



AFRICAN RAINBOW CAPITAL INVESTMENTS LIMITED
 (Incorporated in the Republic of Mauritius) (Company number: C148430)
 JSE and A2X share code: AIL ISIN: MU0553S00000
 ("ARC Investments")

DISTRIBUTION OF CIRCULAR AND NOTICE OF GENERAL MEETING AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

INTRODUCTION

Shareholders are referred to the announcement released by ARC Investments on SENS and the A2X News Services on Friday, 30 September 2022 relating to:

- the Proposed Amendments to the Management Fee and the Performance Participation; and
- the fact that the amendments which are proposed to the Management Fee constitute a Related Party Transaction for purposes of section 10 of the JSE Listings Requirements.

Unless otherwise defined herein, capitalised words and terms contained in this announcement shall bear the meanings ascribed thereto in the Circular.

Shareholders are advised that the circular containing the full details of the Proposed Amendments ("Circular") has been distributed to Shareholders today, Tuesday, 18 October 2022. The Circular has been prepared for purposes of compliance with section 10 of the JSE Listings Requirements and the regulatory approval required from the JSE has been obtained.

The Circular incorporates a Notice of General Meeting for the General Meeting at which Shareholders will consider, and if deemed appropriate, approve the Resolutions regarding the Proposed Amendments. It should be noted that each of the Resolutions contained in the Notice of General Meeting must be approved for the Proposed Amendments to become effective.

Having considered the Proposed Amendments and for the reasons set out in the Independent Expert's Report set out in the Circular, the Independent Expert has concluded that the terms and conditions of the Proposed Amendments are fair to Shareholders.

The Board is of the opinion that the terms of the Proposed Amendments are in the interest of the Shareholders and, accordingly, recommends that Shareholders vote in favour of the Resolutions necessary to effect the Proposed Amendments. Each of the Directors who holds Shares will, to the extent permitted, vote their Shares in favour of the Resolutions.

Shareholders are advised to obtain a copy of the Circular as follows:

- by accessing an electronic copy of the Circular on the Company's website, available at <https://www.africanrainbowcapital.co.za>; or
- by contacting the company secretary, at arci@intercontinentaltrust.com to request an electronic copy of the Circular or to make reasonable alternative arrangements to obtain a copy.

NOTICE OF GENERAL MEETING

The General Meeting will be held entirely by way of electronic communication in accordance with the provisions of the Fifth Schedule of the Mauritian Companies Act and the JSE Listings Requirements.

ARC Investments has appointed the Transfer Secretaries for purposes of hosting the General Meeting entirely by way of electronic communication and, in particular, for the Transfer Secretaries to provide ARC Investments and the Shareholders with access to its Meeting Platform for purposes of enabling all of the Shareholders, that are present at the General Meeting, to communicate concurrently with each other, without an intermediary, and to participate reasonably effectively in the General Meeting and exercise their voting rights at the General Meeting. Accordingly, references in the Circular to "attend", "participate", "present" or similar words when used in the context of the General Meeting means being able to attend or be present or participate by means of electronic participation.

None of ARC Investments, the Transfer Secretaries or any third-party service provider appointed in order to facilitate the General Meeting by electronic means can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the General Meeting.

Although voting will be permitted by way of electronic communication at the General Meeting, Shareholders are encouraged to make use of proxies for purposes of voting at the General Meeting in accordance with the instructions contained in the Form of Proxy.

Shareholders who wish to participate should register at www.meetnow.global/za or send a request by email to proxy@computershare.co.za. Those who wish to submit any questions relating to the business set out in the detailed notice, are requested to contact the company secretary, Toorisha Nakey at arci@intercontinentaltrust.com or, alternatively, on +230 403 0800 as soon as possible, but by not later than 13:00 South African time (15:00 Mauritian time) on Friday, 11 November 2022.

Following the meeting, Shareholders may request the minutes thereof (including responses to questions and any presentation materials) from arci@intercontinentaltrust.com or, alternatively, on +230 403 0800.

THE SALIENT DATES AND TIMES, ALSO CONTAINED IN THE CIRCULAR, ARE SET OUT BELOW.

Record date to determine which Shareholders are eligible to receive the Circular	Friday, 7 October 2022
Circular posted to Shareholders and availability of Notice of General Meeting and Form of Proxy published on SENS, A2X News Service and on ARC Investments' website on	Tuesday, 18 October 2022
Last day to trade in Shares in order to be recorded in the Register to attend, participate in and vote at the General Meeting, by the close of trade on	Tuesday, 1 November 2022
Record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting, by close of trade on	Friday, 4 November 2022
Last day and time to lodge Forms of Proxy with the Transfer Secretaries by 13:00 South African time on (<i>refer to note 2 below</i>)	Friday, 11 November 2022
Forms of Proxy not lodged with the Transfer Secretaries to be emailed to the chairperson of the General Meeting at any time before the proxy exercises any rights of the Shareholder at the General Meeting at 13:00 South African time on	Tuesday, 15 November 2022
General Meeting to be held immediately following the 5th Annual General Meeting commencing at 13:00 South African time (15:00 Mauritian time)	Tuesday, 15 November 2022
Results of the General Meeting released on SENS and A2X News Service on or about	Tuesday, 15 November 2022

