

HOSKEN PASSENGER LOGISTICS AND RAIL LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2015/250356/06
Share code: HPR
ISIN: ZAE000255907
("Company")



CATEGORY 2 ACQUISITION ANNOUNCEMENT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the cautionary announcement released on SENS on 19 December 2018, as renewed on 4 February 2019 and 18 March 2019 ("**18 March Announcement**"), advising that the Company's wholly-owned subsidiary, Golden Arrow Bus Services Proprietary Limited ("**GABS**"), has concluded sale of shares agreements ("**Sale Agreements**") with Abahlobo Transport Service Proprietary Limited ("**Abahlobo**") to purchase the shares held by Abahlobo in Sibanye Bus Services Proprietary Limited ("**Sibanye**") and Table Bay Area Rapid Transport Proprietary Limited ("**TBRT**"), respectively ("**Sale Shares**"), constituting approximately 33.3% of Sibanye's issued share capital and approximately 24.97% of TBRT's issued share capital (collectively, the "**Abahlobo Transactions**").

The 18 March Announcement also indicated that negotiations in respect of the purchase by GABS of the remaining shares in Sibanye and TBRT, respectively, held by another party, were still ongoing. Shareholders are advised that this latter acquisition of the remaining shares in Sibanye and TBRT, will not be proceeding, with no agreements having been concluded in this regard.

CATEGORY 2 TRANSACTION

In the 18 March Announcement, the Company advised shareholders that the Abahlobo Transactions are not categorisable under the JSE Listings Requirements based on their combined purchase consideration.

The conclusion of an addendum to the transaction agreement in relation to the TBRT Sale Shares on 29 March 2019 has resulted in an increase in the purchase consideration payable to Abahlobo in respect thereof, with the result that the Abahlobo Transactions now collectively constitute a category 2 transaction in terms of the JSE Limited Listings Requirements, when determined on an aggregated basis. Please see paragraph 4 below for further details regarding the purchase consideration payable in relation to the Abahlobo Transactions.

2. DESCRIPTION OF THE ASSETS

Sibanye is a joint venture established in 2001 between GABS and two emerging bus operators, Abahlobo and Siyakhula Bus Services Proprietary Limited ("**Siyakhula**"). Sibanye operates buses and provides services from, *inter alia*, Atlantis to the Cape metropole.

TBRT has been an official MyCiTi Vehicle Operating Company for the City of Cape Town since 2013. It primarily operates the trunk service along the Atlantic seaboard, as well as feeder routes in Atlantis and the Cape Town central business district.

GABS currently holds 50.06% of the issued share capital of TBRT and 33.3% of the issued share capital of Sibanye. On the Effective Date (as defined in paragraph 6 below) GABS will hold 75.03% of TBRT and 66.6% of Sibanye.

3. RATIONALE FOR THE ABAHLOBO TRANSACTIONS

In line with the Company's strategy to expand its interests in transport related businesses, the Company identified the opportunity to increase its interests in two transport companies in respect of which GABS holds an interest and is responsible for the management and day to day operations.

4. PURCHASE CONSIDERATION

The aggregate purchase consideration in respect of the Abahlobo Transactions amount to R65 823 132 ("**Purchase Consideration**"), comprised as follows:

- a purchase consideration of R26 583 332 in respect of the Sibanye Sale Shares; and
- a purchase consideration of R39 239 800 in respect of the TBRT Sale Shares.

GABS shall pay the Purchase Consideration to Abahlobo on the Effective Date (as defined in paragraph 6 below).

5. CONDITIONS PRECEDENT

The suspensive conditions applicable to each of the Abahlobo Transaction agreements have been fulfilled and the transaction agreements are therefore unconditional.

6. EFFECTIVE DATE OF THE ABAHLOBO TRANSACTIONS

The Effective Date of both Abahlobo Transactions shall be 1 April 2019 ("**Effective Date**"). Delivery and payment in respect of the Sale Shares in respect of both Abahlobo Transactions will take place on the Effective Date.

7. FINANCIAL INFORMATION

The value of the net assets, as at 31 December 2018, of Sibanye was R47 745 000 and of TBRT was R81 135 000.

The net profit after tax for the 12 months ended 31 December 2018 was R16 899 000 for Sibanye and R24 345 000 for TBRT.

The above financial information is based on the unaudited management accounts for Sibanye and TBRT, respectively, for the 12 months ended 31 December 2018. The management accounts were prepared in terms of the Company's accounting policies.

The Company is satisfied with the quality of the management accounts of Sibanye and TBRT, which were prepared under the supervision of GABS management. The management accounts have not been audited.

8. WARRANTIES

Both Abahlobo Transaction agreements contain representations and warranties by Abahlobo in favour of the Company which are standard for transactions of this nature.

9. WITHDRAWAL OF CAUTIONARY

Shareholders are hereby advised that as the particulars of the Abahlobo Transactions have now been announced, caution is no longer required to be exercised by shareholders when dealing in the Company's securities.

10. OTHER

The Company confirms, for purposes of paragraph 9.16 of the JSE Limited Listings Requirements, that nothing in the constitutional documents of TBRT or Sibanye will, in any way, frustrate or relieve the Company from compliance with the JSE Limited Listings Requirements.

Cape Town
29 March 2019

Sponsor and corporate adviser

PSG Capital



Legal adviser

ENSafrica

