

**UNICORN CAPITAL PARTNERS LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 1992/001973/06)  
Share code: UCP  
ISIN: ZAE000244745  
("UCP" or "the Company")



**AFRIMAT LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2006/022534/06)  
Share code: AFT  
ISIN: ZAE000086302  
("Afrimat")



---

## **JOINT ANNOUNCEMENT OF THE FIRM INTENTION OF AFRIMAT TO MAKE AN OFFER TO ACQUIRE ALL THE ORDINARY SHARES IN UCP BY WAY OF A SCHEME OF ARRANGEMENT AND FURTHER CAUTIONARY ANNOUNCEMENT**

---

### **1. INTRODUCTION**

- 1.1. Shareholders of UCP are referred to the Company's SENS announcements dated 25 May 2020 and 7 July 2020, and are hereby advised that the UCP board of directors ("**UCP Board**") has received a firm intention from Afrimat to make an offer to acquire all the ordinary shares in UCP not already held by Afrimat (or by its subsidiaries) ("**Afrimat Group**") or by subsidiaries of UCP, by way of a scheme of arrangement ("**the Scheme**") in terms of section 114 of the Companies Act, No. 71 of 2008 ("**Companies Act**") ("**Firm Intention Offer**"). Should the Scheme become operative, UCP shareholders will receive 1 Afrimat ordinary share for every 280 UCP ordinary shares disposed of, with no cash alternative.
- 1.2. An independent board of UCP directors has been constituted in relation to the Firm Intention Offer and the Scheme, as required under the Companies Regulations, 2011 ("**Takeover Regulations**"), and is comprised of Mr Ralph Patmore, Mr Stephen Naudé and Dr Mdu Gama ("**Independent Board**").
- 1.3. The Scheme falls below the threshold for it to qualify as a category 2 transaction for Afrimat, in terms of the Listings Requirements of the JSE Limited ("**JSE**") ("**JSE Listings Requirements**"). The Scheme will therefore not require the approval of Afrimat shareholders.
- 1.4. The purpose of this announcement is to advise UCP shareholders and Afrimat shareholders of the terms and conditions of the Firm Intention Offer and the mechanics and terms of the Scheme.

### **2. RATIONALE**

- 2.1. Afrimat is a public company listed on the JSE with 35.3% black ownership. Afrimat is primarily engaged in open pit mining, processing and the supply of a broad range of industrial minerals and materials to an assortment of industries across Southern Africa. In addition, Afrimat supplies bulk commodities to local and international markets.

- 2.2. UCP's business comprises of mobile crane hire, exploration drilling services, drilling and blasting, opencast and underground mining and earthmoving operations.
- 2.3. UCP's operations fit the strategy of Afrimat and will provide it with access to additional services and commodities that expand its current product offering in the bulk commodities segment.
- 2.4. The Scheme will provide UCP shareholders with an opportunity to convert their illiquid investment in UCP to a more liquid instrument in Afrimat and to gain exposure to a business with exciting growth prospects. Afrimat believes that the transaction will provide UCP shareholders with an opportunity to realise significant and attractive value for their UCP shares.
- 2.5. Afrimat recognises that management and staff have extensive experience in the operational aspects of the business, as well as a deep market knowledge. Afrimat places a high value on its people and believes that retaining personnel within the group would be important for its continued success.
- 2.6. Accordingly, the Independent Board believes that it is in the interests of UCP and the UCP shareholders that they be given an opportunity to consider the Firm Intention Offer.

