)
Balance as at 1 January 2017	855	33,545	54,513	1,570,342	1,659,255
Total comprehensive (loss)/income for the year	–	–	(12,217)	688,364	676,147
Accumulated loss in share trust	–	–	(1)	–	(1)
Shares held in treasury – written back	1	12,203	–	–	12,204
Shares held in treasury	(5)	(17,311)	–	–	(17,316)
Dividends paid	–	–	–	(26,344)	(26,344)
Balance as at 1 January 2018	851	28,437	42,295	2,232,362	2,303,945
Total comprehensive (loss)/income for the year	–	–	101,523	238,083	339,606
Shares held in treasury – written back	5	17,311	–	–	17,316
Shares cancelled	(5)	(45,748)	–	(93,315)	(139,068)
Dividends paid	–	–	–	(75,651)	(75,651)
Balance as at 31 December 2018	851	–	143,818	2,301,479	2,446,148

ACCOUNTING POLICIES

for the year ended 31 December 2018

Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the Companies Act, No. 71 of 2008, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost. The significant accounting policies and methods of computation are consistent in all material respects with those applied in the previous financial year, other than the standards which were adopted in the current year.

The group has adopted the revised or amended accounting standards which includes IFRS 9 and IFRS 15, issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) which were effective and applicable to the group from 1 January 2018. In the current year, the Group has applied IFRS 9 Financial Instruments (as revised in July 2014) that is effective for an annual period that begins on or after 1 January 2018. No adjustments were required on adoption of this standard and there has been no impact on financial instruments that have previously been reported. In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. The application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 December each year. Control is achieved when the company has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair value. Any excess of the cost at acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost is less than the fair value of the identifiable net assets acquired (ie a discount on acquisition), this difference is credited to profit or loss in the period of acquisition.

All inter-company transactions and balances are eliminated on consolidation.

Investments

All investments are accounted for at fair value in terms of Investment Entities.

Where investments are listed equities, fair value is calculated as market value. Should the disposal of any investment be restricted, then the market value is reduced by a discount to arrive at fair value. Gains and losses arising from changes in the fair value are included in the statement of comprehensive income for the period. On disposal of the investments the profit or loss is accounted for as the difference between the consideration received and the fair value of the investment at the commencement of the financial year.

Where investments are unlisted equities, fair value is calculated using the maintainable earnings model. Maintainable earnings are based on historic and projected Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) as appropriate. The multiples are selected after considering peer group multiples and adjusting as appropriate. The resultant valuations are then adjusted for net cash or net debt balances. They may be measured for reasonableness against net asset value (if this is a relevant metric), recent transaction prices and/or Discounted Cash Flow (DCF) valuations.

For other unlisted investments fair value is determined using an appropriate valuation model.

Financial instruments

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group has become a party to the contractual provisions of the instrument.

Financial instruments recognised on the statement of financial position include cash and cash equivalents, investments, finance advances and receivables, accounts payable and borrowings.

Equity instruments issued are recorded as the proceeds received net of direct issue costs.

Accounts payable are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised in other comprehensive income. Amounts deferred in equity are recognised in the statement of comprehensive income in the same period in which the hedged firm commitment or forecast transaction affects net profit or loss.

Interest-bearing loans and overdrafts are recorded as the amounts of the proceeds received, net of direct raising costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Originated loans and receivables are measured initially at cost. The loans and receivables are measured subsequently at amortised cost using the effective interest rate method. If the terms of a loan or receivable are not market-related, the payments are discounted at a market-related rate to determine the fair value at initial recognition.

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, offset by other current interest-bearing debt.

Long-term investments are measured at fair value. They are recognised as being held for trading purposes and gains or losses in fair value are included in the statement of comprehensive income for the period. Where investments are listed equities, the fair value is calculated using market value and where the investments are unlisted equities the fair value is calculated using inputs that are observable either directly or indirectly.

On disposal of investments the profit or loss is accounted for as the difference between the consideration received and the carrying value of the investment and is included in the statement of comprehensive income.

Redeemable or callable reset bonds purchased to hold to maturity or to call/reset dates are recognised at cost. Any surplus or discount to the maturity or call values are accounted for over the period to maturity/call and the investments are accounted for accordingly. The carrying values calculated on this basis are regarded as appropriate estimates of fair value at the reporting date.

Specific impairment provisions or debt write-offs may be deducted from finance advances and receivables or investments where in the opinion of the directors, taking into account that as a result of one or more events that occurred after the initial recognition of the asset, the estimated future cash flows from the asset have been impacted, recoverability is doubtful or unlikely.

Treasury shares

Ordinary and "N" ordinary shares in Sabvest Limited held by any subsidiary are classified as treasury shares in the Statement of Changes in Equity. Treasury shares are treated as a reduction from the issued and weighted average number of shares in issue and the cost price of the shares is presented as a deduction from equity.

Property, plant and equipment

Property, plant and equipment is reflected at cost less accumulated depreciation and any recognised impairment loss on the following basis:

Office furniture, equipment, computers and leasehold improvements	10% – 33%
Motor vehicles	20%

Depreciation is charged so as to write-off the cost or valuation of assets to residual value over their estimated useful lives, using the straight-line basis.

The gain or loss arising on disposal of assets is determined as to the difference between the sale proceeds and the carrying amount of the assets and is recognised in profit or loss.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Rands, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair

value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Rands using exchange rates prevailing at the end of each reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and transferred to the group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Impairment provisions

Associate companies and investments are considered annually for impairments in value. If, in the opinion of the directors there is an impairment, an impairment provision is deducted from the carrying value of the associate company or investment. Impairment provisions created or reversed during the year are written off/written back through the statement of comprehensive income. Where there is a reversal of an impairment loss the asset is increased to the estimated recoverable value which will not be greater than the carrying value had no impairment loss been recognised in the prior years.

At the end of each reporting date, the group reviews the carrying amounts of its other tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value-in-use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for the long-term incentive plan (LTIP), measured annually and calculated on the growth in the notional investments, is expensed annually and the total amount expected to be paid is shown as a liability.

The amount recognised as a provision is a best estimate of the consideration to settle the obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a service to a customer.

Revenue also includes dividends which are recorded in accordance with IFRS 9. Dividends are recognised in profit or loss when:

- (a) the entity's right to receive payment of the dividend is established;
- (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and
- (c) the amount of the dividend can be measured reliably.

Interest is recognised on a time proportion basis.

Capitalisation shares elected in lieu of a cash dividend are accounted for in investment income at the cash dividend equivalent.

Lease agreements

Rentals payable under lease agreements entered into for premises occupied by the group are expensed on a straight-line basis over the term of the relevant lease.

Related party transactions

All related party transactions are, unless otherwise disclosed, in the normal course of business. Refer to note 22.

Retirement benefits and medical aid schemes

Payments to defined contribution retirement benefit plans are charged and expensed as they fall due.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, long-term and short-term investments and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Cash and cash equivalents

Cash and cash equivalents represent cash at bank.

Borrowing costs

Borrowing costs are recognised in profit and loss in the period in which they are earned.

Critical judgements and key estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the financial statements where applicable.

With regard to the fair value presentation of the investment holdings, both long-term and current, for the listed investments, critical judgement and estimates are limited as external observable market data is used to determine carrying value.

In respect of the unlisted investments which are carried at fair value, significant judgement and estimate is used to select the appropriate valuation model, determine maintainable earnings and estimate the earnings multiple. Details of the judgements are set out in note 21.

With regard to investments held through other entities or instruments, critical judgement is used to consider the underlying investments of the entity/instrument to ensure the appropriate classification of the investment in the group is attained.

New/revised International Financial Reporting Standards issued

IFRS 16 – Leases: original issue effective 1 January 2019

IAS 28 – Investments in Associates and Joint Ventures: amendments regarding long-term interests in Associates and Joint Ventures effective 1 January 2019

IFRIC 23 – Uncertainty of Income Tax Treatment: original issue effective 1 January 2019

The group does not expect these new or revised accounting standards to have a material impact on the results or financial position. In respect of IFRS 16, the group anticipates the recognition of an use asset and corresponding liability not exceeding R5,5 million. Our investee companies results may be impacted in the future.

**SABVEST'S REVIEWED INTERIM FINANCIAL RESULTS FOR THE
SIX MONTHS ENDED 30 JUNE 2019**

Consolidated Condensed Statement of Financial Position
as at 30 June 2019

	Reviewed 30 June 2019 R'000	Unaudited 30 June 2018 R'000	Audited 31 Dec 2018 R'000
Non-current assets	2,714,267	2,086,623	2,367,060
Property, plant and equipment	3,995	2,972	2,688
Right-of-use asset	988	–	–
Investment holdings	2,709,284	2,055,050	2,364,372
Unlisted investments	2,187,770	1,375,589	1,707,546
Listed investments	470,889	573,295	566,699
Listed investments held indirectly	50,625	134,767	90,127
Current assets	261,447	749,754	452,538
Finance advances and receivables	112,488	28,210	34,987
Listed investments held indirectly (held-for-sale)	–	–	65,985
Listed share portfolios	–	394,201	–
Equity investment	–	41,222	–
Bond portfolio	71,761	101,819	101,993
Cash balances	77,198	184,302	249,573
Total assets	2,975,714	2,836,377	2,819,598
Ordinary shareholders' equity	2,469,699	2,471,137	2,446,148
Non-current liabilities	410,805	299,641	277,109
Interest-bearing debt	230,000	140,000	100,000
Deferred tax liabilities	180,805	159,641	177,109
Current liabilities	95,210	65,599	96,341
Interest-bearing debt	46,614	40,235	66,176
Equity/bond portfolio finance	–	32,130	–
Current portion of non-current interest-bearing debt	40,000	–	40,000
Interest-bearing debt	6,614	8,105	26,176
Accounts payable and provisions	48,596	25,364	30,165
Total equity and liabilities	2,975,714	2,836,377	2,819,598

Consolidated Condensed Statement of Comprehensive Income
for the six months ended 30 June 2019

	Reviewed 30 June 2019 R'000	Unaudited Restated*² 30 June 2018 R'000	Audited 31 Dec 2018 R'000
Gross income from operations and investments	95,407	227,247	364,351
Dividends received	66,478	15,271	53,557
Interest received	9,265	15,602	27,758
Foreign exchange (loss)/gain	(6,975)	12,101	21,681
Income/(loss) on financial investments and shares	5,052	(2,780)	68,405
Fees and sundry income	942	966	2,047
Fair value adjustment to investments	20,645	186,087	190,903
– Listed	(99,696)	64,637	(89,653)
– Listed investments held indirectly	(14,625)	(15,242)	6,103
– Unlisted	134,966	136,692	274,453
Transactional costs	(3,659)	(6,755)	(11,877)
Impairments written back	419	435	851
Fair value loss on initial recognition of interest-free loans	(274)	–	(3,907)
Interest paid	(9,976)	(8,442)	(16,752)
Net income before expenses and exceptional items	81,917	212,485	332,666
Less: Expenditure	(25,670)	(18,686)	(43,281)
Operating costs – fixed	(16,820)	(15,166)	(27,222)
Operating costs – variable	(8,441)	(3,289)	(15,487)
Depreciation	(409)	(231)	(572)
Net income before taxation	56,247	193,799	289,385
Taxation – deferred	(3,696)	(33,834)	(51,302)
Net income for the year attributable to equity shareholders	52,551	159,965	238,083
Translation of foreign subsidiary* ¹	(13,951)	69,533	101,523
Total comprehensive income attributable to equity shareholders	38,600	229,498	339,606

*1 This item may subsequently be classified to profit and loss

*2 Refer to restatement of comparative information

Consolidated Condensed Statement of Cash Flows
for the six months ended 30 June 2019

	Reviewed 30 June 2019 R'000	Unaudited 30 June 2018 R'000	Audited 31 Dec 2018 R'000
Cash (utilised in)/generated by operating activities	27,780	(65,928)	(52,477)
Net income for the period	52,551	159,965	238,083
Adjusted for non-cash items	(9,722)	(164,730)	(214,909)
Cash flows from operations	42,829	(4,765)	23,174
Dividends paid – ordinary	(15,049)	(15,857)	(30,345)
– special	–	(45,306)	(45,306)
Cash flows (utilised in)/from investing activities	(310,593)	251,977	438,465
These include:			
Purchase of investment holdings and offshore portfolio	(427,665)	(1,205,143)	(1,557,661)
Proceeds from sale of investment holdings and offshore portfolio	195,664	94,446	643,431
Proceeds from sale of fixed assets	–	300	300
Proceeds of special dividend	–	1,387,500	1,387,500
Finance advances and other	(78,592)	(25,126)	(35,105)
Cash effects of financing activities	110,438	(1,805)	(136,473)
These include:			
Increase in long-term loans	130,000	–	–
Interest-bearing debt	(19,562)	(25,107)	(7,036)
Decrease in offshore portfolio finance	–	24,445	(7,685)
Purchase of company shares	–	–	(120,609)
Other	–	(1,143)	(1,143)
Change in cash and cash equivalents	(172,375)	184,244	249,515
Cash and cash equivalents at beginning of period	249,573	58	58
Cash and cash equivalents at end of period	77,198	184,302	249,573

Other information

as at 30 June 2019

	Reviewed 30 June 2019 R'000	Unaudited 30 June 2018 R'000	Audited 31 Dec 2018 R'000
Net asset value per share with investments at fair value – cents	5,908	5,458	5,852
Number of shares in issue less held in treasury – 000's	41,802	45,274	41,802
Earnings per share – cents	125,7	353,3	531,3
Weighted average number of shares in issue – 000's	41,802	45,279	44,813
Reconciliation of headline earnings (R'000)			
Net income for the period	52,551	159,965	238,083
Profit on sale of property, plant and equipment	–	(155)	(155)
Headline earnings for the period	52,551	159,810	237,928
Headline earnings per share – cents ^{*3}	125,7	352,9	530,9

^{*3} There are no diluting instruments.

