

RECM AND CALIBRE LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2009/012403/06

Preference Share Code: RACP

ISIN: ZAE000145041

("the Company")



ANNOUNCEMENT IN RELATION TO A VOLUNTARY OFFER BY THE COMPANY, ACTING THROUGH ITS WHOLLY-OWNED SUBSIDIARY, LIVINGSTONE INVESTMENTS PROPRIETARY LIMITED, TO SHAREHOLDERS OF ASTORIA INVESTMENTS LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Further to the announcement released on SENS dated 27 March 2018, shareholders are advised that the Company, acting through its wholly-owned subsidiary, Livingstone Investments Proprietary Limited ("**RAC**"), delivered a firm intention letter to the board of Astoria Investments Limited ("**Astoria**") yesterday, 3 May 2018, in terms of which RAC has indicated its firm intention to make a conditional voluntary offer ("**Voluntary Offer**") to shareholders of Astoria to acquire all the remaining shares of Astoria which it does not currently hold ("**Offer Shares**").

2. INVESTMENT IN ASTORIA

- 2.1. RAC is a significant shareholder in Astoria, with an ownership of 28.72% of the current issued share capital thereof. RAC is interested in increasing its interest in Astoria and intends to provide its proven capital allocation framework to the board of Astoria for implementation going forward.
- 2.2. Accordingly, RAC will be extending a Voluntary Offer to Astoria shareholders in order to afford them the opportunity to exit their investment in Astoria should they wish to do so.

3. TERMS AND CONDITIONS OF THE VOLUNTARY OFFER

- 3.1. The offer price in respect of the Offer Shares will equal R13.50 per Offer Share ("**Offer Price**"), to be settled by RAC in cash and if applicable, participating preference shares of RAC (the "**RAC Shares**").
- 3.2. Depending on the number of Astoria shareholders who take up the Voluntary Offer, the Offer Price will be settled in a combination of cash (up to a maximum of R355 million in aggregate) and RAC Shares ("**Top-up Share Consideration**").
- 3.3. The Voluntary Offer will be conditional upon:
 - 3.3.1. Holders of RAC Shares ("**RAC Shareholders**") approving the issue of the Top-up Share Consideration in terms of the memorandum of incorporation of RAC and section 41(3) of the Companies Act 71 of 2008; and
 - 3.3.2. RAC receiving acceptances in respect of Offer Shares which, together with the shares in Astoria acquired or agreed to be acquired before the Voluntary Offer, will result in RAC holding more than fifty (50) percent of the shares in Astoria.

- 3.4. Full terms and conditions of the Voluntary Offer, incorporating the salient dates and times for Astoria shareholders, will be included in an offer document to be distributed to Astoria shareholders ("**the Offer Document**") in accordance with Rule 17 of the Mauritian Securities (Takeover) Rules 2010 ("**Takeover Rules**").
- 3.5. A circular requesting the approval of RAC Shareholders, as set out in paragraph 3.2.1 above, will be distributed to RAC Shareholders on or before Thursday, 17 May 2018.

4. FINANCIAL RESOURCES CONFIRMATION

Pursuant to the Takeover Rules, RAC hereby confirms that it has sufficient cash resources available to meet up to 28.74% acceptance of the Voluntary Offer, being R355 million. In the event that acceptance of the Voluntary Offer exceeds R355 million, the Offer Price for each Offer Share will comprise a cash portion and the Top-up Share Consideration.

5. BOARD RESPONSIBILITY STATEMENT

The board of RAC accepts full responsibility for the accuracy of the information contained in this announcement.

6. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the cautionary announcement released by RAC in relation to RAC's investment in Astoria on SENS on 25 April 2018 and are advised that caution is no longer required to be exercised when dealing in RAC Shares.

4 May 2018
Cape Town

Sponsor and Corporate Advisor to RAC

Questco Corporate Advisory Proprietary Limited
and
Questco Proprietary Limited