

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: EX2017/18292
Share code: CAS
ISIN: ZAE400000036
("CA Sales" or "the Company")



INCREASE OF SHAREHOLDING IN PACK 'N STACK – FINANCIAL EFFECTS, FAIRNESS OPINION AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the announcement dated 24 December 2019 ("**Initial Announcement**"), released on X-News and the 4AX website, advising that the Company has concluded an asset-for-share agreement ("**Transaction Agreement**") with Duncan Lewis ("**Lewis**") and Lewis's family trust, the Dunechanus Family Trust (together, the "**Sellers**"), in terms of which the Sellers will, between them, sell an aggregate of 203 ordinary shares held by them in the Company's subsidiary, Pack 'n Stack Investment Holdings Proprietary Limited ("**Pack 'n Stack**"), comprising 10.15% of the issued shares in Pack 'n Stack ("**PnS Shares**"), to CA Sales, the aggregate purchase consideration of which will be settled in two tranches by the Company issuing ordinary shares to the Sellers, such purchase consideration being capped at a maximum of ZAR 44 803 409 ("**Transaction**").

2. FINANCIAL INFORMATION

2.1. Net profits and net asset value attributable to Pack 'n Stack

The net asset value attributable to Pack 'n Stack as at 30 June 2019 was ZAR 146 546 101, and the net profit after tax attributable to Pack 'n Stack for the 6-month period ended 30 June 2019 was ZAR 13 130 400.

The above financial information is based on the unaudited management accounts for Pack 'n Stack for the 6 months ended 30 June 2019 ("**Management Accounts**"). The Management Accounts were prepared in terms of the Company's accounting policies. The Company is satisfied with the quality of the Management Accounts, which were prepared under the supervision of CA Sales management.

2.2. Unaudited *pro forma* financial effects

The unaudited *pro forma* financial effects ("**Financial Effects**") of the Transaction are presented for illustrative purposes only and, because of their nature, may not fairly present CA Sales' financial results after implementation of the Transaction. The directors of the Company are responsible for the preparation of the Financial Effects of the Transaction.

Set out below are the Financial Effects of the Transaction, based on CA Sales' unaudited interim results for the 6-month period ended 30 June 2019.

	Unaudited before Transaction	Unaudited after Transaction	Change
Headline earnings per share (cents)	16.33	16.30	(0.1%)
Diluted headline earnings per share (cents)	16.31	16.28	(0.1%)
Net asset value per share (cents)	288.71	286.61	(0.7%)
Tangible net asset value per share (cents)	169.03	169.24	0.1%
Number of shares in issue	449 219 484	458 056 448	2.0%
Weighted average number of shares in issue	448 753 261	457 696 057	2.0%
Weighted average number of diluted shares in issue	449 310 418	458 253 214	2.0%

Notes

- 1) Amounts in the above table are disclosed in ZAR, the Company's reporting currency.
- 2) Information contained in the "Unaudited before Transaction" column has been extracted without modification from the unaudited CA Sales interim results for the 6-month period ended 30 June 2019.
- 3) The headline and diluted headline earnings per share figures in the "Unaudited after Transaction" column have been calculated on the basis that the Transaction occurred on 1 January 2019.
- 4) The net asset value per share and tangible net asset value per share figures in the "Unaudited after Transaction" column have been calculated on the basis that the Transaction occurred on 30 June 2019.
- 5) The headline and diluted headline earnings per share figures are calculated based on the weighted average number of shares in issue over the interim period ended 30 June 2019.
- 6) The net asset value per share and tangible net asset value per share figures are calculated based on the number of shares in issue at 30 June 2019.
- 7) The Financial Effects have been prepared on the assumption that the aggregate purchase consideration for the PnS Shares amounts to ZAR 44 803 409, being the capped maximum consideration payable ("**Maximum Consideration**"), and that 8 942 796 new CA Sales shares are issued ("**Consideration Shares**") by CA Sales to the Sellers in settlement thereof. The Consideration Shares, for purposes of illustrating the Financial Effects of the Transaction, are calculated by dividing the Maximum Consideration by an assumed 60-day volume weighted average price of CA Sales shares traded on the Botswana Stock Exchange as at the date of signature of the Transaction Agreement of P 3.77, equating to ZAR 5.01 (at an exchange rate of ZAR 1.33 to the Pula, as at date of signature of the Transaction Agreement).

3. FAIRNESS OPINION

The board of directors of the Company has appointed an independent expert, Grant Thornton Botswana ("**Independent Expert**"), to compile a fairness opinion on the

Transaction as required by paragraph 7.6 of the BSE Listings Requirements (“**Fairness Report**”). The Independent Expert has determined that the Transaction is fair to shareholders of CA Sales, for the reasons and on the basis set out in the Fairness Report. The Fairness Report will be available for inspection for a period of 28 days from the date of this announcement by shareholders during normal business hours at the Company’s registered office at, 1st Floor, Old College Building, 35 Church Street, Stellenbosch, South Africa and the Company’s Botswana offices at, Plot No. 14400, New Lobatse Road, Gaborone West Industrial, Gaborone.

4. CIRCULAR

As indicated in the Initial Announcement, while the Transaction does not require shareholder approval in terms of the Equity Listings Requirements of the BSE or the 4AX Listings Requirements, the Company is required, in terms of section 41(1) of the Companies Act, 71 of 2008 of South Africa, to obtain shareholder approval, by way of a special resolution, to issue the Consideration Shares to the Sellers, as Lewis is a director of the Company. A circular convening a general meeting for this purpose will be distributed to shareholders today, 28 February 2020.

5. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

As all outstanding information has now been announced, caution is no longer required to be exercised by shareholders when dealing in the Company’s securities.

28 February 2020
Transaction Adviser and 4AX Issuer Agent

BSE Sponsor