Notes:

1. All of the above dates and times are subject to amendment, subject to the approval of the JSE, if required. Any such amendment will be released on SENS and A2X News Service.
2. A Shareholder may submit a Form of Proxy at any time before the commencement of the General Meeting (or any adjournment or postponement of the General Meeting) or email it to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment or postponement of the General Meeting), provided that should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours prior to the commencement of the General Meeting, the Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or adjourned or postponed General Meeting).
3. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. There will be no rematerialisation or Dematerialisation between Wednesday, 2 November 2022 and Friday, 4 November 2022, both days inclusive, as the Register will be closed for this period.
5. Although the important dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Mauritian Companies Act and the JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
6. All dates and times indicated above are South African Standard Time, unless otherwise specified.

PRO FORMA FINANCIAL INFORMATION

In terms of section 10 of the JSE Listings Requirements, ARC Investments is required to prepare *pro forma* financial information showing the effects of the Related Party Transaction on the Statement of Financial Position and Statement of Comprehensive Income. Only the amendments which are proposed to the Partnership Agreement in respect of the Management Fee are a Related Party Transaction, but to provide Shareholders with complete information on the full effects of the Proposed Amendments (i.e. the amendments to both the Management Fee and the Performance Participation Fee), the *pro forma* effects of both of the Proposed Amendments are included in the *pro forma* financial information disclosed in the Circular.

The *pro forma* financial information, including the *pro forma* financial effects of the Proposed Amendments on the financial information of ARC Investments as at 30 June 2022, is set out in Annexe B of the Circular and is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on *Pro Forma* Financial Information issued by SAICA. The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board.

The accounting policies used in the preparation of the *pro forma* financial information are compliant with IFRS and are consistent with those applied in the annual financial statements of ARC Investments for the financial year ended 30 June 2022. It has been assumed, for purposes of the *pro forma* financial effects, that the Proposed Amendments took place with effect from 1 July 2021 for the *pro forma* Statement of Comprehensive Income and as at 30 June 2022 for the *pro forma* Statement of Financial Position.

The *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the Proposed Amendments may have affected the financial position of ARC Investments. Due to its nature, the *pro forma* financial information may not fairly represent ARC Investments' financial position, comprehensive income, changes in equity or cash flows after implementation of the Proposed Amendments.

The table below is a summary of the detailed *pro forma* financial information as set out in Annexe B of the Circular.

	Before the Proposed Amendments	<i>Pro forma</i> results after the Proposed Amendments to the Management Fee	<i>Pro forma</i> results after the Proposed Amendments to the Performance Participation Fee	<i>Pro forma</i> results after the Proposed Amendments	% change
NAV and net tangible asset value per Share (cents)	1,008	1,018	1,008	1,018	0.91%
Diluted NAV and diluted net tangible asset value per Share (cents)	988	997	1,001	1,011	2.32%
Basic earnings per Share (cents)	102	112	116	126	23.85%
Diluted earnings per Share (cents)	100	110	115	125	25.58%
Headline earnings per Share (cents)	102	112	116	126	23.85%
Diluted headline earnings per Share (cents)	100	110	115	125	25.58%
Number of Shares in issue as at 30 June 2022 (million)	1,318	1,318	1,318	1,318	
Weighted average number of Shares in issue during the year ended 30 June 2022 (million)	1,318	1,318	1,318	1,318	
Diluted number of Shares in issue at the end of the year (million)	1,345	1,345	1,326	1,326	

Notes:

1. The "Before the Proposed Amendments" column has been extracted, without adjustment, from ARC Investments' annual financial statements for the financial year ended 30 June 2022.
2. The "*Pro forma* after the Proposed Amendments" columns reflect the impact of the *pro forma* adjustments on ARC Investments of the proposed changes to the Management Fee, Performance Participation Fee, and combined, being the Proposed Amendments, respectively.
3. The effects on earnings, diluted earnings, headline earnings and diluted headline earnings per Share are calculated on the basis that the Proposed Amendments were effective on 1 July 2021, while the effects on NAV, diluted NAV, net tangible asset value and diluted net tangible value per Share were calculated on the basis that the Proposed Amendments were effective on 30 June 2022 for purposes of presenting the *pro forma* financial effects thereof on ARC Investments.
4. The detailed notes and assumptions to the financial effects are presented with the *pro forma* Statement of Comprehensive Income and the *pro forma* Statement of Financial Position contained in Annexe B to the Circular. The Independent Reporting Accountant's reasonable assurance report on the *pro forma* financial information is included in Annexe C to the Circular.

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

As the *pro forma* financial information has been disclosed, the cautionary announcement published on 30 September 2022 is hereby withdrawn. Shareholders are therefore no longer required to exercise caution when dealing in the ARC Investments shares.

Johannesburg and Mauritius

18 October 2022

Transaction Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited

South African Legal Advisor: Webber Wentzel

Mauritian Legal Advisor: BLC Robert & Associates

Independent Reporting Accountant: PricewaterhouseCoopers Inc.

Independent Expert: BDO Corporate Finance Proprietary Limited