Consolidated Condensed Statement of Changes in Equity

for the six months ended 30 June 2019

	Share capital R'000	Share premium R'000	Non- distributable reserve R'000	Distributable reserve R'000	Total R'000
Balance as at 1 January 2018	851	28,437	42,295	2,232,362	2,303,945
Total comprehensive profit for the period	-	-	101,523	238,083	339,606
Shares held in treasury – written back	5	17,311	-	-	17,316
Shares cancelled	(5)	(45,748)	-	(93,315)	(139,068)
Dividends paid	-	-	-	(75,651)	(75,651)
Balance as at 31 December 2018 (Audited)	851	-	143,818	2,301,479	2,446,148
Total comprehensive profit for the period	-	-	(13,951)	52,551	38,600
Dividends paid	-	-	-	(15,049)	(15,049)
Balance at 30 June 2019 (Reviewed)	851	-	129,867	2,338,981	2,469,699
			Reviewed 30 June 2019 R'000	Unaudited 30 June 2018 R'000	Audited 31 Dec 2018 R'000
Dividends per share (proposed after interim/year-end) – cents			36,0	32,0	68,0
Special dividends per share – cents			-	100,0	100,0

Investment holdings

as at 30 June 2019

	Number of Ordinary shares/units	Economic interest %	Fair value R'000
Unlisted investments			
Classic Food Brands (Pty) Ltd		25.0	29,114
DNI-4PL Contracts (Pty) Ltd ^{*4}		20.0	478,728
Flexo Line Products (Pty) Ltd		47.5	35,206
ITL Holdings Group ^{*5}		30.0	788,862
Masimong Group Holdings (Pty) Ltd		10.0	114,000
Revix Group ^{*9}		30.0	–
SA Bias Industries (Pty) Ltd ^{*6}		59.9	683,140
Sunspray Food Ingredients (Pty) Ltd ^{*7}		28.2	58,720
			2,187,770
Listed investments			
Brait S.E.	4,000,000		74,000
Corero Network Security Plc	28,000,000		37,109
Metrofile Holdings Limited	49,000,000		79,380
Net1 UEPS Technologies Inc	300,000		16,575
Rolfes Holdings Limited	28,500,000		64,125
Transaction Capital Limited	10,000,000		199,700
			470,889
Listed Investments Held Indirectly			
Rolfes Holdings Limited ^{*8}	22,500,000		50,625
			50,625
Non-current investment holdings			2,709,284
Current investments			71,761
– Listed bond portfolio			71,761
– Listed investments held-for-sale			–
Total holdings			2,781,045

^{*4} Effective interest of 16.06% in DNI through 34.78% of JA Holdings which owns 46.08% of DNI, and 4% direct interest in DNI.

^{*5} ITL Holdings Limited (Jersey) held through Mandarin Industries Limited BVI and ITL Holdings SA (Pty) Ltd held through Mandarin Holdings (Pty) Ltd.

^{*6} Voting interest 49%.

^{*7} Held indirectly through ordinary shares in Famdeen Investments (Pty) Ltd.

^{*8} Held indirectly through participating preference shares in Masimong Chemicals (Pty) Ltd linked to the performance of 22,5 million shares in Rolfes Holdings Limited.

^{*9} Revix UK Limited, Revix Technologies Limited and Revix SA Holdco (Pty) Ltd.

Investment holdings per sector

as at 30 June 2019

	Fair value R'000
Industrial and services	
DNI-4PL Contracts (Pty) Ltd	478,728
ITL Holdings Group	788,862
Metrofile Holdings Limited	79,380
SA Bias Industries (Pty) Ltd	683,140
	2,030,110
Industrial – food and related products	
Classic Food Brands (Pty) Ltd	29,114
Flexo Line Products (Pty) Ltd	35,206
Sunspray Food Ingredients (Pty) Ltd	58,720
	123,040
Information technology	
Corero Network Security Plc	37,109
Revix Group	–
	37,109
Mining, chemicals and agriculture	
Masimong Group Holdings (Pty) Ltd	114,000
Rolfes Holdings Limited	114,750
	228,750
Specialised financial	
Brait SE	74,000
Net1 UEPS Technologies Inc	16,575
Transaction Capital Limited	199,700
	290,275
	2,709,284

Contingent Liabilities

as at 30 June 2019

1. The group has rights and obligations in terms of shareholder and purchase and sale agreements relating to its present and former investments.
2. Guarantees for the bank borrowings of two investees utilised at 30 June 2019 in amounts totalling R133 million (utilisation by investees at 30 June 2018, R139 million).

Commentary

PROFILE

Sabvest is an investment group which has been listed on the JSE since 1988. Its 17,0 million ordinary shares and 24,8 million "N" ordinary shares are quoted in the Equity Investment Instruments sector of the JSE.

Sabvest has interests in eight unlisted investments, direct and indirect interests in six listed investments and an offshore bond portfolio, all accounted for on a fair value basis. In addition Sabvest makes finance advances, holds general debt, share and cash portfolios, and undertakes other fee, finance and profit earning activities from time to time.

CHANGES IN INVESTMENT HOLDINGS

During the reporting period, Sabvest has:

- Purchased an additional 2,5 million shares in Metrofile for R3,9 million thereby increasing its interest in Metrofile to 49 million shares representing an 11,6% interest in Metrofile;
- Purchased an additional 1,0 million shares in Rolfes for R2,4 million thereby increasing its direct and indirect economic interests in Rolfes to 51 million shares representing a 31% economic interest in Rolfes;
- Disposed of its 200 000 units in Value Capital Partners Fund for R26,9 million;
- Purchased a 10% interest in Masimong Group Holdings (Pty) Limited, as advised on SENS;
- Purchased a 30% interest in Revix Group in the UK and RSA, as advised on SENS;
- Increased its direct and indirect interests in DNI-4PL Contracts (Pty) Limited to 20% through its 34.78% interest in JAA Holdings (Pty) Limited which now owns 46% of DNI and 4% directly in DNI, as advised on SENS; and
- Varied its bond and money market holdings to optimise returns on surplus cash without general equity risk at this time. Subsequent to the reporting date, Sabvest has
- Purchased a 49% interest in Apex Partners Holdings (Pty) Limited, as advised on SENS.

During the reporting period, Sabvest's major unlisted investees have concluded various transactions as follows:

- ITL Group has increased its interest in ITL Bangladesh from 50% to 100%, established new manufacturing facilities in Ethiopia and Mauritius, approved a new business unit in North Vietnam and commenced its first roll out of RFID contracts in RSA and to a major global customer; and
- The Flowmax UK division of SA Bias Industries has acquired 76% of Whisper Pumps Limited in the UK and 60% of Petroy B.V. in the Netherlands. No Sabvest shares were purchased or issued during the reporting period.

FINANCIAL RESULTS

NAV per share increased by 8% to 5 908c over the 12 months from the prior interim reporting date.

PAT reduced materially to R52,6 million for the reporting period primarily due to fair value losses of R114 million on direct and indirect listed investments (2018: gain R49,4 million) due to lower listed share prices at the reporting date, and forex losses of R6,9 million (2018: gain R12,1 million). The gain of R134,9 million on unlisted investments was substantially the same as in the prior interim period but is stated after the SA Bias valuation was reduced by a special dividend paid during the period of which Sabvest's share was R41,25 million.

The balance sheet remained strong and liquid with shareholders' funds of R2,469 billion, interest-bearing debt net of cash and bonds of R128 million and indebtedness of investees under Sabvest financial guarantees of R133 million. The guarantees are expected to be released or run down to zero over the forthcoming 24 months.

Dividends for the interim period have been increased by 12.5% to 36c per share (2018: 32c per share).

LISTED INVESTMENTS

- Brait's share price reduced materially primarily due to uncertainties concerning the refinancing of its balance sheet debt. Those are expected to be resolved in the period ahead.
- The Corero share price continues to be volatile on small volumes. However Corero's expanded relationship with Juniper Networks should continue to bolster its volumes and revenues, and therefore its intrinsic value in due course.
- Metrofile had a number of one-off negatives in the current year and in particular relating to debt and effective taxation rates and the share price reduced materially in response. The position is expected to correct in the coming period (as announced by it on SENS).
- Net1 has suffered difficult trading conditions in its post-SASSA contract period and uncertainties relating to the value of its investment in Cell-C and its holdings in KSNNet in Korea. Its share price has been weak as a result. It has, however, eliminated its net on balance sheet debt completely and more certainty over trading, Cell-C and KSNNet is likely in the period ahead.
- Rolfes is trading satisfactorily, except in the agricultural division, but has experienced a weak share price. Rolfes has recently issued a cautionary announcement relating to negotiations now in progress and has announced the sale of its colour division.
- Transaction Capital continues to trade very well with good growth continuing in both of its operating divisions. Its share price continues to strengthen as a result. Growth prospects continue to be strong.
- The investment in Value Capital Partners, a non-core holding, was realised during the period resulting in a satisfactory return over the investment period.

UNLISTED INVESTMENTS

- Classic Food Brands, a start-up business, has now reached profitability and has good prospects.
- DNI is growing strongly, is highly cash generative and has exciting strategic and financial prospects.
- Flexo Line has traded below expectations and is carried at an impaired value. However, it has now implemented a revised pricing model with customers and improved production efficiencies and prospects are at last encouraging.

ITL traded exceptionally well during the period. Growth prospects continue to be strong as its market penetration, production capabilities geographically and technically and customer reach globally are at the forefront of the industry internationally.

- Masimong has a portfolio of high performing growth assets and in particular its mining interests in Seriti Coal and Lephalale Coal and Power, and its agricultural interests in Mouton Citrus, Carmien Tea and Southern Cross grape and date farms. It has continuing new growth and investment opportunities as Masimong is one of the most highly regarded and preferred bidders/owners in these sectors in RSA. Sabvest will increase its investment in Masimong if the opportunity arises.
- Revix has launched its cryptocurrency portfolio application portal successfully and is focusing on gaining brand and functional recognition, traction and volumes internationally.
- SA Bias Industries had a fair overall performance in the period with its Flowmax UK fluid handling operations trading well but with weakness in its South African Narrowtex and ACM divisions. While Brexit uncertainty may temporarily impact trading, continued organic and acquisitive growth is expected in the Flowmax Group. Demand from South African industrial markets remains weak, however improvements to the business model in Narrowtex to further enhance export prospects should enable a return to growth in the coming year.
- Sunspray Food Ingredients continues to trade satisfactorily and achieve year on year growth in earnings.

Unlisted investments, except Revix and Masimong, are valued using the maintainable earnings model based on historic normalised EBITDA adjusted for future prospects if appropriate. EBITDA multiples are based on transaction multiples usual for small/medium cap private companies except for ITL which is at a higher international level but below recent transaction multiples. Each resulting calculation is then adjusted for cash/debt/equivalents to determine net EV. The multiples for this period are Classic 5, DNI 6,5, Flexo 4, ITL 9,25, SA Bias – Flowmax 6, Narrowtex 5, ACM 4, and Sunspray 5. Revix as a start-up is fully impaired. Masimong is carried at attributable NAV after its own fair value calculations of its holdings on a DCF basis, net of minority and liquidity discounts and deferred CGT, and audited.

