

CULLINAN HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 1902/001808/06)  
Share code: CUL ISIN Code: ZAE 000013710  
Preference share code: CULP ISIN Code: ZAE000001947  
("Cullinan" or "the company")

ANNOUNCEMENT OF FIRM INTENTION OFFER BY ALPINE ASSET MANAGEMENT LIMITED ("THE OFFEROR") TO ACQUIRE 100% OF THE ISSUED ORDINARY SHARE CAPITAL OF CULLINAN NOT ALREADY HELD BY IT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

#### 1. INTRODUCTION

Shareholders are advised that on 22 November 2017 the board of directors of the company ("the board") received an offer ("the offer") to acquire 100% of the issued ordinary shares of the company not already held by it ("the offer shares" and "the proposed transaction").

It is intended that the proposed transaction will be implemented by way of a scheme of arrangement in terms of sections 114 and 115 of the Companies Act, 2008 ("the Act" and "the scheme").

The proposed transaction is classified as an affected transaction in terms of the Act, and the board has therefore appointed a sub-committee of the board, comprising of Ms. Anita Mendiratta and Messrs. Mervyn Burton and Rudewaan Arendse, who are independent non-executive directors ("the independent committee"), to oversee the process, which will involve the appointment of an independent expert acceptable to the Takeover Regulation Panel ("the TRP" and "the expert"). The expert will provide the independent committee with advice in regard to the proposed transaction and the scheme and make appropriate recommendations to the independent committee on behalf of shareholders.

The recommendations of the board, the independent committee and the report of the expert will be included in a circular to the shareholders of Cullinan containing the terms and conditions governing the proposed transaction and the scheme ("the scheme circular") which will be distributed to shareholders subject to the fulfilment of the conditions set out in paragraph 5 below.

#### 2. OFFER CONSIDERATION

The consideration in terms of the offer is R1,30 per ordinary share ("the offer consideration"), payable in cash. In addition, should the scheme be approved and implemented in accordance with its terms and conditions, an additional amount of R18 083 000 will be required to discharge the liability arising out of the deemed vesting and exercise of the options referred to in paragraph 3 below.

The aggregate consideration payable on successful implementation of the scheme will therefore be R38 157 543.

The offer consideration is at a premium of 18,18% to the closing price of 110 cents per Cullinan share traded on the Johannesburg Stock Exchange ("the JSE") on 21 September 2017, being the last business day immediately prior to the date of the cautionary announcement released on 22 September 2017.

#### 3. OPTIONS

In terms of the Share Scheme 2013, which was approved by shareholders on 24 February 2014, certain employees of the company were granted options to acquire ordinary shares in the company, which options have not yet vested in the employees.

It is intended that, should the scheme be implemented, these options (which were granted at 90 cents per option) will be deemed to have vested and been exercised, in pursuance of which such option holders shall become entitled to receive the offer consideration in respect of the ordinary shares

which are the subject matter of such options.

4. INFORMATION REGARDING THE OFFEROR AND RATIONALE FOR THE SCHEME

The offeror is a wholly-owned subsidiary of The Travel Corporation, which is the ultimate holding company of Cullinan.

The recent purchase of large shareholdings in the company by Alpine has seen its interest in the company rising to 98,08%, which effectively removes the reason for maintaining a listing on the JSE. In addition, the limited tradability of Cullinan shares acts as a disincentive for employees owning Cullinan shares or options to acquire Cullinan shares.

In view of these facts, the offeror considers that maintaining the listing of the company is of little value and it has therefore made the offer to the board.

In the circumstances, the proposed transaction is in the view of the board worthy of consideration by shareholders as envisaged above.

5. CONDITIONS PRECEDENT TO THE POSTING OF THE SCHEME CIRCULAR

The posting of the scheme circular is subject to the fulfilment of the following conditions precedent:

- 5.1 the requisite approvals being received from the TRP and the JSE;
- 5.2 the expert will have prepared and submitted a fair and reasonable opinion to the independent committee; and
- 5.3 the independent committee and the board will have resolved to recommend acceptance of the offer to shareholders.

6. CONDITIONS PRECEDENT TO THE SCHEME

The scheme will be subject to the fulfilment of the following conditions precedent by 31 March 2018, or such later date as the offeror and the company may agree to in writing:

- 6.1 approval of the scheme by the requisite majority of Cullinan shareholders, as contemplated in section 115(2) of the Act, and:
  - to the extent required, the approval and the implementation of such resolution by the court as contemplated in section 115(3)(a) of the Act; and
  - if applicable, the company not treating the aforementioned resolution as a nullity, as contemplated in section 115(5)(b) of the Act; and
- 6.2 Cullinan shareholders not having exercised appraisal rights by giving valid demands to this effect to the company, in terms of section 164(7) of the Companies Act, in respect of more than 15% of the shares within 30 business days following the scheme meeting, provided that, in the event that any Cullinan shareholders give notice objecting to the scheme, as contemplated in section 164(3) of the Act, and those shareholders vote against the resolution proposed at the scheme meeting to approve the scheme, but do so in respect of no more than 15% of the Cullinan shares, this condition shall be deemed to have been fulfilled at the time of the scheme meeting; and
- 6.3 the TRP having issued a compliance certificate as required in terms of section 121(b) of the Act.

7. SHAREHOLDINGS, ACTING AS PRINCIPAL AND CONCERT PARTIES

The offeror confirms that it presently owns 788 296 429 ordinary shares in the company (98,08% of the issued ordinary share capital), that it is the ultimate proposed purchaser of all the offer shares and options and is not acting in concert with, or as an agent or broker for, any other party.

8. FUNDING THE OFFER CONSIDERATION

The maximum scheme consideration will be R38 157 543. The offeror has confirmed to the company that sufficient cash resources are available for the payment of the scheme consideration in terms of the scheme, and, in compliance with Regulations 111(4) and 111(5) of the Act, Fluxmans Inc.

Attorneys has provided to the TRP the necessary irrevocable unconditional confirmation that such cash is held in escrow.

9. IRREVOCABLE UNDERTAKINGS

The offeror and the company intend to approach larger shareholders in the company in order to secure irrevocable undertakings to attend the general meeting convened to consider the scheme and to support the scheme as the general meeting has both quorum and voting requirements to be fulfilled. Details of any such undertakings will be contained in the scheme circular.

10. TERMINATION OF THE LISTING OF CULLINAN

Should the scheme be implemented as contemplated in this announcement, Cullinan will become a wholly-owned subsidiary of the offeror and the listing of the company on the JSE will be terminated.

11. SCHEME CIRCULAR

The scheme circular relating to the proposed transaction, incorporating the terms of the scheme, the notice of the scheme meeting, a form of surrender and a form of proxy will be posted to Cullinan shareholders on or about 29 December 2017. The salient dates and times in relation to the scheme will be published on the date of posting the scheme circular and will also be contained in the scheme circular.

12. RESPONSIBILITY STATEMENT

The board, the independent committee and the offeror accept responsibility for the information contained in this announcement, and certify that, to the best of their respective knowledge and belief, the information is true and, where appropriate, this announcement does not omit anything likely to affect the importance of the information included.

13. WITHDRAWAL OF FURTHER CAUTIONARY ANNOUNCEMENT

The further cautionary announcement issued on 10 November 2017 is hereby withdrawn.

By order of the board  
Bradley Allison  
Company secretary  
Johannesburg  
24 November 2017

Sponsor  
ARBOR Capital

Auditors  
Mazars

Attorneys  
Fluxmans