### 3. MECHANICS AND TERMS OF THE SCHEME

- 3.1. The Scheme will constitute an "affected transaction" as defined in section 117(1)(c) of the Companies Act and will be regulated by the Companies Act, the Takeover Regulations and the Takeover Regulation Panel ("**TRP**").
- 3.2. The Scheme will be implemented in terms of section 114 of the Companies Act and will be proposed by the UCP Board between UCP and its shareholders other than the Afrimat Group and subsidiaries of UCP holding UCP treasury shares and upon the terms and subject to the conditions set out in the circular to be distributed to UCP shareholders in due course ("**Circular**").
- 3.3. The distribution of the Circular to UCP shareholders will be subject to conditions precedent set out in paragraph 5 below ("**Firm Intention Offer Conditions**").
- 3.4. The Scheme will be subject to the conditions precedent set out in paragraph 6 below ("**Scheme Conditions**").
- 3.5. Should the Firm Intention Offer Conditions and all the Scheme Conditions be fulfilled, or where permissible waived, and the Scheme becomes operative:
  - 3.5.1. Afrimat will acquire the entire issued ordinary share capital of UCP not already held by the Afrimat Group or by subsidiaries of UCP holding UCP treasury shares ("**Scheme Shares**"); and
  - 3.5.2. in consideration for the Scheme Shares being disposed of, UCP shareholders will receive 1 new Afrimat ordinary share for every 280 Scheme Shares held, with no cash alternative ("**Scheme Consideration**").
- 3.6. The Afrimat shares issued as part of the Scheme Consideration will be issued on market and will be listed on the JSE Main Board. Afrimat confirms that it has sufficient authorised but unissued share capital available from which to issue the Scheme Consideration shares to UCP shareholders in terms of the Scheme.

- 3.7. Following implementation of the Scheme, UCP will become a wholly-owned subsidiary of Afrimat and UCP will be delisted from the JSE.
- 3.8. UCP will not declare any dividends or make any other distribution whatsoever to shareholders (including the repayment of shareholder loan accounts) before the Scheme is implemented, nor will it issue any shares whatsoever, whether to existing shareholders or to any other person.
- 3.9. As at the date of this announcement, the UCP Board has not received any firm intention offers, other than this Firm Intention Offer.

#### **4. SCHEME CONSIDERATION**

- 4.1. As indicated above, in consideration for the Scheme Shares being disposed of, UCP shareholders will receive 1 new Afrimat ordinary share for every 280 Scheme Shares held, with no cash alternative.
- 4.2. Where a UCP shareholder's entitlement to the Scheme Consideration in terms of the Scheme, gives rise to a fraction of an Afrimat ordinary share, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole Afrimat ordinary shares and a cash payment for the fraction to such UCP shareholder. In accordance with the JSE Listings Requirements, the weighted average traded price for a Scheme Shares on the last day to trade in UCP shares in order to participate in the Scheme, plus one business day, less 10% will be used to calculate the cash value in respect of the respective fractions of Afrimat shares to be paid to the applicable UCP shareholders. Further details regarding the treatment of fractions will be contained in the Circular.

#### **5. FIRM INTENTION OFFER CONDITIONS**

- 5.1. The posting of the Circular to UCP shareholders will be subject to the fulfilment of the Firm Intention Offer Conditions that, by no later than 31 August 2020:
  - 5.1.1. the Independent Expert (as defined in paragraph 9.1 below) completes and furnishes the requisite opinion in respect of the Scheme, in accordance with section 114 of the Companies Act and regulations 90 and 110 of the Takeover Regulations; and
  - 5.1.2. all requisite approvals have been received from the JSE, the TRP and the Financial Surveillance Department of the South African Reserve Bank for the posting of the Circular, to the extent required.
- 5.2. The Firm Intention Offer Conditions cannot be waived.
- 5.3. Afrimat will be entitled to extend the date for the fulfilment of either or both of the Firm Intention Offer Conditions by up to 30 days, in its sole discretion, upon written notice to UCP, but shall not be entitled to extend the date to a date later than the aforesaid 30-day period without the prior written consent of UCP. In the event that any regulators referred to in paragraph 5.1.2 require more time, then the 30-day period shall be extended by another reasonable period, but will not be extended beyond 31 October 2020 without both Afrimat's and UCP's written consent, which consent will not be unreasonably withheld.