FUTURE INVESTMENTS

Sabvest remains focused on unlisted investments but will also hold some listed investments where it is represented on the board and/or has influence to execute particular strategies. It may issue new shares but only if the value exchange in the capital allocation decision is compelling.

Sabvest anticipates making one further industrial investment in the period ahead and possibly increasing its interest in Masimong. Sabvest's current capital, with a conservative level of gearing to enhance returns, will then be fully invested.

PARTNERSHIP PRINCIPLE

Sabvest usually only invests alongside a family, operating or financial partner. Its current partners in each investment are recorded in the 2018 integrated annual report on its website.

CAPITAL STRUCTURE

Sabvest has formulated a proposal to simplify the groups' dual share structure and is in discussion with the JSE over its terms and acceptability. Shareholders will be advised further in due course.

DIVIDENDS

Dividends are determined relative to Sabvest's own cash flows from investments and services with a target of achieving a 10% compound growth rate in dividends over a period.

Dividends are considered twice annually. The interim dividend proposed for the six months is 36c which is a 12.5% increase over the previous interim dividend of 32c.

RELATED PARTIES

Related party transactions exist between subsidiaries and the holding company, fellow subsidiaries and investee companies, and comprise fees, dividends and income. Transactions with directors relate to fees and monies lent to the group by individuals and companies controlled by the directors.

ACCOUNTING POLICIES

The reviewed consolidated condensed interim financial statements (interim financials) have been prepared in accordance with and containing the information required on the Standard 34: Interim Financial Reporting as issued by the International Accounting Practices Standards Board (IASB), the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Pronouncements issued by the Financial Reporting Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

These have been prepared on a historical cost basis, except for financial instruments and investments which are measured at fair value. The significant accounting policies and methods of computation are consistent in all material aspects of those applied in the previous financial year other than the adoption of various new standards.

The group has adopted IFRS16 – *Leases* with effect from 1 January 2019. IFRS16 – *Leases* sets out the principals of leases for both parties in a contract, ie, the customer (Lessee) and the supplier (Lessor). IFRS16 replaces the previous leases, IAS17 – *Leases and related interpretations*. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has used this practical expedient. The impact on the group's Condensed Consolidated Statement of Financial Position is the asset (the right of use for the leased premises) and the financial liability to pay rentals are capitalised and recognised. The impact on the group's Condensed Consolidated Statement of Comprehensive Income, is the depreciation and financial cost that replaces the rent charges under IFRS 17.

There have been no material change in judgements or estimates of the amounts reported in prior reporting periods. The preparation of the interim financial statements were supervised by the Chief Financial Officer, R Pleaner, CA(SA), and are available for inspection at the group's registered office.

RESTATEMENT OF COMPARATIVE INFORMATION

The group has enhanced its disclosure of total operating costs by separating fixed and variable costs to enable shareholders to assess the variability of costs. The group has combined the direct transactional cost and investment acquisition costs into one line item, namely transactional costs. Neither of these have resulted in any changes to the total amounts reflected in the statements of financial position or comprehensive income.

DIRECTORATE

There have been no changes in the reporting period.

KING IV™ COMPLIANCE

Sabvest's compliance report is on the Sabvest website and in the 2018 integrated annual report.

SUBSEQUENT EVENTS

The Company (and its shareholders) will undertake a share restructure transaction with Sabvest Capital Limited in terms of which all of the Company's 24,276,919 "N" shares and 16,975,293 Ordinary shares held by its shareholders, which will be exchanged for the issuance of 41,760,242 Sabvest Capital Limited Ordinary Shares.

This transaction will be implemented by way of a scheme of arrangement, the result of which all of the Company's issued share capital will be held by Sabvest Capital Limited.

PROSPECTS

Overall the unlisted portfolio is expected to deliver satisfactory growth and returns in the period ahead.

While it is obviously not possible to predict share prices of the group's listed investments, the improving fundamentals of each and/or possible corporate actions relating to some of them are likely to enhance perceptions of value and thereby share prices in due course.

References to future financial information in this announcement have not been reviewed or reported on by the group's auditors.

CASH DIVIDEND DECLARATION

Notice is hereby given that an interim dividend of 36 cents (2018: 32 cents) per ordinary and "N" ordinary share for the six months ended 30 June 2019 has been declared out of income reserves.

The issued share capital of the company at the declaration date is 16,975,293 ordinary and 24,826,919 "N" ordinary shares. The income tax number of the company is 9375/105/716.

Withholding tax on dividends at a rate of 20% will be deducted for all shareholders who are not exempt in terms of the legislation. This will result in a final net cash dividend of 28,8 cents per ordinary and "N" ordinary share to non-exempt shareholders.

Last date to trade "CUM" dividend	Tuesday, 27 August 2019
Trading "EX" dividend commences	Wednesday, 28 August 2019
Record date	Friday, 30 August 2019
Dividend payment date	Monday, 2 September 2019

No dematerialisation or rematerialisation of share certificates will be allowed during the period Wednesday, 28 August 2019 to Friday, 30 August 2019, both days inclusive.

PRO FORMA FINANCIAL INFORMATION OF SABVEST

The table below sets out the *pro forma* financial information of the Proposed Restructure on Sabvest's reviewed interim financial results for the six months ended 30 June 2019. The *pro forma* financial effects have been prepared for illustrative purposes only and because of their nature, may not fairly present Sabvest's financial position, changes in equity, results of operations or cash flows.

The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published audited consolidated financial results of Sabvest for the year ended 31 December 2018. The *pro forma* financial information is furthermore presented in accordance with the JSE's Listings Requirements, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants and Regulation 106(6)(d)(ii) and 106(7)(c)(ii) of the Companies Regulations, 2011. The Board is responsible for the compilation, contents and preparation of the *pro forma* financial information. This responsibility includes determining that the Sabvest *pro forma* financial information has been properly compiled on the basis stated and that the *pro forma* adjustments are appropriate.

The *pro forma* financial information is based on the assumption that the Proposed Restructure occurred on 30 June 2019, for statement of financial position purposes, and on 1 January 2019 for statement of comprehensive income purposes.

STATEMENT OF FINANCIAL POSITION

	Statement of financial position of Sabcap at incorpo- ration R'000	Statement of financial position of Sabvest at 30 June 2019 R'000	Transaction costs R'000	Sabvest shares re- purchased and cancelled after 30 June 2019 R'000	Issue of new shares in Sabcap R'000	Statement of financial position of Sabcap after proposed restructure R'000
Notes:	1a,1b	2a,2b	3a	4a	5a,5b	6a,6b
Non-current assets	-	2 714 267	-	-	-	2 714 267
Property, plant and equipment		3 995				3 995
Right of use asset		988				988
Investment holdings	-	2 709 284	-	-	-	2 709 284
Unlisted investments		2 187 770				2 187 770
Listed investments held indirectly		470 889				470 889
Listed investments		50 625				50 625
Current assets	-	261 447	(8 800)	(18 201)	-	234 446
Finance advances and receivables	-	112 488				112 488
Bond portfolio		71 761				71 761
Cash balances		77 198	(8 800)	(18 201)		50 197
Total assets	-	2 975 714	(8 800)	(18 201)	-	2 948 713
Ordinary shareholders' equity	-	2 469 699	(8 800)	(18 201)	-	2 442 698
Share capital	-	851			1 672 514	1 673 365
Non-distributable reserve		129 867				129 867
Reserve arising on reverse acquisition					(1 672 514)	(1 672 514)
Distributable reserve		2 338 981	(8 800)	(18 201)		2 311 980
Non-current liabilities	-	410 805	-	-	-	410 805
Interest-bearing debt		230 000				230 000
Deferred tax liability		180 805				180 805
Current liabilities	-	95 210	-	-	-	95 210
Interest-bearing debt	-	46 614	-	-	-	46 614
Current portion of interest-bearing debt		40 000				40 000
Interest-bearing debt		6 614				6 614
Accounts payable	-	48 596				48 596
Total equity and liabilities	-	2 975 714	(8 800)	(18 201)	-	2 948 713
Number of shares in issue – 000's	-	41 802		(550)	508	41 760
Net asset value per share – cents		5 908	(21)	(44)	6	5 849

Notes and assumptions to the Statement of Financial Position:

- 1a This information in column 1 has been extracted without adjustment from Sabcap's audited statement of financial position at incorporation.
- 1b Sabcap's share capital and accounts receivable are both R1 and are shown as – above as the above columns reflect R'000.
- 2a The information in column 2 has been extracted without adjustment from Sabvest's reviewed interim results for the six months ended 30 June 2019, which are unchanged from Sabvest's published unaudited interim results for the for the six months ended 30 June 2019.
- 2b The net asset value per share of 5 908 cents per share has been calculated on the total number of shares in issue of 41,802,212. The ordinary and N ordinary shares have been combined as both hold the same economic interest.
- 3a The information in column 3 reflects the estimated transaction costs of R8,800,000. The one-off transaction costs will have no continuing effect on the Group and have been written off as an expense.
- 4a Subsequent to the interim date, Sabvest repurchased and cancelled 550,000 N ordinary shares at a cost of R18,201,006 and has been included in the *pro forma* as if it took place on 30 June 2019, financed out of working capital.
- 5a The information in column 5 reflects the value of the issue of the swop of shares from Sabvest to Sabcap at an issue price of 4005 cents per share based on the share price of Sabvest's ordinary shares and N ordinary shares at 30 June 2019 of 4700 cents and 3599 cents per share respectively.
- 5b The number of shares in issue has been increased by 508,030 in terms of the restructure.
- 6a This column reflects the *pro forma* statement of financial position of Sabcap at 30 June 2019 after the restructure, the repurchase and cancellation of 550,000 N ordinary shares in Sabvest and the issue of an additional 508,030 issued in terms of the restructure.
- 6b The net asset value per share of 5,849 cents per been calculated on the total number of shares in issue of 41,760,242 after the restructure and repurchase and cancellation of Sabvest N shares.
- 7a The issue of the Z share has no effect on the net asset value per share.
8. There are no other subsequent events which require adjustment to the *pro forma* financial information.

STATEMENT OF COMPREHENSIVE INCOME

	Statement of comprehensive income of Sabvest for the six months ended 30 June 2019 R'000'	Statement of comprehensive income of Sabvest for the six months ended 30 June 2019 R'000	Trans- action costs R'000	Sabvest shares repu- chased and cancelled after 30 June 2019 R'000	Issue of new shares in Sabcap R'000	Statement of compre- hensive income of Sabvest for the six months ended 30 June 2019 after proposed restructure R'000
Notes:	1a	2a, 2b	3a	4a	5a	6a, 6b
Gross income from operations and investments		95 407	-	-	-	95 407
Dividends received		66 478				66 478
Interest received		9 265				9 265
Foreign exchange loss		(6 975)				(6 975)
Income on financial instruments and shares		5 052				5 052
Fees and sundry income		942				942
Fair value adjustments to investments	-	20 645	-	-	-	20 645
Listed		(99 696)				(99 696)
Listed held indirectly		(14 625)				(14 625)
Unlisted		134 966				134 966
Transactional costs		(3 659)	(8 800)	-	-	(12 459)
Impairments written back		419				419
Fair value loss on initial recognition of interest free-loans		(274)				(274)
Interest paid		(9 976)				(9 976)
Net income before expenses	-	81 917	(8 800)	-	-	73 117
Less: Expenditure	-	(25 670)	-	-	-	(25 670)
Operating costs – fixed		(16 820)				(16 820)
Operating costs – variable		(8 441)				(8 441)
Depreciation		(409)				(409)
Income before taxation	-	56 247	(8 800)	-	-	47 447
Taxation – deferred		(3 696)				(3 696)
Net income for the year attributable to equity shareholders	-	52 551	(8 800)	-	-	43 751
Translation of foreign subsidiary		(13 951)				(13 951)
Total comprehensive income attributable to equity Shareholders	-	38 600	(8 800)	-	-	29 800
Reconciliation of headline earnings						
Earnings for the period	-	52 551	(8 800)	-	-	43 751
Adjustments	-	-	-	-	-	-
Headline earnings for the period	-	52 551	(8 800)	-	-	43 751
Headline earnings per share – cents		125,7	(21,1)			104,8
Earnings per share – cents		125,7	(21,1)			104,8
Weighted average number of shares in issue – 000's		41 802	41 802	(550)	508	41 760

Notes and assumptions to the Statement of Comprehensive Income:

- 1a Sabcap has not traded since incorporation.
- 2a The information in column 2 has been extracted without adjustment from Sabvest's Reviewed interim results for the six months ended 30 June 2019, which are unchanged from Sabvest's published unaudited interim results for the six months ended 30 June 2019.
- 2b The earnings and headline earnings per share of 125,7 cents per share been calculated on the total number of shares in issue of 41,802 212. The ordinary and N ordinary shares have been combined as both hold the same economic interest.
- 3a The information in column 3 reflects the estimated transaction costs of R8,800,000. The one-off transaction costs will have no continuing effect on the Group and have been written off as an expense.
- 4a Subsequent to the interim date, Sabvest repurchased and cancelled 550,000 N ordinary shares which have no effect on either the earnings or headline earnings per share, as if it took place on 30 June 2019, financed out of working capital.
- 5a The number of shares in issue has been increased by 508,030 in terms of the restructure which have no effect on either the earnings or headline earnings per share.
- 6a This column reflects the *pro forma* statement of comprehensive income of Sabcap for the six months ended 30 June 2019 after the restructure, the repurchase and cancellation of 550,000 N ordinary shares and the issue of an additional 508,030 issued in terms of the restructure.
- 6b The earnings and headline earnings per share of 104,8 cents has been calculated on the total number of shares in issue of 41,760,242 after the restructure and repurchase and cancellation of Sabvest N shares.
- 7a The issue of the Z share has no effect on either the earnings or headline earnings per share per share.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

24 February 2020

The Directors
Sabvest Limited
4 Commerce Square
Sandton
2196

Dear Sirs/Madams

Report on the Assurance Engagement on the Compilation of *pro forma* Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Sabvest Limited (“the company”) by the directors. The *pro forma* financial information, as set out in paragraph 19 and Annexure 3 of the circular (“the circular”), to be dated on or about 28 February 2020, consists of the *pro forma* consolidated statement of profit or loss and the *pro forma* consolidated statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and Regulation 106(6)(d)(ii) and 106(7)(c)(ii) of the Companies Regulations, 2011 (“the Companies Regulations”).

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the circular, on the company’s financial position as at 30 June 2019, and the company’s financial performance for the period then ended, as if the corporate action or event had taken place at 1 January 2019 and for the period then ended. As part of this process, information about the company’s financial position and financial performance has been extracted by the directors from the company’s reviewed financial statements for the period ended 30 June 2019.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and Companies Regulations and described in Paragraph 19 and Annexure 3 of the circular.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors* (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and the Companies Regulations based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and the Companies Regulations.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and the Companies Regulations and described in Paragraph 19 and Annexure 3 of the circular.

Deloitte & Touche

Registered Auditor

Per: André Dennis

Partner

Deloitte & Touche

Deloitte Place

The Woodlands

20 Woodlands Drive

Woodmead

RELEVANT SECTIONS FROM THE COMPANIES ACT

“Section 115: Required approval for transactions contemplated in Part A

- (1) Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
 - (a) The disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,
 - (iv) the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
 - (2) A proposed transaction contemplated in subsection (1) must be approved:
 - (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company’s Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company’s holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the Subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the Subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
 - (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
 - (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
 - (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b).

- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

"Section 164: Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113 or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - withdrawn that notice; or
 - voted in support of the resolution.

- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
- (a) the shareholder:
 - sent the company a notice of objection, subject to subsection (6); and
 - in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - voted against that resolution; and
 - has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
- (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - tendered the share certificates; or
 - directed the transfer to the company of uncertificated shares.

- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (a) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (b) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (c) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (d) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (e) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section 52.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorized the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

- (a) the provisions of that section; or
- (b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

- (a) expressly provided in this section; or
- (b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.”

EXTRACT OF THE EXCHANGE CONTROL REGULATIONS

All the terms defined in the Scheme Circular, to which this Annexure 6 is attached, shall bear the same meaning when used in this Annexure 6.

The following summary is provided for information purposes only. It is therefore not comprehensive and should not be construed as advice.

1. RESIDENTS OF THE COMMON MONETARY AREA

In the case of:

Scheme Participants holding Dematerialised Shares whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations will have their accounts with their CSDP or Broker credited with the relevant Scheme Consideration in accordance with paragraph 10.6 of the Scheme Circular;

or

Scheme Participants holding Certificated Shares whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations will have their relevant Scheme Consideration dealt with in accordance with paragraph 10.5 of the Scheme Circular.

2. EMIGRANTS FROM THE COMMON MONETARY AREA

The Scheme Consideration accruing to a Scheme Participant holding Dematerialised Shares who is an Emigrant from the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, will be issued and transferred to their CSDP or Broker, which shall arrange for the same to be credited directly to the blocked Rand bank account of the Sabvest Shareholder concerned with their Authorised Dealer in foreign exchange in South Africa.

The Scheme Consideration accruing to a Scheme Participant holding Certificated Shares who is an Emigrant from the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling the Sabvest Shareholder's blocked assets in accordance with the Exchange Control Regulations. The attached Form of Surrender (pink) makes provision for details of the Authorised Dealer concerned to be given.

3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The Scheme Consideration accruing to a Scheme Participant holding Dematerialised Shares, who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area will be credited to its CSDP or Broker and be restrictively endorsed as "Non-Resident".

The Scheme Consideration accruing to a Scheme Participant holding Certificated Shares who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the Authorised Dealer in foreign exchange in South Africa nominated by such Scheme Participant.

4. INFORMATION NOT PROVIDED

If the information regarding Authorised Dealers is not given or the instructions are not given and no bank account or address details for the Sabvest Shareholder in question appears in the Register, the Scheme Consideration will be held in trust by Sabvest or the Transfer Secretaries on behalf of Sabvest.

Z SHARE TERMS

TERMS AND CONDITIONS OF THE Z SHARE

The following terms and conditions shall attach to the Z Share:

1. DEFINITIONS

In these Z Share Terms:

- 1.1 words that are defined in the MoI but not defined in these Z Share Terms will bear the same meaning in these Z Share Terms as in the MoI. For ease of reading, such terms have been capitalised in these Z Share Terms;
- 1.2 the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely –
 - 1.2.1 “**Company**” means Sabvest Capital Limited (Registration No. 2020/030059/06), a public company incorporated in accordance with the laws of the Republic of South Africa;
 - 1.2.2 “**Control**” shall be construed in accordance with section 2(2) of the Companies Act (as read with section 3(2) of the Companies Act) and “**Controlling**” and “**Controlled**” shall be construed accordingly;
 - 1.2.3 “**Economic Participation**” shall have the meaning ascribed to it in paragraph 4.2;
 - 1.2.4 “**Entity**” includes any association, business, close corporation, company, concern, enterprise, firm, partnership, person, trust, undertaking, voluntary association or other similar entity whether corporate or unincorporate;
 - 1.2.5 “**Issued Shares**” means the total of all Ordinary Shares in issue at any relevant time;
 - 1.2.6 “**MoI**” means the memorandum of incorporation of the Company, as amended from time to time;
 - 1.2.7 “**Ordinary Shares**” means no par value ordinary shares in the capital of the Company having the rights set forth in clause 7.1.1 of the MoI;
 - 1.2.8 “**SFT**” means The Seabrooke Family Trust (Master’s Reference No. IT 10547);
 - 1.2.9 “**SFT Group**” means SFT and any Entity Controlled by SFT from time to time;
 - 1.2.10 “**SFT Ordinary Holding**” means the aggregate of Ordinary Shares in issue held by SFT at any relevant time;
 - 1.2.11 “**SFT Subsidiary Ordinary Holding**” means the aggregate of Ordinary Shares in issue held by any member of the SFT Group (other than SFT) at any relevant time;
 - 1.2.12 “**Z Share**” means the no par value ordinary share, which has the rights and limitations set out in these Z Share Terms; and
 - 1.2.13 “**Z Share Terms**” means the rights, limitations and other terms attaching to the Z Share contained in this document.

2. WINDING-UP AND RETURN OF CAPITAL

The Z Share shall not carry the right, on a winding-up of the Company or on any return or reduction of capital, to the payment or repayment of any amount.

3. NO PARTICIPATION

The holder of the Z Share shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company.

4. VOTING RIGHTS

- 4.1 The Z Share entitles SFT to exercise Voting Rights equal to 104,45% (one hundred and four comma four five per cent) of the Voting Rights of all Issued Shares, on a poll, on any matter at a Shareholders' Meeting at any relevant time, and which accordingly entitles the holder of the Z Share the right to exercise 51% (fifty-one per cent) of the Voting Rights, on a poll, on any matter at any Shareholder's Meeting.
- 4.2 For the purpose of these Z Share Terms, SFT's economic participation ("**Economic Participation**") is calculated as follows:

$$= \frac{\text{SFT Ordinary Holding}}{\text{Issued Shares}} \times 100 + \frac{\text{SFT Subsidiary Ordinary Holding}}{\text{Issued Shares}} \times 100$$

- 4.3 The Z Share will automatically cease to carry any voting rights at any point in time should SFT's Economic Participation reduce below 10% (ten per cent).
- 4.4 In such an event, the Z Share shall, without delay, be repurchased by the Company for a consideration of R1.00 (one rand) and cancelled in the share capital of the Company.
- 4.5 If there is any dispute regarding the calculation of the Economic Participation and/or the adjustment thereof, such dispute shall be referred to the auditors of the Company from time to time, which shall act as an expert and not as an arbitrator.

5. TRANSFERABILITY

The Z Share shall remain unlisted and shall be transferrable to the Company only.

Notwithstanding anything to the contrary herein contained, Ordinary Shares may from time to time be transferred from SFT to any other member of the SFT Group and *vice versa*, in which case all references to "**SFT**" herein shall, where appropriate, also be a reference to the transferee concerned.

6. OFFER TO SHAREHOLDERS

In the event that the Z Share is repurchased and cancelled and any person (other than SFT) holds 35% or more Ordinary Shares in issue at any relevant time/s, a mandatory offer to all Holders of Ordinary Shares in issue equally (and without any value attributable to the Z Share) will be made by such person in accordance with the Listings Requirements, Companies Act and Regulations.

7. MODIFICATION OF THE TERMS OF THE Z SHARE

The rights, limitations and other terms of the Z Share may not be modified without a Special Resolution amending the MoI, which Special Resolution must be approved by Shareholders of the Company holding at least 75% (seventy-five percent) of the Voting Rights Exercisable at a Shareholders' Meeting (including the Voting Rights of the Z Share).

8. CONFLICT

Save as otherwise provided for in the Companies Act, if there is any conflict or inconsistency between the provisions of these Z Share Terms and the remaining provisions of the MoI, the provisions of the Z Share Terms shall prevail and be carried into effect.



**SABVEST
LIMITED**

SABVEST LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1987/003753/06)
Share code: SBV (ISIN: ZAE000012043)
Share Code: SVN (ISIN: ZAE000006417)
(“Sabvest” or “the Company”)

NOTICE OF N ORDINARY CLASS MEETING

All the terms defined in the Scheme Circular, to which this notice of N Ordinary Shareholder Class Meeting is attached, shall bear the same meaning when used in this notice of N Ordinary Shareholder Class Meeting.

Notice is hereby given that a class meeting of the N Ordinary Shareholders will be held (subject to any adjournment, postponement or cancellation) at 10:00 in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, for the purpose of considering and, if deemed fit, passing, without modification, the resolutions set out below.

Important dates to note

2020

Last day to trade in order to be eligible to vote at the N Ordinary Shareholder Class Meeting	Tuesday, 17 March
Record date in order to be eligible to attend and vote at the N Ordinary Shareholder Class Meeting	Friday, 20 March
Forms of Proxy to be received, for administrative purposes, by no later than 10:00 on	Wednesday, 25 March
N Ordinary Shareholder Class Meeting to be held at 10:00 on	Friday, 27 March

Shareholders are advised that the Proposed Restructure is subject to the fulfilment or waiver (where capable of waiver and subject to SFT consenting to any such waiver where appropriate) of the following Conditions Precedent (which remain unfulfilled as at the Last Practicable Date) by no later than Monday, 1 June 2020 or such later date as Sabvest in its discretion determines:

- all of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure, are adopted at the Class Meetings and Scheme Meeting;
- to the extent required under section 115(3)(a) of the Companies Act:
 - approval of the implementation of the Scheme Resolution by the Court is obtained; and
 - if applicable, Sabvest not having treated the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- if the Scheme Resolution has been passed at the Scheme Meeting by the requisite majority of Sabvest Shareholders entitled to vote on the Scheme Resolution and any person who voted against the Scheme Resolution applies to court within 10 Business Days after the vote for a review of the Scheme in accordance with the requirements of section 115(3)(b) of the Companies Act:
 - no leave is granted by the Court to such person to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act; or
 - if leave is granted by the Court to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act, the Court has not set aside the Scheme Resolution in terms of section 115(7) of the Companies Act;
 - in respect of Shareholders’ Appraisal Rights, no Valid Demands are received by Sabvest; and
 - The TRP has issued a compliance certificate in respect of the Proposed Restructure in terms of section 121(b) of the Companies Act.

