

Invicta Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 1966/002182/06)
Ordinary Share code: IVT ISIN code: ZAE000029773
Preference Share code: IVTP ISIN: ZAE000173399
("Invicta" or "the Company")

**VOLUNTARY ANNOUNCEMENT: PROPOSED CORPORATE RESTRUCTURING,
SPECIAL DIVIDEND AND CAPITAL RAISE**

1. Introduction

1.1. Shareholders are advised that the board of directors of Invicta ("**the Board**") has in principle resolved to pursue:

1.1.1. a corporate restructuring ("**Corporate Restructuring**") of Invicta and its subsidiaries ("**Group**"), which will also include the restructuring of its black economic empowerment ("**BEE**") investors' interests ("**BEE Restructuring**");

1.1.2. the payment of a special dividend of approximately R1,5 billion before dividend tax which, as a consequence of the BEE Restructuring, is expected to be declared to ordinary shareholders of the Company in advance of the proposed Capital Raise (as defined hereunder) ("**Special Dividend**"); and

1.1.3. a capital raise in the form of an underwritten renounceable rights offer to ordinary shareholders of approximately R2 billion before costs ("**Rights Offer**") and further R500 million before costs by way of a placement of additional cumulative, non-participating no par value preference shares ("**Preference Shares**") under the existing Preference Share programme memorandum ("**Existing Programme**") ("**Preference Share Placement**"),

the Rights Offer and the Preference Share Placement collectively hereinafter referred to as the "**Capital Raise**".

1.2. The terms and conditions of the Corporate Restructuring (which includes the BEE Restructuring), the Special Dividend and the Capital Raise are in the process of finalisation and once finalised, a detailed announcement will be made to shareholders.

2. Corporate Restructuring

2.1. The following corporate actions comprise the Corporate Restructuring:

2.1.1. the restructure of Invicta Properties (Proprietary) Limited ("**Invicta Properties**") and establishment of Invicta South Africa Holdings (Proprietary) Limited ("**Invicta SA**"), Invicta Treasury Holdings (Proprietary) Limited ("**Invicta Treasury**"), Bearing Man Group (Proprietary) Limited ("**BMG**") and Invicta Finance (Proprietary) Limited ("**Invicta Finance**") as wholly owned subsidiaries (directly or indirectly) of Invicta;

2.1.2. the transfer of certain of the Invicta Group assets to the appropriate Group subsidiary companies including Invicta SA, Invicta Treasury, Invicta Properties, BMG, Humulani Marketing (Proprietary) Limited (to be renamed Capital Equipment Group (Pty) Limited ("**CEG**")) ("**Humulani Marketing**"), Aptopart (Pty) Limited (to be renamed Building Supply Group (Pty) Limited ("**BSG**")) and Invicta Finance; and

2.1.3. the BEE Restructuring which includes the purchase by Invicta of the shares held by the trustees for the time being of the Humulani Employee Investment Trust ("**HEIT**") and Theramanzi Investments (Proprietary) Limited ("**Theramanzi**") in Humulani Investments (Pty) Limited ("**Humulani Investments**"), a subsidiary of Invicta ("**BEE Share Purchases**"), and the subsequent subscription for approximately 5% of the ordinary shares as well as one voting preference share by HEIT

and 20% of the ordinary shares by Theramanzi ("**BEE Parties**") in Invicta SA ("**BEE Subscription**");

2.2. The purpose of the Corporate Restructuring is *inter alia* to:

2.2.1. establish a more simplified corporate and organisational structure of the Group;

2.2.2. establish a centralised treasury function in the Group to house the financial instruments of the Group and increase the Group's ability to borrow in the market and advance interest-bearing loans to Group companies;

2.2.3. establish and empower Invicta SA, which will hold all of Invicta's South African operational entities. The BEE Restructuring is intended to facilitate the investment by the BEE Parties on substantially similar terms compared to each other and to those on which they invested in Humulani Investments, limit their exposure to South African operational entities only and increase the liquidity of the HEIT's investment; and

2.2.4. position Invicta for a potential international listing and corporate actions in the future.

3. Special Dividend

3.1. In order to enable the BEE Parties to participate in the BEE Subscription forming part of the Corporate Restructuring, it is expected that Humulani Investments will declare a special dividend to its shareholders which comprise the BEE Parties and Invicta ("**Humulani Dividend**").

3.2. As a result of the Humulani Dividend and the need to restructure the Company's capital base, it is expected that the Company will subsequently declare the Special Dividend, in advance of the opening of the Rights Offer which will present Invicta's shareholders with the

opportunity to realise and/or restructure their investment in the Company.

4. Capital Raise

4.1. The Board has in principle resolved to, subject to further finalisation and the requisite shareholder approval, pursue the Rights Offer on the following indicative terms and conditions:

4.1.1. the Company will seek to raise approximately R2 billion by way of the Rights Offer to be proposed during or about the month of February 2015 to ordinary shareholders in proportion to their existing holdings;

4.1.2. the new ordinary shares which will be offered for subscription under the proposed Rights Offer are expected to be offered at a discount of between 15% to 20% to the Company's volume weighted average trading price of its ordinary shares and it is further expected that the proposed Rights Offer will be fully underwritten and/or committed; and

4.1.3. the final terms and conditions of the underwriting undertaking(s), commitments and pricing of the Rights Offer will be communicated to shareholders in due course.

4.2. In addition to the proposed Rights Offer, the Board has also in principle resolved to pursue the Preference Share Placement which will require *inter alia* an increase in the Company's existing authorised Preference Share capital and a reinstatement of the Board's authority to place further Preference Shares under the Existing Programme.

4.3. The purpose of the Capital Raise is to:

4.3.1. strengthen the Company's capital base by providing an opportunity to existing shareholders and prospective new shareholders to invest or participate in the Rights Offer and/or the Preference Share Placement;

- 4.3.2. lower the Group's cost of funding and simultaneously expand the Company's shareholder base;
- 4.3.3. provide the Company with sufficient available capital to fund potential acquisitions that the Group is pursuing over the short term, which acquisitions are both complementary and synergistic to the Group's current business operations; and
- 4.3.4. enable any surplus or unutilised cash to be utilised in the interim to offset any short term liabilities or obligations the Group may have, while providing a strong basis for further expansion going forward from both a balance sheet structure and a debt raising capability.

5. Approvals required

- 5.1. In order to pursue the implementation of the Capital Raise, certain approvals (including in terms of s41(3) of the Companies Act, 2008) will be sought from:
 - 5.1.1. ordinary shareholders in terms of section 60 of the Companies Act, 2008 ("**Section 60 Notice to ordinary shareholders**"); and
 - 5.1.2. preference shareholders through the calling of a special general meeting of preference shareholders ("**Notice of General Meeting to preference shareholders**").
- 5.2. A further announcement will be made in due course relating to the timing of the Section 60 Notice to ordinary shareholders, the Notice of General Meeting to preference shareholders and the related corporate actions, including the finalised terms and conditions attaching thereto.

Cape Town

10 November 2014

Corporate Advisor and Lead Transaction Sponsor: Bravura Capital
(Proprietary) Limited

Lead Independent Sponsor: Deloitte & Touche Sponsor Services
(Proprietary) Limited

Legal Advisors: Webber Wentzel