

PREMIER FISHING AND BRANDS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/018598/06)

JSE share code: PFB

ISIN: ZAE000247516

("PFB")

and

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1996/006093/06)

JSE share code: AEE

ISIN: ZAE000195731

("AEEI" or the "Offeror")

JOINT ANNOUNCEMENT OF THE FIRM INTENTION OF AEEI TO MAKE AN OFFER TO THE RELEVANT PFB SHAREHOLDERS TO ACQUIRE 6.14% OF THE ORDINARY SHARES IN PFB BY WAY OF A SCHEME OF ARRANGEMENT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS

1. INTRODUCTION

- 1.1 Shareholders are hereby advised that AEEI has provided PFB with written notice of its firm intention to make an offer to the shareholders of PFB ("**PFB Shareholders**") to acquire 15,976,380 ordinary shares constituting 6.14% of the issued ordinary share capital of PFB ("**Scheme Shares**") ("**Offer**") in terms of a scheme of arrangement contemplated in section 114(1)(c) of the Companies Act, No. 71 of 2008 ("**Companies Act**").
- 1.2 The purpose of this joint firm intention announcement ("**Firm Intention Announcement**") is to advise PFB Shareholders of the terms and conditions of the Offer, in compliance with Regulation 101 of the Companies Regulations, 2011 ("**Companies Regulations**").

2. THE OFFER AND CONSIDERATION

- 2.1 The Offer will be proposed by way of a scheme of arrangement ("**Scheme**") in terms of section 114(1)(c) of the Companies Act between AEEI and the holders of the Scheme Shares ("**PFB Minority Shareholders**"), to be proposed by the board of directors of PFB ("**PFB Board**") (on recommendation of the Independent Board (as defined below)), in terms of which AEEI will acquire the Scheme Shares at the Scheme Consideration (as defined below) and upon the terms and subject to the conditions set out in the joint circular to be distributed to PFB Shareholders in due course ("**Circular**"). Subsequent to the Scheme becoming operative, PFB shall delist from the securities exchange operated by the JSE Limited ("**JSE**") (the Scheme and the delisting hereinafter referred to as the "**Proposed Transaction**").
- 2.2 The Scheme will be subject to the fulfilment or waiver (as the case may be) of the conditions set out in paragraph 5 below.
- 2.3 If the Scheme becomes unconditional, the consideration offered by AEEI to the PFB Minority Shareholders in terms of the Offer shall be a cash consideration of R1.60 per Scheme Share ("**Scheme Consideration**").

3. RATIONALE FOR THE OFFER

- 3.1 Since 2 March 2017, PFB has been listed on the JSE. The rationale of the listing at the time was, *inter alia*, to provide PFB with access to capital in order to grow its business both organically and by way of acquisitions, and to provide shareholders with a liquid, tradeable asset within a regulated environment and with a market-determined share price.
- 3.2 AEEI owns a total of 146,200,000 shares out of the 260,000,000 issued share capital in PFB, which equates to 56.23% of the shares in issue. The PFB Minority Shareholders hold 6.14% of the issued share capital of PFB, and the remaining 37.63% is held as to:
- 3.2.1 3.57% by Sekunjalo Investment Holdings Proprietary Limited ("**Sekunjalo**"); and
- 3.2.2 34.06% by 3Laws Capital South Africa Proprietary Limited ("**3Laws**").
- 3.3 However, the PFB Board and AEEI's board of directors are of the opinion that its current listed structure no longer benefits PFB (and indirectly, its shareholders) due to the illiquidity and low free float of PFB shares, as well as the substantial administrative costs associated with, and the corporate burden of management time being spent on, its listing.
- 3.4 The successful implementation of the Proposed Transaction will result in a substantial decrease in administrative costs and significantly less time and energy being required from PFB's executives in ensuring compliance with the Listings Requirements of the JSE.
- 3.5 The successful implementation of the Proposed Transaction will also result in an improved BEE scorecard of PFB due to the increase in AEEI's shareholding following implementation of the

Scheme.

- 3.6 Post the successful implementation of the Proposed Transaction, including the delisting of PFB's shares from the JSE, PFB will continue to be dynamic and continuously adapting in order to look after the needs of stakeholders.

4. APPOINTMENT OF INDEPENDENT BOARD AND INDEPENDENT EXPERT

- 4.1 In accordance with Regulation 108 of the Companies Regulations, PFB has constituted an independent board comprising Rosemary Mosia, Clifford van der Venter and Patrick Mngconkola ("**Independent Board**") to consider the terms and conditions, and the merits, of the Scheme and the Offer.
- 4.2 The Independent Board has appointed Exchange Sponsors Projects (Pty) Limited ("**Independent Expert**") to act as Independent Expert in accordance with Regulation 110 of the Companies Regulations to advise the Independent Board and report to the Independent Board on the Scheme and Offer by way of a fair and reasonable opinion. The Independent Expert's full report will be included in the Circular to be issued to PFB Shareholders.