The Conditions Precedent in:

- paragraph 8.1.4 has been stipulated for the sole benefit of Sabvest, and Sabvest shall be entitled to waive the fulfilment of the aforesaid Condition Precedent (in whole or in part) on or before the date

for fulfilment thereof or at any time before the Scheme Resolution to approve the Scheme is voted on at the Scheme Meeting; and

- paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.5 are regulatory in nature and may not be waived, unless Sabvest determines to waive any of the aforesaid Conditions Precedent (or part thereof) on or before the date for fulfilment thereof on the basis that any such regulatory conditions are no longer (or are not) applicable to the Proposed Restructure.

ATTENDANCE AND VOTING AT THE N ORDINARY SHAREHOLDER CLASS MEETING

In terms of section 62(3)(e) of the Companies Act:

- An N Ordinary Shareholder who is entitled to attend and vote at the N Ordinary Shareholder Class Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the N Ordinary Shareholder Class Meeting in the place of the N Ordinary Shareholder, by completing a Form of Proxy in accordance with the instructions set out therein; and
- A proxy need not be a Sabvest Shareholder.

In terms of section 63(1) of the Companies Act:

- N Ordinary Shareholders recorded in the Register on the record date in order to be eligible to attend and vote at the N Ordinary Shareholder Class Meeting (being Friday, 20 March 2020), including N Ordinary Shareholders and their proxies, are required to provide reasonably satisfactory identification to the chairman of the N Ordinary Shareholder Class Meeting, and the chairman of the N Ordinary Shareholder Class Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as N Ordinary Shareholder or as proxy for a N Ordinary Shareholder) has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licenses and passports.

VOTING BY THE SEABROOKE FAMILY TRUST

In terms of the SFT Agreement, SFT has elected to abstain from exercising any of its voting rights on all of the resolutions set out herein, provided that any amendment to the Proposed Restructure after the Last Practicable Date will require the consent of SFT.

INTER-CONDITIONALITY OF RESOLUTIONS

All of the special and ordinary resolutions set out in this notice of N Ordinary Shareholder Class Meeting and the special and ordinary resolutions set out in the notice of Ordinary Shareholder Class Meeting and in the notice of Scheme Meeting are inter-conditional. Accordingly, the failure to adopt any one of the said resolutions shall cause each of the other inter-conditional resolutions to fail, notwithstanding that the particular resolution/s may have been adopted by the requisite majority of Sabvest Shareholders at the N Ordinary Shareholder Class Meeting or the Ordinary Shareholder Class Meeting or the Scheme Meeting (as the case may be).

ELECTRONIC PARTICIPATION

In terms of section 61(10) of the Companies Act, N Ordinary Shareholders or their proxies may participate in (but not vote at) the N Ordinary Shareholder Class Meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary of Sabvest by email at wendy@lkg.co.za by no later than 10:00 on Wednesday, 25 March 2020 in order to obtain a pin and dial-in details for the teleconference call:
 - will be required to provide reasonably satisfactory identification; and
 - will be billed separately by their own telephone service providers for their telephone call to participate in the N Ordinary Shareholder Class Meeting.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE PROPOSED RESTRUCTURE

“RESOLVED THAT subject to the passing of Special Resolution Number 2, Special Resolution Number 3 and Ordinary Resolution Number 1, the Proposed Restructure (as more fully described in the Scheme Circular to which this notice of N Ordinary Shareholder Class Meeting is attached) be and is hereby approved.”

Voting requirement

In order for Special Resolution Number 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the N Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the N Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the N Ordinary Shareholder Class Meeting, there are no other voting exclusions on this Special Resolution Number 1.

Explanatory note

Special Resolution Number 1 is required to approve the Proposed Restructure. The Proposed Restructure steps are inextricably linked, each of which is conditional on the others and none of which shall occur without the others.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE N ORDINARY SHARE SCHEME CONSIDERATION

“**RESOLVED THAT**, subject to the passing of Special Resolution Number 1, Special Resolution Number 3 and Ordinary Resolution Number 1, if the Scheme becomes operative, the N Ordinary Shareholder Scheme Consideration to be received by N Ordinary Shareholders in exchange of their N Ordinary Shares, be and is hereby approved.”

Voting requirement

In order for Special Resolution Number 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the N Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the N Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the N Ordinary Shareholder Class Meeting, there are no other voting exclusions on this Special Resolution Number 2.

Explanatory note

Special Resolution Number 2 is required to approve the N Ordinary Shareholder Scheme Consideration to be received by N Ordinary Shareholders in exchange for their N Ordinary Shares on the Scheme Operative Date.

SPECIAL RESOLUTION NUMBER 3 – APPROVAL OF THE ORDINARY SHARE SCHEME CONSIDERATION

“**RESOLVED THAT**, subject to the passing of Special Resolution Number 1, Special Resolution Number 2 and Ordinary Resolution Number 1, if the Scheme becomes operative, the Ordinary Shareholder Scheme Consideration to be received by Ordinary Shareholders in exchange of their Ordinary Shares, be and is hereby approved.”

Voting requirement

In order for Special Resolution Number 3 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the N Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the N Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the N Ordinary Shareholder Class Meeting, there are no other voting exclusions on this Special Resolution Number 2.

Explanatory note

Special Resolution Number 3 is required to approve the Ordinary Shareholder Scheme Consideration to be received by Ordinary Shareholders in exchange for their Ordinary Shares on the Scheme Operative Date.

ORDINARY RESOLUTION NUMBER 1 – DIRECTORS AUTHORISED TO ACT

“**RESOLVED THAT** subject to the passing of Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 3, any one Director or the company secretary of Sabvest be and are hereby authorised to do all things, take all such actions, sign all such documents (including company statutory forms) as required and generally do anything necessary or desirable to give effect to and to implement the resolutions set out above and all such actions taken prior hereto be and hereby are ratified.”

In order for Ordinary Resolution Number 1 to be adopted, the support of more than 50% of all of the voting rights exercised on the resolution by the N Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the N Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the N Ordinary Shareholder Class Meeting, there are no voting exclusions on this Ordinary Resolution Number 1.

QUORUM

The N Ordinary Shareholder Class Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the N Ordinary Shareholder Class Meeting to exercise, in aggregate, at least 51% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the N Ordinary Shareholder Class Meeting. A matter to be decided at the N Ordinary Shareholder Class Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 51% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three N Ordinary Shareholders being personally present or represented by proxy (and if the N Ordinary Shareholder is a body corporate, it must be represented) and entitled to vote at the N Ordinary Shareholder Meeting on matters to be decided by N Ordinary Shareholders.

FORM OF PROXY

Attached to the Form of Proxy (*grey*) is an extract of section 58 of the Companies Act, to which N Ordinary Shareholders are referred.

By order of the Board

Levitt Kirson Business Services Proprietary Limited
Company Secretary

26 February 2020



**SABVEST
LIMITED**

SABVEST LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/003753/06)

Share code: SBV (ISIN: ZAE000012043)

Share Code: SVN (ISIN: ZAE000006417)

(“Sabvest” or “the Company”)

FORM OF PROXY – N ORDINARY SHAREHOLDERS

All the terms defined in the Scheme Circular, to which this Form of Proxy is attached, shall bear the same meaning when used in this Form of Proxy.

This Form of Proxy is for use only by Certificated N Ordinary Shareholders or N Ordinary Shareholders who have Dematerialised their N Ordinary Shares with “Own-Name” Registration and who are unable to attend the N Ordinary Shareholder Class Meeting to be held at 10:00 in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, but who wish to be represented thereat.

Dematerialised N Ordinary Shareholders, other than those with “Own-Name” Registration, are advised to contact their CSDP or Broker with their voting instructions in respect of the N Ordinary Shareholder Class Meeting. Dematerialised N Ordinary Shareholders, other than those with “Own-Name” Registration, who wish to attend the N Ordinary Shareholder Class Meeting should obtain a letter of representation from their CSDP or Broker.

An N Ordinary Shareholder is entitled to appoint one or more proxies (none of whom need to be a Sabvest Shareholder) to attend, participate in, speak and vote or abstain from voting in the place of that N Ordinary Shareholder at the N Ordinary Shareholder Class Meeting.

I/We

(Full name in block letters) of

(address)

Telephone number

Cellphone number

e-mail address

being the holder of N Ordinary Shares, do hereby appoint –

1. or failing him/her,

2. or failing him/her,

3 the chairman of the N Ordinary Shareholder Class Meeting

as my/our proxy to attend and speak for me/us and on my/our behalf at the N Ordinary Shareholder Class Meeting and at any adjournment or postponement thereof and to vote or abstain from voting as indicated on the resolutions to be considered at the N Ordinary Shareholder Class Meeting

	For	Against	Abstain
Special Resolution Number 1 – Approval of the Proposed Restructure			
Special Resolution Number 2 – Approval of the N Share Scheme Consideration			
Special Resolution Number 3 – Approval of the Ordinary Share Scheme Consideration			
Ordinary Resolution Number 1 – Directors authorised to act			

Note: Please indicate with an “X” or the number of N Ordinary Shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his discretion.

All resolutions put to the vote shall be decided by way of a poll. Every N Ordinary Shareholder who is present in person, by proxy or represented at the N Ordinary Shareholder Class Meeting shall, on a poll, have one vote for each N Ordinary Share held by it.

Please read the notes appearing on the reverse hereof.

Signed at on

Signature/s

Name in block letters

Assisted by (where applicable) (state capacity and full name)

Instructions for completing and lodging this Form of Proxy

1. This Form of Proxy should only be used by Certificated N Ordinary Shareholders or N Ordinary Shareholders who have Dematerialised their N Ordinary Shares with "Own-Name" Registration.
2. All other N Ordinary Shareholders who have Dematerialised their N Ordinary Shares through a CSDP or Broker and wish to attend the N Ordinary Shareholder Class Meeting, must provide the CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker.
3. An N Ordinary Shareholder may insert the name/s of one or more proxies, none of whom need be a Sabvest Shareholder, in the space provided, with or without deleting "the chairman of the N Ordinary Shareholder Class Meeting". The person whose name appears first on the Form of Proxy and who is present at the N Ordinary Shareholder Class Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the N Ordinary Shareholder Class Meeting.
4. An N Ordinary Shareholder's instructions on the Form of Proxy must be indicated by the insertion of an "X" or the number of N ordinary Shares in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the N Ordinary Shareholder Class Meeting, if the chairman of the N Ordinary Shareholder Class Meeting is the authorised proxy, to vote in favour of the resolutions at the N Ordinary Shareholder Class Meeting, or any other proxy to vote or to abstain from voting at the N Ordinary Shareholder Class Meeting as he/she deems fit in respect of all of the N Ordinary Shareholder's votes exercisable thereat. An N Ordinary Shareholder or its proxy is not obliged to use all the votes exercisable by the N Ordinary Shareholder or its proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the N Ordinary Shareholder or by its proxy.
5. For administrative purposes, completed Forms of Proxy must reach the Transfer Secretaries at **Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to: proxy@computershare.co.za** by 10:00 on Wednesday, 25 March 2020 or handed to the chairman of the N Ordinary Shareholder Class Meeting at any time before the appointed proxy/ies exercise/s any of the relevant N Ordinary Shareholder's rights at the N Ordinary Shareholder Class Meeting (or any adjournment or postponement of the N Ordinary Shareholder Class Meeting).
6. The completion and lodging of this Form of Proxy shall in no way preclude the N Ordinary Shareholder from attending, speaking and voting in person at the N Ordinary Shareholder Class Meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this Form of Proxy not be completed and/or received in accordance with these notes, the chairman of the N Ordinary Shareholder Class Meeting may accept or reject it, provided that in the case of acceptance, the chairman of the N Ordinary Shareholder Class Meeting is satisfied as to the manner in which the N Ordinary Shareholder wishes to vote.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the N Ordinary Shareholder Class Meeting.
9. The chairman shall be entitled to reject the authority of a person signing the Form of Proxy:
 - 9.1 under a power of attorney; or
 - 9.2 on behalf of a company,unless that person's power of attorney or authority is deposited at the registered office of the Company or the Transfer Secretaries not less than 48 hours before the N Ordinary Shareholder Class Meeting.
10. Where N Ordinary Shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
12. Any alteration of or correction to this Form of Proxy must be initialled by the signatory/ies.
13. All resolutions put to the vote at the N Ordinary Shareholder Class Meeting shall be decided by way of poll. Every N Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have one vote for each N Ordinary Share held by it.
14. If the N Ordinary Shareholder Class Meeting is adjourned or postponed, Forms of Proxy submitted for the initial Scheme Meeting will remain valid in respect of any adjournment or postponement of the N Ordinary Shareholder Class Meeting.

