

## **AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 1996/006093/06

Share code: AEE

ISIN: ZAE000195731

(“**AEEI**” or “**the Company**”)

## **ANNOUNCEMENT REGARDING THE SMALL RELATED PARTY TRANSACTION BETWEEN AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED AND SEKUNJALO INVESTMENT HOLDINGS PROPRIETARY LIMITED**

### **1. Introduction**

Shareholders are advised that African Equity Empowerment Investments Limited (“**AEEI** or “**SELLER**”), has entered into a share sale agreement (“**Share Sale Agreement**”) with Sekunjalo Investment Holdings Proprietary Limited (“**Sekunjalo**” or “**Purchaser**”) in terms of which Sekunjalo will acquire 1 188 916 ordinary Sygnia Limited shares (“**Sygnia**”) (“**Sale Shares**”) from AEEI for a cash consideration, as set out in paragraph 3 below (“**Proposed Transaction**”).

### **2. Rationale for the Proposed Transaction**

AEEI is a black-owned and black-controlled JSE listed investment holding company situated in Southern Africa. The Company is a diversified investment and empowerment company that has investments in fishing and brands, technology, events and tourism, health, beauty and biotherapeutics, all supporting Broad-Based Black Economic Empowerment and small-, medium- and micro-enterprises.

The purpose of the share sale agreement is to create liquidity for AEEI which will enable the Company to engage in future transactions.

### **3. Purchase Consideration and Payment**

The cash consideration shall be an amount equal to 90% of the volume weighted average trading price of the Sale Shares for the 30 consecutive trading days preceding 30 September 2022 (“**Reference VWAP**”), multiplied by the number of Sale Shares (“**Purchase Consideration**”). Provided that should the Reference VWAP increases or decreases by 10% or more between 30 September 2022 and the last trading day immediately before the date on which the Conditions Precedent are fulfilled or waived (“**Closing Date**”), then the Purchase Consideration shall be an amount equal to 90% of the volume weighted average trading price of the Sale Shares for the 30 consecutive trading days preceding the Closing Date (“**Closing Date VWAP**”), multiplied by the number of Sale Shares.

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REGISTRATION NO: 1996/ 006093/06  
[WWW.AEEI.CO.ZA](http://WWW.AEEI.CO.ZA)

DIRECTORS: V DZVOVA (CHIEF EXECUTIVE OFFICER); JS VAN WYK (CHIEF FINANCIAL OFFICER);  
AB AMOD; I AMOD; G COLBIE; B QAMA; W RAUBENHEIMER; D TERBLANCHE (COMPANY SECRETARY)

#### 4. Conditions Precedent

The Proposed Transaction is subject to the fulfilment of the following Conditions Precedent by no later than 17h00 on 30 November 2022:

- 4.1. The board of directors of the Seller approves and ratifies the entering into of the Sale Share Agreement and all other agreements and transactions contemplated therein;
- 4.2. The board of directors of the Purchaser approves and ratifies the entering into of this Agreement and all other agreements and transactions contemplated herein; and
- 4.3. has obtained all such other corporate and regulatory approvals for the sale (including but not limited to any approvals required by or from the JSE).

Unless all the Conditions Precedent have been fulfilled or waived by not later than the date for fulfilment, the Sale Share Agreement will never become of any force or effect and the *status quo ante* will be restored as near as may be and neither of the parties will have any claim against the other in terms thereof or arising from the failure of the Conditions Precedent.

The effective date of the Proposed Transaction will be first business day after the date on which all Conditions Precedent are fulfilled or waived, as the case may be.

#### 5. Small Related Party Transaction

In terms of paragraph 10.7 of the Listings Requirements, the Proposed Transaction constitutes a “small related party transaction, as AAEI is a subsidiary of Sekunjalo, where Sekunjalo holds 66% shares in AEEI, and thus a “related party” in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements.

The Board is therefore required, pursuant to paragraphs 10.7(a) and (b) of the JSE Listings Requirements to provide the JSE with written confirmation, from an independent professional expert acceptable to the JSE, that the terms of the Proposed Transaction are fair insofar as AEEI shareholders are concerned.

In this regard, Merchantec Proprietary Limited was duly appointed as the independent professional expert and will provide the Board with a fairness opinion regarding the Proposed Transaction (“**Fairness Opinion**”). The Fairness Opinion will be submitted to the JSE for review.

Once the Fairness Opinion has been reviewed by the JSE, a further announcement will be made and the Fairness Opinion will be made available for inspection at the registered office of AEEI located at 3 Dock Rd, Victoria & Alfred Waterfront, Cape Town, 8001 for a period of 28 days from the date of such announcement. It will also be made available during this period on request by emailing [cornell.kannemeyer@aeei.co.za](mailto:cornell.kannemeyer@aeei.co.za).

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Cape Town  
04 November 2022



**AEEI**



**JSE Sponsor**  
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