

QUANTUM FOODS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2013/208598/06)

Share code: QFH

ISIN: ZAE000193686

(the “**Company**”)



**RECENT TRADING IN THE COMPANY'S SECURITIES AND
APPOINTMENT OF CORPORATE ADVISORS AND ATTORNEYS**

Shareholders of the Company (“**Shareholders**”) are referred to the announcement published by the Company on the Stock Exchange News Service of the JSE Limited on Monday 15 June 2020 in respect of the unsolicited acquisition by Country Bird Holdings Proprietary Limited (“**CBH**”) of a beneficial interest of 30.81% of the Company's issued ordinary shares (“**Shares**”), (“**Announcement**”).

Subsequent to the Announcement, large volumes of Shares traded on Friday, 3 July 2020, amounting, in aggregate, to approximately 9.7 million Shares or c. 4.8% of the issued Shares, a portion of which were traded at above the prevailing on-market price. The Company has not received any notification in terms of section 122(1) of the Companies Act, No. 71 of 2008 (“**Companies Act**”) and paragraph 3.83(b) of the JSE Limited Listings Requirements (“**Share Acquisition Notification**”) in respect of these trades.

In order to avoid any speculation in the market regarding any potential offer for the Company's Shares, the Company hereby informs Shareholders as follows:

- On Wednesday, 17 June 2020, CBH addressed an unsolicited non-binding letter to the Chief Executive Officer of the Company (“**CEO**”) expressing its intention to make an offer to Shareholders for the remaining Shares not already held by CBH (“**EOI**”). On Friday, 19 June 2020 and before the board of directors of the Company had an opportunity to consider and respond to the EOI, CBH addressed a further letter to the CEO withdrawing the EOI, thereby indicating that it no longer wished to proceed with an offer to Shareholders. No reasons were provided by CBH for its withdrawal of the EOI.
- The Company has been informed that a third party, unrelated to CBH (“**Acquiring Entity**”), has entered into agreements with certain institutional Shareholders to acquire c. 32% of the issued Shares and that the Acquiring Entity may seek to acquire further Shares. However, it is the Company's understanding that the Acquiring Entity does not at this stage intend to make an offer to Shareholders to acquire the remaining Shares and will not acquire Shares that would result in an obligation to make a mandatory offer to the remaining Shareholders in terms of section 123 of the Companies Act as read with regulation 86 of the Companies Regulations, 2011. The Company will publish the identity of the Acquiring Entity upon receiving a Share Acquisition Notification by the Acquiring Entity.
- Other third parties, unrelated to CBH and the Acquiring Entity, have also showed an interest in acquiring Shares on-market and/or off-market, but also with no current intention of making an offer to Shareholders to acquire the remaining Shares. Should these acquisitions be made, they may result in one or more of such third parties acquiring a strategic shareholding in the Company.
- The Company is not currently in receipt of any offer or potential offer to acquire all or a portion of the Company's Shares and does not consider it necessary, nor appropriate, to publish a cautionary announcement at this time. Should the Company receive an approach from a bona fide party wishing to make an offer, or wishing to engage in discussions with the Company with a view to making an offer, the Company will consider the merits of any such proposal and publish a cautionary announcement at the appropriate stage of the discussions.

The Company has appointed One Capital as its corporate advisor and Cliffe Dekker Hofmeyr Inc. as its attorneys to advise the Company in the context of the developments referred to above.

Wellington

7 July 2020

Corporate advisor
One Capital



Attorneys
Cliffe Dekker Hofmeyr



Sponsor
PSG Capital