## 6. SCHEME CONDITIONS

- 6.1. The Scheme will be subject to (and will become operative on the relevant operative date upon) the fulfilment of the following conditions precedent:
- 6.1.1. that the Mpumalanga Economic Growth Agency, as minority shareholder in Nkomati Anthracite Proprietary Limited, agrees to the terms of the strategic and mining management agreement with Afrimat, as previously approved by the UCP Board on 20 March 2020, to the satisfaction of Afrimat;
  - 6.1.2. that written consent to the transfer of UCP shares in terms of the Scheme be obtained from the Industrial Development Corporation of South Africa and ABSA Bank Limited (collectively, the “**Lenders**”) in terms of the change of control provisions under their respective loan/funding agreements with subsidiaries of UCP and that the Lenders agree not to proceed in foreclosing on outstanding debt due by those subsidiaries;
  - 6.1.3. that, within the time period prescribed in section 164(7) of the Companies Act, UCP shareholders have not exercised appraisal rights, by giving valid demands in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all issued UCP shares;
  - 6.1.4. that the resolution to be proposed at the general meeting (“**General Meeting**”) to approve and authorise the Scheme (“**Scheme Resolution**”) is approved by the requisite majority of votes of the UCP shareholders as contemplated in section 115(2) of the Companies Act;
  - 6.1.5. to the extent required in terms of the Companies Act, that the court approves the implementation of the Scheme Resolution;
  - 6.1.6. that if any person who voted against the Scheme Resolution applies to court for a review of the Scheme Resolution in terms of section 115(3)(b) and section 115(6) of the Companies Act, either:
    - 6.1.6.1. leave to apply to court for any such review is refused; or
    - 6.1.6.2. if leave is so granted, the court refuses to set aside the Scheme Resolution;
  - 6.1.7. that all regulatory approvals required to implement the Scheme are obtained, including:
    - 6.1.7.1. the TRP issuing a compliance certificate to UCP in terms of section 121(b) of the Companies Act;
    - 6.1.7.2. the relevant competition authorities granting such approvals as are required in terms of the Competition Act, No. 89 of 1998 and other applicable laws to implement the Scheme, either unconditionally or subject to conditions acceptable to Afrimat;
    - 6.1.7.3. the Financial Surveillance Department of the South African Reserve Bank granting such approvals with respect to the Scheme, as are required in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act No. 9 of 1933) to implement

the Scheme, either unconditionally or subject to conditions acceptable to Afrimat; and

- 6.1.7.4. the JSE granting such approvals (if any) as are required in terms of the JSE Listings Requirements in respect of the Scheme.
- 6.2. The deadline for fulfilment of the Scheme Condition in paragraph 6.1.1 is 31 October 2020, while all other Scheme Conditions are to be fulfilled by no later than 31 January 2021.
- 6.3. Afrimat may by written notice to UCP, at any time, extend the date for fulfilment of any or all of the Scheme Conditions, provided that any extension by more than 45 days will require the written consent of UCP. In addition, Afrimat may, by written notice to UCP, waive, wholly or in part, the Scheme Conditions set out in paragraphs 6.1.1, 6.1.2 and 6.1.3 and, to the extent legally permissible, waive, wholly or in part, any of the other Scheme Conditions.

## 7. SHAREHOLDINGS IN UCP AND ACTING AS PRINCIPAL

- 7.1. The Afrimat Group currently holds 318 417 860 UCP shares, comprising 27.27% of the issued share capital of UCP.
- 7.2. Afrimat does not hold any option to purchase any beneficial interest in UCP.
- 7.3. Afrimat confirms that it is the ultimate prospective purchaser of the Scheme Shares and is acting alone and not in concert with any party.

## 8. IRREVOCABLE UNDERTAKINGS

UCP shareholders set out below, collectively holding 57.04% of the aggregate of the issued UCP ordinary shares, have provided irrevocable undertakings to vote in favour of the Scheme Resolution in respect of the UCP shares held by them, as follows:

UCP shareholder	Number of UCP shares held	UCP shares held as a % of the aggregate issued UCP shares
JB Private Equity Investors Proprietary Limited	436 436 296	37.38%
Rozendal Worldwide Flexible Prescient QI Hedge Fund*	90 909 090	7.79%
Calibre Investment Holdings Proprietary Limited	74 553 403	6.39%
Regarding Capital Management Proprietary Limited	5 065 425	0.43%
Counterpoint Boutique Proprietary Limited	58 952 341	5.05%
<b>Total</b>	<b>665 916 555</b>	<b>57.04%</b>

\* Represented by Prescient Management Company (RF) Proprietary Limited

The above 665 916 555 UCP shares represent 78.94% of UCP's issued ordinary share capital, when UCP shares held by Afrimat Group and by subsidiaries of UCP are excluded.