SUMMARY OF RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders’ meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s memorandum of incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.



SABVEST
LIMITED

SABVEST LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1987/003753/06)
Share code: SBV (ISIN: ZAE000012043)
Share Code: SVN (ISIN: ZAE000006417)
(“Sabvest” or “the Company”)

NOTICE OF ORDINARY SHAREHOLDER CLASS MEETING

All the terms defined in the Scheme Circular, to which this notice of Ordinary Shareholder Class Meeting is attached, shall bear the same meaning when used in this notice of Ordinary Shareholder Class Meeting.

Notice is hereby given that a class meeting of the Ordinary Shareholders will be held (subject to any adjournment, postponement or cancellation) at 10:30 (or so soon thereafter as the N Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, for the purpose of considering and, if deemed fit, passing, without modification, the resolutions set out below.

Important dates to note	2020
Last day to trade in order to be eligible to vote at the Ordinary Shareholder Class Meeting	Tuesday, 17 March
Record date in order to be eligible to attend and vote at the Ordinary Shareholder Class Meeting	Friday, 20 March
Forms of Proxy to be received, for administrative purposes, by no later than 10:30 on	Wednesday, 25 March
Ordinary Shareholder Class Meeting to be held at 10:30 (or so soon thereafter as the N Ordinary Shareholder Class Meeting is concluded) on	Friday, 27 March

Shareholders are advised that the Proposed Restructure is subject to the fulfilment or waiver (where capable of waiver and subject to SFT consenting to any such waiver where appropriate) of the following Conditions Precedent (which remain unfulfilled as at the Last Practicable Date) by no later than Monday, 1 June 2020, or such later date as Sabvest in its discretion determines:

- all of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure, are adopted at the Class Meetings and Scheme Meeting;
- to the extent required under section 115(3)(a) of the Companies Act:
 - approval of the implementation of the Scheme Resolution by the Court is obtained; and
 - if applicable, Sabvest not having treated the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- if the Scheme Resolution has been passed at the Scheme Meeting by the requisite majority of Sabvest Shareholders entitled to vote on the Scheme Resolution and any person who voted against the Scheme Resolution applies to court within 10 Business Days after the vote for a review of the Scheme in accordance with the requirements of section 115(3)(b) of the Companies Act:
 - no leave is granted by the Court to such person to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act; or
 - if leave is granted by the Court to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act, the Court has not set aside the Scheme Resolution in terms of section 115(7) of the Companies Act;
 - in respect of Shareholders’ Appraisal Rights, no Valid Demands are received by Sabvest; and
 - The TRP has issued a compliance certificate in respect of the Proposed Restructure in terms of section 121(b) of the Companies Act.

The Conditions Precedent in:

- paragraph 8.1.4 has been stipulated for the sole benefit of Sabvest, and Sabvest shall be entitled to waive the fulfilment of the aforesaid Condition Precedent (in whole or in part) on or before the date for fulfilment thereof or at any time before the Scheme Resolution to approve the Scheme is voted on at the Scheme Meeting; and

- paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.5 are regulatory in nature and may not be waived, unless Sabvest determines to waive any of the aforesaid Conditions Precedent (or part thereof) on or before the date for fulfilment thereof on the basis that any such regulatory conditions are no longer (or are not) applicable to the Proposed Restructure.

ATTENDANCE AND VOTING AT THE ORDINARY SHAREHOLDER CLASS MEETING

In terms of section 62(3)(e) of the Companies Act:

- An Ordinary Shareholder who is entitled to attend and vote at the Ordinary Shareholder Class Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the Ordinary Shareholder Class Meeting in the place of the Ordinary Shareholder, by completing a Form of Proxy in accordance with the instructions set out therein; and
- A proxy need not be a Sabvest Shareholder.

In terms of section 63(1) of the Companies Act:

- Ordinary Shareholders recorded in the Register on the record date in order to be eligible to attend and vote at the Ordinary Shareholder Class Meeting (being Friday, 20 March 2020), including Ordinary Shareholders and their proxies, are required to provide reasonably satisfactory identification to the chairman of the Ordinary Shareholder Class Meeting; and the chairman of the Ordinary Shareholder Class Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Ordinary Shareholder or as proxy for an Ordinary Shareholder) has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licenses and passports.

VOTING BY THE SEABROOKE FAMILY TRUST

In terms of the SFT Agreement, SFT has elected to abstain from exercising any of its voting rights on all of the resolutions set out herein, provided that any amendment to the Proposed Restructure after the Last Practicable Date will require the consent of SFT.

INTER-CONDITIONALITY OF RESOLUTIONS

All of the special and ordinary resolutions set out in this notice of Ordinary Shareholder Class Meeting and the special and ordinary resolutions set out in the notice of N Ordinary Shareholder Class Meeting and in the notice of Scheme Meeting are inter-conditional. Accordingly, the failure to pass any one of the said resolutions shall cause each of the other inter-conditional resolutions to fail, notwithstanding that the particular resolution/s may have been passed by the requisite majority of Sabvest Shareholders at the N Ordinary Shareholder Class Meeting or the Ordinary Shareholder Class Meeting or the Scheme Meeting (as the case may be).

ELECTRONIC PARTICIPATION

In terms of section 61(10) of the Companies Act, Ordinary Shareholders or their proxies may participate in (but not vote at) the Ordinary Shareholder Class Meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary of Sabvest by email at wendy@lkg.co.za by no later than 10:30 on Wednesday, 25 March 2020 in order to obtain a pin and dial-in details for the teleconference call:
 - will be required to provide reasonably satisfactory identification; and
 - will be billed separately by their own telephone service providers for their telephone call to participate in the Ordinary Shareholder Class Meeting.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE PROPOSED RESTRUCTURE

“**RESOLVED THAT** subject to the passing of Special Resolution Number 2, Special Resolution Number 3 and Ordinary Resolution Number 1, the Proposed Restructure (as more fully described in the Scheme Circular to which this notice of Ordinary Shareholder Class Meeting is attached) be and is hereby approved.”

Voting requirement

In order for Special Resolution Number 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the Ordinary Shareholder Class Meeting, there are no other voting exclusions on this Special Resolution Number 1.

Explanatory note

Special Resolution Number 1 is required to approve the Proposed Restructure. The Proposed Restructure steps are inextricably linked, each of which is conditional on the others and none of which shall occur without the others.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE N ORDINARY SHARE SCHEME CONSIDERATION

“**RESOLVED THAT**, subject to the passing of Special Resolution Number 1, Special Resolution Number 3 and Ordinary Resolution Number 1, if the Scheme becomes operative, the N Ordinary Shareholder Scheme Consideration to be received by N Ordinary Shareholders in exchange of their N Ordinary Shares, be and is hereby approved.”

Voting requirement

In order for Special Resolution Number 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the Ordinary Shareholder Class Meeting, there are no other voting exclusions on this Special Resolution Number 2.

Explanatory note

Special Resolution Number 2 is required to approve the N Ordinary Shareholder Scheme Consideration to be received by N Ordinary Shareholders in exchange for their N Ordinary Shares on the Scheme Operative Date.

SPECIAL RESOLUTION NUMBER 3 – APPROVAL OF THE ORDINARY SHARE SCHEME CONSIDERATION

“**RESOLVED THAT**, subject to the passing of Special Resolution Number 1, Special Resolution Number 2 and Ordinary Resolution Number 1, if the Scheme becomes operative, the Ordinary Shareholder Scheme Consideration to be received by Ordinary Shareholders in exchange of their Ordinary Shares, be and is hereby approved.”

Voting requirement

In order for Special Resolution Number 3 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the Ordinary Shareholder Class Meeting, there are no other voting exclusions on this Special Resolution Number 2.

Explanatory note

Special Resolution Number 3 is required to approve the Ordinary Shareholder Scheme Consideration to be received by Ordinary Shareholders in exchange for their Ordinary Shares on the Scheme Operative Date.

ORDINARY RESOLUTION NUMBER 1 – DIRECTORS AUTHORISED TO ACT

“**RESOLVED THAT** subject to the passing of Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 3, any one Director or the company secretary of Sabvest be and are hereby authorised to do all things, take all such actions, sign all such documents (including company statutory forms) as required and generally do anything necessary or desirable to give effect to and to implement the resolutions set out above and all such actions taken prior hereto be and hereby are ratified.”

In order for Ordinary Resolution Number 1 to be adopted, the support of more than 50% of all of the voting rights exercised on the resolution by the Ordinary Shareholders (eligible to vote) present in person or represented by proxy at the Ordinary Shareholder Class Meeting, is required. Save as contemplated in this notice convening the N Ordinary Shareholder Class Meeting, there are no voting exclusions on this Ordinary Resolution Number 1.

QUORUM

The Ordinary Shareholder Class Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the Ordinary Shareholder Class Meeting to exercise, in aggregate, at least 30% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Ordinary Shareholder Class Meeting. A matter to be decided at the Ordinary Shareholder Class Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 30% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Ordinary Shareholders being personally present or represented by proxy (and if the Ordinary Shareholder is a body corporate, it must be represented) and entitled to vote at the Ordinary Shareholder Meeting on matters to be decided by Ordinary Shareholders.

FORM OF PROXY

Attached to the Form of Proxy (*green*) is an extract of section 58 of the Companies Act, to which Ordinary Shareholders are referred.

By order of the Board

Levitt Kirson Business Services Proprietary Limited
Company Secretary

26 February 2020



**SABVEST
LIMITED**

SABVEST LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/003753/06)

Share code: SBV (ISIN: ZAE000012043)

Share Code: SVN (ISIN: ZAE000006417)

("Sabvest" or "the Company")

FORM OF PROXY – ORDINARY SHAREHOLDERS

All the terms defined in the Scheme Circular, to which this Form of Proxy is attached, shall bear the same meaning when used in this Form of Proxy.

This Form of Proxy is for use only by Certificated Ordinary Shareholders or Ordinary Shareholders who have Dematerialised their Ordinary Shares with "Own-Name" Registration and who are unable to attend the Ordinary Shareholder Class Meeting to be held at 10:30 (or so soon thereafter as the N Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, but who wish to be represented thereat.

Dematerialised Ordinary Shareholders, other than those with "Own-Name" Registration, are advised to contact their CSDP or Broker with their voting instructions in respect of the Ordinary Shareholder Class Meeting. Dematerialised Ordinary Shareholders, other than those with "Own-Name" Registration, who wish to attend the Ordinary Shareholder Class Meeting should obtain a letter of representation from their CSDP or Broker.

An Ordinary Shareholder is entitled to appoint one or more proxies (none of whom need to be a Shareholder) to attend, participate in, speak and vote or abstain from voting in the place of that Ordinary Shareholder at the Ordinary Shareholder Class Meeting.

I/We

(Full name in block letters)

of (address)

Telephone number

Cellphone number

E-mail address

being the holder of Ordinary Shares, do hereby appoint:

1. or failing him/her,

2. or failing him/her,

3 the chairman of the Ordinary Shareholder Class Meeting

as my/our proxy to attend and speak for me/us and on my/our behalf at the Ordinary Shareholder Class Meeting and at any adjournment or postponement thereof and to vote or abstain from voting as indicated on the resolutions to be considered at the Ordinary Shareholder Class Meeting:

	For	Against	Abstain
Special Resolution Number 1 – Approval of the Proposed Restructure			
Special Resolution Number 2 – Approval of the N Share Scheme Consideration			
Special Resolution Number 3 – Approval of the Ordinary Share Scheme Consideration			
Ordinary Resolution Number 1 – Directors authorised to act			

Note: Please indicate with an "X" or the number of Ordinary Shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his discretion.

