

CA SALES HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 2011/143100/06

Registered as an external company in the Republic of Botswana

Botswana registration number: BW00001085331

JSE Limited (“**JSE**”) share code: CAA

Botswana Stock Exchange (“**BSE**”) share code: CAS-EQO

ISIN: ZAE400000036

(“**CA&S**” or the “**Company**”)



ODD-LOT OFFER AND NOTICE OF GENERAL MEETING

1. INTRODUCTION AND RATIONALE

- 1.1. As at 5 May 2023, CA&S had approximately 5 073 ordinary shareholders (“**Odd-lot Holders**”) each holding less than 100 CA&S ordinary shares of no par value (“**CA&S Shares**”). At that date, these Odd-lot Holders held a total of 117 861 CA&S Shares, representing 0.02% of the total issued share capital of the Company. To reduce the administrative time and costs associated with this large number of Odd-lot Holders, the board of directors of the Company (“**Board**”) proposes the implementation of an odd-lot offer (“**Odd-lot Offer**”) to facilitate the reduction in these Odd-lot Holders in a fair manner, which will result in the repurchase by the Company of the Odd-lot holdings from the Odd-lot Holders at the offer price, being the volume weighted average traded price of a CA&S Share on the JSE Limited over the thirty trading days up to and including Friday, 23 June 2023, being the last business day prior to the general meeting of shareholders (“**General Meeting**”), due to be held on Monday, 26 June 2023 (“**Offer Price**”).
- 1.2. The Odd-lot Offer will provide Odd-lot Holders with the ability to dispose of their Odd-lot holdings on a cost-efficient basis and will provide liquidity for those Odd-lot Holders who elect to sell their Odd-lot holdings or who make no election. For CA&S it will, *inter alia*, reduce the complexity and ongoing administration costs associated with a large shareholder base, which includes a substantial number of Odd-lot Holders.

2. KEY TERMS OF THE ODD-LOT OFFER

2.1. Odd-lot Offer mechanics

- 2.1.1. Following receipt of shareholder approval at the General Meeting, the Odd-lot Offer will open and, if you are an Odd-lot Holder, you must decide to either:
 - 2.1.1.1. sell your Odd-lot Holding to CA&S at the Offer Price; or
 - 2.1.1.2. retain your Odd-lot Holding.
- 2.1.2. If you wish to retain your CA&S Shares, you must specifically make an election to do so.
- 2.1.3. Those Odd-lot Holders who do not make an election by 12:00 pm on Friday, 21 July 2023 will automatically be regarded as having accepted the Odd-lot Offer and chosen to dispose of their CA&S Shares to the Company and will receive

the cash consideration, being their Odd-lot holding multiplied by the Offer Price (**"Cash Consideration"**).