5. CONDITIONS TO THE PROPOSED TRANSACTION

- 5.1 The Scheme shall be proposed by the PFB Board (on recommendation of the Independent Board), in accordance with section 114(1)(c) of the Companies Act and the Companies Regulations and accordingly, the Scheme constitutes an "affected transaction", as defined in section 117 of the Companies Act, more specifically, an affected transaction contemplated in section 117(c)(iii) of the Companies Act.
- 5.2 The implementation of the Proposed Transaction will be subject to the fulfilment and/or waiver (to the extent that any of such conditions are capable of being waived) of the following conditions precedent by no later than 13 February 2023:
- 5.2.1 the JSE and the Takeover Regulation Panel ("**TRP**") having approved the Circular;
- 5.2.2 the TRP having issued a compliance certificate in relation to the Scheme in terms of section 119(4) of the Act;
- 5.2.3 the Scheme being approved by way of special resolution ("**Scheme Resolution**") adopted by the requisite majority of PFB Shareholders at a general meeting of the shareholders, as contemplated in section 115(2)(a) of the Companies Act, and in the event of the provisions of section 115(3)(a) of the Companies Act becoming applicable:
- 5.2.3.1 PFB must within 10 business days of the Scheme Resolution having been passed, apply to a court for approval of the Scheme in terms of section 115(5)(a) of the Act. The Scheme must be approved by a court

unconditionally, or subject to conditions. The person on whom such conditions are imposed must approve such conditions and undertake in writing to comply therewith; and

5.2.3.2 PFB not treating the Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act; and

5.2.4 AEEI and PFB having obtained all such other corporate and regulatory approvals for the Scheme (including but not limited to any approvals required by or from the JSE).

6. SALIENT DATES AND TIMES

PFB to release Firm Intention Announcement on SENS	Friday, 9 December 2022
Record date to be eligible to receive Circular	Friday, 30 December 2022
Circular to be posted to PFB Shareholders	Monday, 9 January 2023
Last day to trade in order to be eligible to vote at the Scheme Meeting	Tuesday, 31 January 2023
Voting record date to be eligible to participate in and vote at the Scheme Meeting by 17h00 on	Friday, 3 February 2023
Scheme Meeting to be held on	Friday, 10 February 2023

7. BENEFICIAL INTEREST IN PFB ORDINARY SHARES

7.1 The Offeror has disclosed the following beneficial interests in PFB held by the Offeror, persons related to the Offeror and persons acting in concert with the Offeror:

Shareholder	Number of PFB Shares	Percentage of PFB Shares
AEEI	146,200,000	56.23%
Sekunjalo	9,272,393	3.57%
3Laws	88,551,227	34.06%
Archird 28 Proprietary Limited	70,000	0.03%

Dr Fatima Mahmoud Surve	130,000	0.05%
Khalid Abdulla	500,000	0.19%
Paree Amod	4,500	0.002%
Ismet Amod	22,222	0.01%
Total	244,750,342	94.13%

7.2 The PFB Shareholders (including the Offeror) listed in the table in paragraph 7.1 above are concert parties in relation to the Scheme, as contemplated in Regulation 84 of the Companies Regulations, and therefore:

7.2.1 have made declarations in the required form to PFB and the TRP;

7.2.2 will not be entitled to vote at the Scheme Meeting; and

7.2.3 will not have their shareholding taken into account in the determination of a quorum.

8. INDEPENDENT BOARD AND PFB BOARD RESPONSIBILITY STATEMENT

The Independent Board and the PFB Board accept responsibility for the information contained in this announcement insofar as it relates to details in respect of PFB and the Offer. To the best of their knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything likely to affect the importance of the information.

9. OFFEROR RESPONSIBILITY STATEMENT

The Offeror accepts responsibility for the information contained in this announcement insofar as it relates to detail around the Offeror and the Offer. To the best of its knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything likely to affect the importance of the information.

10. CASH CONFIRMATION

The funds to settle the Scheme Consideration are in place and, in accordance with Regulation 111(4) and 111(5) of the Companies Regulations, the Offeror has obtained and delivered to the TRP an irrevocable unconditional confirmation from Adriaans Attorneys Inc. that it holds sufficient cash in its trust account for the total Scheme Consideration.

11. POSTING OF THE COMBINED CIRCULAR

- 11.1 PFB and the Offeror have indicated that their current intention is to issue a combined Circular to PFB Shareholders, containing full terms and conditions of the Offer.
- 11.2 Full details of the Offer as well as the Independent Expert's opinion and the recommendation of the Independent Board will be included in the Circular which will contain, *inter alia*, the terms of the Offer and pertinent dates relating to the Offer. PFB and the Offeror applied to the TRP to approve an extension of the 20-business day period for the posting of the Circular in terms of Regulation 102(2)(b). The TRP has granted an extension of 4 business days for the posting of the Circular. The Circular is expected to be posted on or about Monday, 9 January 2023.

12. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS

- 12.1 PFB Shareholders are advised that, as a result of the publication of this announcement, the cautionary announcement published on 9 November 2022 is hereby withdrawn.
- 12.2 AEEI shareholders are advised that, as a result of the publication of this announcement, the cautionary announcement published on 11 November 2022 is hereby withdrawn.

CAPE TOWN

9 December 2022

LEGAL ADVISER TO AEEI

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