All resolutions put to the vote shall be decided by way of a poll. Every Ordinary Shareholder who is present in person, by proxy or represented at the Ordinary Shareholder Class Meeting shall, on a poll, have 500 votes for each Ordinary Share held by it.

Please read the notes appearing on the reverse hereof.

Signed at

on

Signature/s

Name in block letters

Assisted by (where applicable) (state capacity and full name)

Instructions for completing and lodging this Form of Proxy

1. This Form of Proxy should only be used by Certificated Ordinary Shareholders or Ordinary Shareholders who have Dematerialised their Ordinary Shares with “Own-Name” Registration.
2. All other Ordinary Shareholders who have Dematerialised their Ordinary Shares through a CSDP or Broker and wish to attend the Ordinary Shareholder Class Meeting, must provide the CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker.
3. An Ordinary Shareholder may insert the name/s of one or more proxies, none of whom need be a Sabvest Shareholder, in the space provided, with or without deleting “the chairman of the Ordinary Shareholder Class Meeting”. The person whose name appears first on the Form of Proxy and who is present at the Ordinary Shareholder Class Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the Ordinary Shareholder Class Meeting.
4. An Ordinary Shareholder’s instructions on the Form of Proxy must be indicated by the insertion of an “X” or the number of Ordinary Shares in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the Ordinary Shareholder Class Meeting, if the chairman of the Ordinary Shareholder Class Meeting is the authorised proxy, to vote in favour of the resolutions at the Ordinary Shareholder Class Meeting, or any other proxy to vote or to abstain from voting at the Ordinary Shareholder Class Meeting as he/she deems fit in respect of all of the Ordinary Shareholder’s votes exercisable thereat. An Ordinary Shareholder or its proxy is not obliged to use all the votes exercisable by the Ordinary Shareholder or its proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the Ordinary Shareholder or by its proxy.
5. For administrative purposes, completed Forms of Proxy must reach the Transfer Secretaries at **Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private bag X9000, Saxonwold, 2132) or emailed to: proxy@computershare.co.za** by 10:00 on Wednesday, 25 March 2020 or handed to the chairman of the Ordinary Shareholder Class Meeting at any time before the appointed proxy/ies exercise/s any of the relevant Ordinary Shareholder’s rights at the Ordinary Shareholder Class Meeting (or any adjournment or postponement of the Ordinary Shareholder Class Meeting).
6. The completion and lodging of this Form of Proxy shall in no way preclude the Ordinary Shareholder from attending, speaking and voting in person at the Ordinary Shareholder Class Meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this Form of Proxy not be completed and/or received in accordance with these notes, the chairman of the Ordinary Shareholder Class Meeting may accept or reject it, provided that in the case of acceptance, the chairman of the Ordinary Shareholder Class Meeting is satisfied as to the manner in which the Ordinary Shareholder wishes to vote.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the Ordinary Shareholder Class Meeting.
9. The chairman of the Ordinary Shareholder Class Meeting shall be entitled to reject the authority of a person signing the Form of Proxy:
 - 9.1 under a power of attorney; or
 - 9.2 on behalf of a company,unless that person’s power of attorney or authority is deposited at the registered office of the Company or the Transfer Secretaries not less than 48 hours before the Ordinary Shareholder Class Meeting.
10. Where Ordinary Shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
12. Any alteration of or correction to this Form of Proxy must be initialled by the signatory/ies.
13. All resolutions put to the vote at the Ordinary Shareholder Class Meeting shall be decided by way of poll. Every Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have 500 votes for each Ordinary Share held by it.
14. If the Ordinary Shareholder Class Meeting is adjourned or postponed, Forms of Proxy submitted for the initial Ordinary Shareholder Class Meeting will remain valid in respect of any adjournment or postponement of the Ordinary Shareholder Class Meeting.

SUMMARY OF RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders’ meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s memorandum of incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.



SABVEST
LIMITED

SABVEST LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1987/003753/06)
Share code: SBV (ISIN: ZAE000012043)
Share Code: SVN (ISIN: ZAE000006417)
(“Sabvest” or “the Company”)

NOTICE OF SCHEME MEETING

THE ATTENTION OF SABVEST SHAREHOLDERS IS DRAWN TO ANNEXURE 5 OF THE SCHEME CIRCULAR TO WHICH THIS NOTICE OF SCHEME MEETING IS ATTACHED, WHICH SETS OUT THE PROVISIONS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT.

All the terms defined in the Scheme Circular, to which this notice of Scheme Meeting is attached, shall bear the same meaning when used in this notice of Scheme Meeting.

Notice is hereby given that a Scheme Meeting of Sabvest Shareholders will be held (subject to any adjournment, postponement or cancellation) at 11:00 (or so soon thereafter as the Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, for the purpose of considering and, if deemed fit, passing, without modification, the resolutions set out below.

Important dates to note

2020

Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 17 March
Record date in order to be eligible to attend and vote at the Scheme Meeting	Friday, 20 March
Forms of Proxy (<i>blue</i>) to be received, for administrative purposes, by no later than 11:00 on	Wednesday, 25 March
Scheme Meeting to be held at 11:00 (or so soon thereafter as the Ordinary Shareholder Class Meeting is concluded) on thereafter as the N Ordinary Shareholder Class Meeting is concluded) on	Friday, 27 March

Shareholders are advised that the Proposed Restructure is subject to the fulfilment or waiver (where capable of waiver and subject to SFT consenting to any such waiver where appropriate) of the following Conditions Precedent (which remain unfulfilled as at the Last Practicable Date) by no later than Monday, 1 June 2020, or such later date as Sabvest in its discretion determines:

- all of the resolutions as contained in the notices of the Class Meetings and Scheme Meeting, each being necessary to approve and implement the Proposed Restructure, are adopted at the Class Meetings and Scheme Meeting;
- to the extent required under section 115(3)(a) of the Companies Act:
 - approval of the implementation of the Scheme Resolution by the Court is obtained; and
 - if applicable, Sabvest not having treated the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- if the Scheme Resolution has been passed at the Scheme Meeting by the requisite majority of Sabvest Shareholders entitled to vote on the Scheme Resolution and any person who voted against the Scheme Resolution applies to court within 10 Business Days after the vote for a review of the Scheme in accordance with the requirements of section 115(3)(b) of the Companies Act:
 - no leave is granted by the Court to such person to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act; or
 - if leave is granted by the Court to apply to Court for a review of the Scheme in accordance with the requirements of section 115(6) of the Companies Act, the Court has not set aside the Scheme Resolution in terms of section 115(7) of the Companies Act;
 - in respect of Shareholders’ Appraisal Rights, no Valid Demands are received by Sabvest; and
 - The TRP has issued a compliance certificate in respect of the Proposed Restructure in terms of section 121(b) of the Companies Act.

The Conditions Precedent in:

- paragraph 8.1.4 has been stipulated for the sole benefit of Sabvest, and Sabvest shall be entitled to waive the fulfilment of the aforesaid Condition Precedent (in whole or in part) on or before the date for fulfilment thereof or at any time before the Scheme Resolution to approve the Scheme is voted on at the Scheme Meeting; and

- paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.5 are regulatory in nature and may not be waived, unless Sabvest determines to waive any of the aforesaid Conditions Precedent (or part thereof) on or before the date for fulfilment thereof on the basis that any such regulatory conditions are no longer (or are not) applicable to the Proposed Restructure.

ATTENDANCE AND VOTING AT THE SCHEME MEETING

In terms of section 62(3)(e) of the Companies Act:

- A Sabvest Shareholder who is entitled to attend and vote at the Scheme Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the Scheme Meeting in the place of the Sabvest Shareholder, by completing a Form of Proxy in accordance with the instructions set out therein; and
- A proxy need not be a Sabvest Shareholder.

In terms of section 63(1) of the Companies Act:

- Sabvest Shareholders recorded in the Register on the record date in order to be eligible to attend and vote at the Scheme Meeting (being Friday, 20 March 2020), are required to provide reasonably satisfactory identification to the chairman of the Scheme Meeting, and the chairman of the Scheme Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Sabvest Shareholder or as proxy for a Sabvest Shareholder) has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licenses and passports.

VOTING BY THE SEABROOKE FAMILY TRUST

In terms of the SFT Agreement, SFT has elected to abstain from exercising any of its voting rights on all of the resolutions set out herein, provided that any amendment to the Proposed Restructure after the Last Practicable Date will require the consent of SFT.

INTER-CONDITIONALITY OF RESOLUTIONS

All of the resolutions set out in this notice of Scheme Meeting and the special and ordinary resolutions set out in the notice of N Ordinary Shareholder Class Meeting and in the notice of Ordinary Shareholder Class Meeting are inter-conditional. Accordingly, the failure to adopt any one of the said resolutions shall cause each of the other inter-conditional resolutions to fail, notwithstanding that the particular resolution/s may have been adopted by the requisite majority of Sabvest Shareholders at the N Ordinary Shareholder Class Meeting or the Ordinary Shareholder Class Meeting or the Scheme Meeting (as the case may be).

ELECTRONIC PARTICIPATION

In terms of section 61(10) of the Companies Act, Sabvest Shareholders or their proxies may participate in (but not vote at) the Scheme Meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary of Sabvest by email at wendy@lkg.co.za by no later than 11:00 on Wednesday, 25 March 2020 in order to obtain a pin and dial-in details for the teleconference call:
 - will be required to provide reasonably satisfactory identification; and
 - will be billed separately by their own telephone service providers for their telephone call to participate in the Scheme Meeting.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE SCHEME IN TERMS OF SECTIONS 114 AND 115, AND 44, OF THE COMPANIES ACT

“**RESOLVED THAT** subject to the passing of Special Resolution Number 2 and Ordinary Resolution Number s1, the Scheme (as more fully described in the Scheme Circular to which this notice of Scheme Meeting is attached, including the granting of any financial assistance that may be provided by Sabvest in respect of the Proposed Restructure (the Scheme being an indivisible component of thereof), including without limitation, the payment of legal and other transaction costs to be borne by Sabvest in respect of the Proposed Restructure as detailed in paragraph 32 of the Scheme Circular, for the purpose of or in connection with the Proposed Restructure) be and is hereby approved as a special resolution in terms of sections 115(2)(a) and 44(3)(a)(ii) of the Companies Act on the terms and conditions set out in the Scheme Circular.”

Voting requirement

In order for Special Resolution Number 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the Sabvest Shareholders (eligible to vote) present in person or represented by proxy at the General Meeting, is required. Save as contemplated in this notice convening the Scheme Meeting, there are no other voting exclusions on this Special Resolution Number 1.

Explanatory note

Special Resolution Number 1 is required to approve the Scheme (being an indivisible component of the Proposed Restructure, and which approval includes the approval of any financial assistance that may be provided by Sabvest in respect of the Proposed Restructure, including without limitation, the payment of legal and other transaction costs to be borne by Sabvest in respect of the Proposed Restructure as detailed in paragraph 32 of the Scheme Circular, for or in connection with the acquisition by Sabcap of Sabvest Shares in terms of the Scheme) by the requisite percentage of voting rights pursuant to which all Sabvest Shares held by Scheme Participants will be acquired by Sabcap in exchange for the Scheme Consideration (whether they exercised voting rights in favour of this Special Resolution Number 1 or not, or abstained or refrained from exercising voting rights) to implement the Proposed Restructure.

SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF THE SCHEME RESOLUTION IF THE PROPOSED RESTRUCTURE DOES NOT BECOME UNCONDITIONAL, IS NOT CONTINUED AND DISSENTING SHAREHOLDERS HAVE EXERCISED APPRAISAL RIGHTS UNDER SECTION 164 OF THE COMPANIES ACT

“**RESOLVED THAT**, subject to the passing of Special Resolution Number 1 and Ordinary Resolution Number 1, and subject to and if:

- (i) Special Resolution Number 1 being approved by the Shareholders;
- (ii) the Proposed Restructure is not implemented for whatever reason;
- (iii) Dissenting Shareholders have exercised their Appraisal Rights (and Sabvest having not waived this Condition Precedent); and
- (iv) Sabvest makes an announcement on SENS to the effect that the Proposed Restructure will not be continued or implemented,

Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (iv) above, as contemplated in section 164(9)(c) of the Companies Act.”

Voting requirement

In order for Special Resolution Number 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by the Shareholders (eligible to vote) present in person or represented by proxy at the Scheme Meeting, is required. Save as contemplated in this notice convening the Scheme Meeting, there are no other voting exclusions on this Special Resolution Number 2.

Explanatory note

Special Resolution Number 2 is required because the Proposed Restructure will not be given effect to in the circumstances contemplated above.