2.2. Transaction costs and tax

- 2.2.1. Save as set out in paragraph 2.2.4 below, Odd-lot Holders will not have to bear any transaction costs.
- 2.2.2. The transfer costs of Odd-lot Holders who sell their holdings to CA&S will be borne by CA&S.
- 2.2.3. CA&S, by proposing the Odd-lot Offer, is therefore making it possible for the Odd-lot Holders who wish to dispose of their shareholding to do so in a cost-effective manner.
- 2.2.4. As the Cash Consideration will not be funded out of contributed tax capital, the amount payable to Odd-lot Holders will constitute a "dividend" as defined in section 1 of the Income Tax Act, No. 58 of 1962, as amended (**"Income Tax Act"**). Even though the Cash Consideration in itself will be exempt from income tax, the Cash Consideration will give rise to a liability for dividends tax at the rate of 20% in accordance with the Income Tax Act in the event that any Odd-lot Holder does not qualify for an exemption from the dividends tax. An Odd-lot Holder will qualify for exemption if the relevant declaration and undertaking have been signed and delivered to the Company beforehand. Non-resident Odd-lot Holders, individuals and trusts will not qualify for the exemption from dividends tax. A reduced rate of dividends tax will apply should the Odd-lot Holder be a non-resident and South Africa has concluded a double taxation convention with the country of which the Odd-lot Holder is a resident.
- 2.2.5. In the event that any Odd-lot Holder does not qualify for an exemption from the dividends tax or a reduced rate of dividends tax apply, CA&S will withhold the relevant portion from the Cash Consideration in relation to a particular Shareholder in order to make payment of such liability for dividends tax.
- 2.2.6. The implementation of the Odd-lot Offer will not result in a reduction of the contributed tax capital of the Company.
- 2.2.7. The summary of the tax considerations pertaining to the Odd-lot Offer is based on the current laws that are applicable as at the date of the circular and is subject to potential changes that may be made to such legislation subsequently, which could be retrospective. The summary is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Odd-lot Offer provisions in terms of South African tax law. It is not intended to be, nor should it be considered as legal or tax advice. CA&S and its advisors cannot be held responsible for the tax consequences of the Odd-lot Offer and therefore CA&S shareholders (**"Shareholders"**) are advised to consult their own tax advisors in this regard.
- 2.2.8. The Odd-lot Offer may be subject to tax in the relevant jurisdiction of the Odd-lot Holders arising from the disposal of the Odd-lot holdings by the Odd-lot Holders who make an election to sell their respective Odd-lot holdings to CA&S, or who do not make an election in the case of Odd-lot Holders.
- 2.2.9. The Company will bear the securities transfer tax associated with the acquisition of the CA&S Shares forming the subject of the Odd-lot Offer.

2.3. Financial effect

- 2.3.1. The repurchase of CA&S Shares pursuant to the Odd-lot Offer will have no significant effect on CA&S' earnings per share, headline earnings per share, net asset value per share or tangible net asset value per share.
- 2.3.2. Based on current shareholdings and an assumed CA&S share price of R7.29, and assuming that 117 861 CA&S Shares are repurchased in terms of the Odd-lot Offer, the cost of the Odd-lot Offer for CA&S is expected to amount to approximately R859 207 (excluding transfer costs), plus transaction costs of approximately R680 000 (excluding VAT).
- 2.3.3. All Shares repurchased in terms of the Odd-lot Offer will be cancelled, with the result that the number of treasury shares held by the Company (currently zero) will remain unchanged.
- 2.3.4. CA&S's existing cash resources will be utilised to satisfy all cash requirements arising out of the Odd-lot Offer.

3. DISTRIBUTION OF CIRCULAR AND NOTICE OF GENERAL MEETING

- 3.1. The Board is seeking approval from Shareholders to implement the Odd-lot Offer and is therefore convening the General Meeting to be conducted entirely by electronic communication on Monday, 26 June 2023 at 10:00 am.
- 3.2. A circular ("**Circular**") containing details of the Odd-lot Offer, together with a notice of General Meeting, is being distributed to Shareholders today, Friday, 26 May 2023.
- 3.3. The Circular is available in English. Copies may be obtained during normal business hours from the registered office and office in Botswana of the Company and from the offices of the Company's Transaction Advisor and JSE Sponsor, PSG Capital, from Friday, 26 May 2023 until Monday, 26 June 2023 (both days inclusive). A copy of the Circular will also be available on the Company's website (<https://casholdings.co.za/investor-relations/>).
- 3.4. Unless otherwise indicated, capitalised words and terms contained in this announcement shall bear the same meanings ascribed thereto in the Circular.

4. SALIENT DATES AND TIMES

	2023
Record date to determine which Shareholders are entitled to receive the Circular	Friday, 19 May
Circular and notice of General Meeting distributed to Shareholders on	Friday, 26 May
Announcement regarding distribution of the Circular and notice of General Meeting released on SENS and X-News on	Friday, 26 May
Announcement regarding distribution of the Circular and notice of General Meeting published in the press on	Monday, 29 May
Last day to trade in order to be eligible to attend and vote at the General Meeting	Monday, 12 June
Record date to determine which Shareholders are entitled to attend and vote at the General Meeting	Thursday, 15 June