## 9. REPORT OF THE INDEPENDENT EXPERT

- 9.1. The Independent Board has appointed Exchange Sponsors as the independent expert (“**Independent Expert**”), as required in terms of section 114(2) of the Companies Act and the Takeover Regulations, to issue a report dealing with the matters set out in sections 114(2) and 114(3) of the Companies Act and Regulations 90 and 110 of the Takeover Regulations, and express an opinion on whether the terms and conditions of the Scheme (including the swap ratio of Afrimat shares for UCP shares) are fair and reasonable to UCP shareholders.
- 9.2. The report of the Independent Expert in this regard will be provided in the Circular.

## 10. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this announcement which relates to UCP and confirms that, to the best of its knowledge and belief, such information which relates to UCP is true and this announcement does not omit anything likely to affect the importance of such information.

## 11. AFRIMAT BOARD RESPONSIBILITY STATEMENT

The board of directors of Afrimat accepts responsibility for the information contained in this announcement which relates to Afrimat and confirms that, to the best of its knowledge and belief, such information which relates to Afrimat is true and this announcement does not omit anything likely to affect the importance of such information.

## 12. FURTHER DOCUMENTATION AND SALIENT DATES

- 12.1. Further details of the Scheme will be included in the Circular that will be distributed in due course, it currently being anticipated to be distributed by early September 2020. The Circular will, *inter alia*, also contain a notice of the General Meeting, a form of proxy and a form of surrender and transfer.
- 12.2. The Scheme will become effective and be implemented following the fulfilment of the Firm Intention Offer Conditions and the Scheme Conditions. The salient dates in relation to the Scheme will be published in due course.

## 13. FURTHER CAUTIONARY ANNOUNCEMENT

Further to UCP’s cautionary announcement dated 25 May 2020, as renewed on 7 July 2020, and given that the required *pro forma* financial effects are still to be announced, UCP shareholders are advised to continue to exercise caution when dealing in the Company’s securities until such information is announced.

22 July 2020

Sponsor and Transaction Advisor to Afrimat  
PSG Capital



Transaction Advisor to UCP  
Arbor Capital Sponsors



Sponsor to UCP  
Questco Corporate Advisory Proprietary  
Limited



Independent Expert to UCP  
Exchange Sponsors



## DISCLAIMERS AND FOREIGN SHAREHOLDERS

This announcement has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws, including but not limited to the Companies Act, the Takeover Regulations and the JSE Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside of South Africa, or the requirements of any exchange other than the JSE.

The release, publication or distribution of this announcement in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

Neither this announcement, nor the Circular constitute, or will constitute, a prospectus or a prospectus equivalent document. UCP shareholders are advised to read this announcement and, once available, the Circular, which will contain the full terms and conditions of the Scheme, with care. Any decision to approve the Scheme or any other response to the proposals should be made only on the basis of the information in this announcement and the Circular.

This announcement and the Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer or solicitation, or in which such offer or solicitation would require UCP or Afrimat to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances or otherwise if the distribution of this announcement and the Circular and any accompanying documentation in jurisdictions outside of South Africa are restricted or prohibited by the laws of such jurisdiction, this announcement and the Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

UCP shareholders who are not resident in, or who have a registered address outside of, South Africa must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning the receipt of, or their election to receive, the Scheme Consideration, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise UCP of all such filing or regulatory obligations as UCP or Afrimat may be required to comply with in such jurisdictions in relation to the Scheme. UCP or Afrimat and their respective boards of directors and advisors accept no responsibility for the failure by an UCP shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by UCP or Afrimat to observe the requirements of any jurisdiction.

The offer by Afrimat is made for the securities of a South African company, being UCP, by means of the Scheme. The offer is subject to disclosure requirements under South African law that are different from those of the United States of America ("US").

It may be difficult for shareholders who are not resident in, or who have a registered address outside of, South Africa, to enforce their rights and any claim they may have arising under US or other foreign securities laws, since UCP and Afrimat are located in South Africa. Such foreign shareholders may not be able to sue UCP, Afrimat or their officers or directors in a foreign court, including South African courts, for violations of US securities laws. It may be difficult to compel UCP or a member of the UCP group, or Afrimat or a member of the Afrimat group to subject itself to a US court's judgment.

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