ORDINARY RESOLUTION NUMBER 1 – DIRECTORS AUTHORISED TO ACT

“**RESOLVED THAT** subject to the passing of Special Resolution Number 1 and Special Resolution Number 2, any one Director or the company secretary of Sabvest be and are hereby authorised to do all things, take all such actions, sign all such documents (including company statutory forms) as required and generally do anything necessary or desirable to give effect to and to implement the resolutions set out above and all such actions taken prior hereto be and hereby are ratified.”

In order for Ordinary Resolution Number 1 to be adopted, the support of more than 50% of all of the voting rights exercised on the resolution by Sabvest Shareholders (eligible to vote) present in person or represented by proxy at the Scheme Meeting, is required. Save as contemplated in this notice convening the Scheme Meeting, there are no voting exclusions on this Ordinary Resolution Number 1.

QUORUM

The Scheme Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the Scheme Meeting to exercise, in aggregate, at least 30% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Scheme Meeting. A matter to be decided at the Scheme Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 30% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least 3 (three) Sabvest Shareholders being personally present or represented by proxy (and if the Sabvest Shareholder is a body corporate, it must be represented) and entitled to vote at the Scheme Meeting on matters to be decided by Sabvest Shareholders.

FORM OF PROXY

Attached to the Form of Proxy (*blue*) is an extract of section 58 of the Companies Act, to which Sabvest Shareholders are referred.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to Special Resolution Number 1. Such notification must be delivered to the company secretary of Sabvest by electronic mail on wendy@lkg.co.za or to the Company’s registered office.

Any such Dissenting Shareholder must also vote against Special Resolution Number 1 at the Scheme Meeting.

By no later than 10 Business Days after Special Resolution Number 1 has been adopted, the Company must send a notice to the Dissenting Shareholders that Special Resolution Number 1 has been adopted.

A Dissenting Shareholder may demand that the Company pay the Dissenting Shareholder the fair value for all the Sabvest Shares held by that Dissenting Shareholder if:

- the Dissenting Shareholder has sent the Company a notice of objection in terms of section 164(3) of the Companies Act;
- the Company has adopted Special Resolution Number 1; and
- the Dissenting Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

Sabvest Shareholders are referred to paragraph 11 of the Circular to which this notice of Scheme Meeting is attached for more information regarding Dissenting Shareholders’ Appraisal Rights. A copy of section 164 of the Companies Act is set out in Annexure 5 of the Scheme Circular.

By order of the Board

Levitt Kirson Business Services Proprietary Limited
Company Secretary

26 February 2020



SABVEST
LIMITED

SABVEST LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1987/003753/06)
Share code: SBV (ISIN: ZAE000012043)
Share Code: SVN (ISIN: ZAE000006417)
(“Sabvest” or “the Company”)

FORM OF PROXY – SCHEME MEETING

All the terms defined in the Scheme Circular, to which this Form of Proxy is attached, shall bear the same meaning when used in this Form of Proxy.

This Form of Proxy is for use only by Certificated Shareholders or Dematerialised Shareholders who have Dematerialised their Sabvest Shares with “Own-Name” Registration and who are unable to attend the Scheme Meeting to be held at 11:00 (or so soon thereafter as the Ordinary Shareholder Class Meeting is concluded) in the Main Boardroom, Commerce Square, Building 4, 39 Rivonia Road, Sandhurst, 2196 on Friday, 27 March 2020, but who wish to be represented thereat.

Dematerialised Shareholders, other than those with “Own-Name” Registration, are advised to contact their CSDP or Broker with their voting instructions in respect of the Scheme Meeting. Dematerialised Shareholders, other than those with “Own-Name” Registration, who wish to attend the Scheme Meeting should obtain a letter of representation from their CSDP or Broker.

A Sabvest Shareholder is entitled to appoint one or more proxies to attend, participate in, speak and vote or abstain from voting in the place of that Sabvest Shareholder at the Scheme Meeting.

I/We

(Full name in block letters)

of (address)

Telephone number

Cellphone number

e-mail address

being the holder of N Ordinary Shares, do hereby appoint:

1. or failing him/her,

2. or failing him/her,

3 the chairman of the Scheme Meeting

as my/our proxy to attend and speak for me/us and on my/our behalf at the Scheme Meeting and at any adjournment or postponement thereof and to vote or abstain from voting as indicated on the resolutions to be considered at the Scheme Meeting:

	For	Against	Abstain
Special Resolution Number 1 – Approval of the Scheme in terms of sections 114 and 115, and 44, of the Companies Act			
Special Resolution Number 2 – Revocation of the Scheme Resolution if the Proposed Restructure does not become unconditional, is not continued and Dissenting Shareholders have exercised Appraisal Rights under section 164 of the Companies Act			
Ordinary Resolution Number 1 – Directors authorised to act			

Note: Please indicate with an “X” or the number of Sabvest Shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his discretion.

All resolutions put to the vote shall be decided by way of a poll. Every N Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have one vote for each N Ordinary Share held by it and every Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have 500 votes for each Ordinary Share held by it.

Please read the notes appearing on the reverse hereof.

Signed at

on

Signature/s

Name in block letters

Assisted by (where applicable) (state capacity and full name)

Instructions for completing and lodging this Form of Proxy

1. This Form of Proxy should only be used by Certificated Shareholders or Sabvest Shareholders who have Dematerialised their Sabvest Shares with "Own-Name" Registration.
2. All other Sabvest Shareholders who have Dematerialised their Sabvest Shares through a CSDP or Broker and wish to attend the Scheme Meeting, must provide the CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker.
3. A Sabvest Shareholder may insert the name/s of one or more proxies, none of whom need be a Sabvest Shareholder, in the space provided, with or without deleting "the chairman of the Scheme Meeting". The person whose name appears first on the Form of Proxy and who is present at the Scheme Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the Scheme Meeting.
4. A Sabvest Shareholder's instructions on a Form of Proxy must be indicated by the insertion of an "X" or the number of Sabvest Shares in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the Scheme Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the Scheme Meeting, or any other proxy to vote or to abstain from voting at the Scheme Meeting as he/she deems fit in respect of all of the Sabvest Shareholder's votes exercisable thereat. A Sabvest Shareholder or its proxy is not obliged to use all the votes exercisable by the Sabvest Shareholder or its proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the Sabvest Shareholder or by its proxy.
5. For administrative purposes, completed Forms of Proxy must reach the Transfer Secretaries at **Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to: proxy@computershare.co.za** by 11:00 on Wednesday, 25 March 2020 or handed to the chairman of the Scheme Meeting at any time before the appointed proxy/ies exercise/s any of the relevant Sabvest Shareholder's rights at the Scheme Meeting (or any adjournment or postponement of the Scheme Meeting).
6. The completion and lodging of this Form of Proxy shall in no way preclude the Sabvest Shareholder from attending, speaking and voting in person at the Scheme Meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this Form of Proxy not be completed and/or received in accordance with these notes, the chairman of the Scheme Meeting may accept or reject it, provided that in the case of acceptance, the chairman of the Scheme Meeting is satisfied as to the manner in which the Sabvest Shareholder wishes to vote.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the Scheme Meeting.
9. The chairman of the Scheme Meeting shall be entitled to reject the authority of a person signing the Form of Proxy:
 - 9.1 under a power of attorney; or
 - 9.2 on behalf of a company,unless that person's power of attorney or authority is deposited at the registered office of the Company or the Transfer Secretaries not less than 48 hours before the Scheme Meeting.
10. Where Sabvest Shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered with the Transfer Secretaries.
12. Any alteration of or correction to this Form of Proxy must be initialled by the signatory/ies.
13. All resolutions put to the vote at the Scheme Meeting shall be decided by way of poll. Every N Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have one vote for each N Ordinary Share held by it and every Ordinary Shareholder who is present in person, by proxy or represented at the Scheme Meeting shall, on a poll, have 500 votes for each Ordinary Share held by it.
14. If the Scheme Meeting is adjourned or postponed, Forms of Proxy submitted for the initial Scheme Meeting will remain valid in respect of any adjournment or postponement of the Scheme Meeting.

SUMMARY OF RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term “shareholder” shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders’ meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s memorandum of incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;

- 9.3 the company must not require that the proxy appointment be made irrevocable; and
- 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.



**SABVEST
LIMITED**

SABVEST LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1987/003753/06)
Share code: SBV (ISIN: ZAE000012043)
Share Code: SVN (ISIN: ZAE000006417)
(“Sabvest” or “the Company”)

FORM OF SURRENDER AND TRANSFER OF DOCUMENTS OF TITLE

All the terms defined in the Scheme Circular, to which this Form of Surrender is attached, shall bear the same meaning when used in this Form of Surrender.

This Form of Surrender is for use only by Certificated Shareholders. Holders of Dematerialised Sabvest Shares must not complete this Form of Surrender.

1. This Form of Surrender is only for use in respect of the Scheme.
2. Full details of the Scheme are contained in the Scheme Circular to Sabvest Shareholders, dated Friday, 28 February 2020, to which Scheme Circular this Form of Surrender is attached and forms part.
3. This Form of Surrender is attached for the convenience of Certificated Sabvest Shareholders who may wish to surrender their Documents of Title prior to the Scheme Meeting.
4. A separate Form of Surrender is required for each Certificated Shareholder.
5. Part A must be completed by all Scheme Participants who return this form.
6. Part B must be completed by all Scheme Participants who are Emigrants from the Common Monetary Area.
7. If this Form of Surrender is returned with the relevant Documents of Title, it will be treated as a conditional surrender which is made subject to the terms of the Scheme Circular and the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever, the Transfer Secretaries will, by not later than five Business Days after the date upon which it becomes known that the Scheme will not become operative, return the Documents of Title to the Sabvest Shareholders concerned, by registered mail, at the risk of such Sabvest Shareholders.
8. Persons who have acquired Sabvest Shares after the date of the issue of the Scheme Circular can obtain copies of the Form of Surrender and the Scheme Circular, from the Transfer Secretaries, to be sent electronically upon request.
9. The Scheme Consideration will not be posted to Scheme Participants unless and until Documents of Title have BEEN SURRENDERED to the Transfer Secretaries at **Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61763, Marshalltown, 2107).**

To: **Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers,
15 Biermann Avenue,
Rosebank, 2196.**

(PO Box 61763, Marshalltown, 2107)

Dear Sirs

PART A: To be completed by Scheme Participants who return this Form of Surrender.

I/We hereby surrender the Documents of Title attached hereto, representing Sabvest Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme becoming operative, to register the transfer of these Sabvest Shares into the name of Sabcap:

Name of Sabvest Shareholder	Certificate number(s)	Number of Sabvest Shares covered by each certificate(s) enclosed
Total		

Surname or name of corporate body:

First name(s) in full

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

Address to which the Scheme Consideration should be posted (if different from registered address)

Telephone work ()

Telephone home ()

Cellphone number

Email address

Note:

Signature of Sabvest Shareholder	Name and address of agent lodging this Form of Surrender (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cellphone number	

PART B: To be completed by Emigrants of the Common Monetary Area.

Nominated authorised dealer in the case of a Scheme Participant who is an Emigrant from the Common Monetary Area (see note 2 below).

NB: PART A must also be completed.

Name of dealer	Account number
Address	

Instructions:

1. No receipts will be issued for Documents of Title lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Surrender.
2. Persons who are Emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their blocked assets in Part B of this form. Failing such nomination, the Scheme Consideration due to such Scheme Participants in accordance with the provisions of the Scheme will be held in trust by Sabvest or the Transfer Secretaries on behalf of Sabvest, pending instructions from the Scheme Participants concerned.
3. Any alteration to this Form of Surrender must be signed in full and not initialled.
4. If this Form of Surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Form of Surrender for noting (unless it has already been noted by Sabvest or the Transfer Secretaries). This does not apply in the event of this form bearing a JSE broker's stamp.
5. Where the Scheme Participant is a company or a close corporation, unless it has already been registered with Sabvest or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender must be submitted, if so requested by Sabvest.
6. If this Form of Surrender is not signed by the Scheme Participant, such Scheme Participant will be deemed to have irrevocably appointed the Transfer Secretaries to implement the obligations of the Scheme Participant under the Scheme on his or her behalf.
7. Where there are any joint holders of any Sabvest Shares, only that holder whose name stands first in the Register in respect of such Sabvest Shares need sign this Form of Surrender.
8. A minor must be assisted by his or her parent or guardian, unless the relevant Documents of Title establishing his or her legal capacity are produced or have been registered by the Transfer Secretaries.