

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 7 June 2019 advising shareholders that the Company has entered into negotiations to purchase the remaining shareholdings not already held by its wholly-owned subsidiary, Golden Arrow Bus Services (Pty) Ltd ("**GABS**"), in Sibanye Bus Services Proprietary Limited ("**Sibanye**") and Table Bay Area Rapid Transport Proprietary Limited ("**TBRT**"), with a view to expanding HPLR's interest in its bus and transport operations in the Western Cape.

Shareholders are advised that GABS has concluded sale of shares agreements ("**Sale Agreements**") with the remaining shareholder of Sibanye and TBRT, being Siyakhula Bus Services Proprietary Limited ("**Siyakhula**") to purchase the shares held by Siyakhula in Sibanye and TBRT ("**Sale Shares**"), constituting approximately 33.3% of Sibanye's issued share capital and approximately 24.97% of TBRT's issued share capital (collectively, the "**Siyakhula Transactions**").

CATEGORY 2 TRANSACTION

The Siyakhula Transactions 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 Siyakhula Transactions.

2. DESCRIPTION OF THE ASSETS

Sibanye is a joint venture established in 2001 between GABS and two emerging bus operators, Abahlobo Transport Service Proprietary ("**Abahlobo**") and 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 75.03% of the issued share capital of TBRT and 66.67% of the issued share capital of Sibanye. On the Effective Date (as defined in paragraph 6 below) GABS will hold 100% of TBRT and 100% of Sibanye.

3. RATIONALE FOR THE SIYAKHULA 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 already holds a majority interest and is responsible for the management and day to day operations.

4. PURCHASE CONSIDERATION

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

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

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

5. CONDITIONS PRECEDENT

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

6. EFFECTIVE DATE OF THE SIYAKHULA TRANSACTIONS

The Effective Date of both Siyakhula Transactions shall be 31 July 2019 ("**Effective Date**"). Delivery and payment in respect of the Sale Shares in respect of both Siyakhula Transactions will take place on the Effective Date.

7. FINANCIAL INFORMATION

The value of the net assets, as at 31 March 2019, of Sibanye was R51,776,000 and of TBRT was R86,895,000.

The net profit after tax for the 12 months ended 31 March 2019 was R16,664,000 for Sibanye and R22,827,000 for TBRT.

The above financial information is based on the unaudited management accounts for Sibanye and TBRT, respectively, for the 12 months ended 31 March 2019. 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 Siyakhula Transaction agreements contain representations and warranties by Siyakhula 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 Siyakhula 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
20 June 2019

Sponsor

Investec Bank Limited



Legal adviser

ENSafrica