For administrative purposes, the time and date by which Forms of Proxy for the General Meeting are requested to be lodged, by 10:00 am on	Thursday, 22 June
Forms of Proxy (<i>grey</i>) not lodged timeously with the Secretaries, for convenience, to be emailed to the Secretaries (who will provide same to the chairman of the General Meeting) before the proxy exercises the rights of the Shareholder at the General Meeting on	Monday, 26 June
General Meeting to be held at 10:00 am on	Monday, 26 June
Finalisation announcement, including the results of the General Meeting and the final Offer Price, announced on SENS and X-News on	Monday, 26 June
Finalisation announcement published in the press on	Tuesday, 27 June
Odd-lot Offer opens at 09:00 am	Tuesday, 27 June
Last day for Shareholders on the BSE to trade in order to participate in the Odd-lot Offer	Friday, 14 July
Last day for Shareholders on the JSE to trade in order to participate in the Odd-lot Offer	Tuesday, 18 July
Shares trade “ex” the Odd-lot Offer on	Wednesday, 19 July
Forms of Election and Surrender for the Odd-lot Offer (<i>blue</i>) to be received by the Secretaries by 12:00 pm on	Friday, 21 July
Odd-lot Offer closes at 12:00 pm on	Friday, 21 July
Record date for the Odd-lot Offer (to determine which Shareholders are entitled to participate in the Odd-lot Offer) at close of business on	Friday, 21 July
Implementation of the Odd-lot Offer on	Monday, 24 July
Dematerialised Odd-lot Holders who have accepted the Odd-lot Offer or are deemed to have accepted the Odd-lot Offer will have their accounts held at their CSDP, CSDBP or broker credited with the Offer Price on	Monday, 24 July
Payments of the Offer Price to certificated Odd-lot Holders who have accepted the Odd-lot Offer on	Monday, 24 July
Results of the Odd-lot Offer released on SENS and X-News on	Monday, 24 July
Results of the Odd-lot Offer published in the press on	Tuesday, 25 July
Cancellation and termination of listing of CA&S Shares repurchased in terms of the Odd-lot Offer expected on or about	Thursday, 27 July

Notes:

1. The above dates and times are subject to change. Any changes will be published on SENS and X-News.
2. Shareholders with Shares listed on the JSE should note that as transactions in CA&S Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trades. Therefore, Shareholders who acquire CA&S Shares after close of trade on Monday, 12 June 2023 will not be eligible to attend, participate in and vote at the General Meeting.
3. All times quoted in this announcement are South African Standard Time (Identical to Botswana Standard Time).
4. Dematerialised Odd-lot Holders are requested to notify their duly appointed CSDP, CSDBP or broker of their election by the cut-off time stipulated by their CSDP, CSDBP or broker. This will be an earlier date than the closing of the Odd-lot Offer.
5. The last day for Shareholders on the BSE to trade in order to participate in the Odd-lot Offer will be Friday, 14 July 2023 due to 17 and 18 July 2023 being public holidays in Botswana.

6. In the case of certificated Odd-lot Holders who accept the Odd-lot Offer or are deemed to have accepted the Odd-lot Offer, payment will be made by electronic funds transfer into the bank accounts of such Odd-lot Holders on or about Monday, 24 July 2023, if such holders' banking details have been provided in the relevant Form of Election and Surrender. Should no banking details be on record for such holders, the funds will be held by CA&S until such time as the details have been provided to the Secretaries.
7. Those Odd-lot Holders who do not make an election will automatically be regarded as having chosen and accepted the Cash Consideration.
8. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such Forms of Proxy.
9. Shareholders on the JSE may not dematerialise or rematerialise their Shares after the last day to trade, being Tuesday, 18 July 2023 up to and including the record date, being Friday, 21 July 2023.
10. Shareholders on the BSE may not dematerialise or rematerialise their Shares after the last day to trade, being Friday, 14 July 2023 up to and including the record date, being Friday, 21 July 2023.
11. No transfers of Shares shall be registered in the SA share register, or between the SA share register and the Botswana share register, between Monday, 26 June 2023 and Friday, 21 July 2023. All dates are inclusive.

Centurion
26 May 2023

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