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**CONDUIT CAPITAL LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 1998/017351/06)  
Share code: CND ISIN: ZAE000073128  
(**“Conduit Capital”** or **“the Company”** or **“the Group”**)

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**CONDUIT CAPITAL TO RAISE R350 MILLION TO PURSUE OPPORTUNITIES  
DECLARATION ANNOUNCEMENT IN RESPECT OF THE RIGHTS OFFER**

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#### **1. INTRODUCTION**

Conduit Capital is pleased to announce that it intends to raise R350 million by way of a fully insured renounceable rights offer (**“Rights Offer”**), in terms of which the Company will offer a total of 175 000 000 new ordinary shares (**“Rights Offer Shares”**) at a subscription price of 200 cents per Rights Offer Share (**“Subscription Price”**) in the ratio of 29.68899505 Rights Offer Shares for every 100 Shares (**“Ratio”**) held at the close of business on the record date for the Rights Offer, being Friday, 24 November 2017 (**“Record Date”**).

#### **2. PURPOSE OF THE RIGHTS OFFER**

The purpose of the Rights Offer is to provide Conduit Capital with additional capital in the amount of R350 000 000 to enable the Company to:

- capitalise the insurance group to fund, to the extent commercially acceptable, acquisitions and/or organic growth strategies; and/or
- fund non-insurance opportunities that conform to Conduit Capital’s investment criteria.

#### **3. NATURE OF THE BUSINESS OF CONDUIT CAPITAL**

Conduit Capital is an investment holding company, listed on the Main Board of JSE Limited (**“the JSE”**), which invests mainly in the insurance industry, supported by a value-oriented long-term investment strategy. The Company’s specific business objective is that of supporting its subsidiary companies and allocating capital across the Group. Conduit Capital operates through two main divisions, namely:

- Insurance and Risk, which houses the Group’s insurance interests; and
- Investments, which houses the Group’s investment activities.

#### **4. SALIENT TERMS OF THE RIGHTS OFFER**

In terms of the Rights Offer, Conduit Capital will offer a total of 175 000 000 Rights Offer Shares at a subscription price of 200 cents per Rights Offer Share in the ratio of 29.689 Rights Offer Shares for every 100 shares held in Conduit Capital on the close of business on the Record Date.

The Subscription Price represents:

- a discount of 10.3% to the 30 day volume weighted average price (**“VWAP”**) to the traded price of Conduit Capital Shares on the JSE as at 16 October 2017, being the date on which the Rights Offer was approved by the Board of Directors of Conduit Capital (**“the Board”**); and .
- a discount of 10.2% to the 30 day VWAP to the traded price of Conduit Capital Shares on the JSE as at 19 October 2017, being the date prior to the release of this announcement.

Upon their issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing Conduit Capital shares in issue.

## 5. FULLY INSURED RIGHTS OFFER

Conduit Capital intends to enter into a subscription agreement with Riskowitz Value Fund LLC (“**RVF**”) in terms whereof RVF will subscribe for all Rights Offer Shares not taken up in terms of the Rights Offer, to the full value of R350 million (“**Subscription Agreement**”).

RVF is an investment management business incorporated in the United States of America (“**USA**”) and founded by Mr S Riskowitz, the Chief Executive Officer of Conduit Capital.

Further details of the Subscription Agreement will be set out in the Rights Offer circular to be dated on or about 23 November 2017 and distributed to shareholders as set out in paragraph 9 below.

## 6. CONDITIONS PRECEDENT

The implementation of the Rights Offer is subject to the conclusion of the Subscription Agreement, approval being obtained from the JSE of the Rights Offer circular and for the listing of the Letters of Allocation and the Rights Offer Shares.

## 7. SALIENT DATES AND TIMES

The proposed salient dates and times in respect of the Rights Offer are set out below:

	<b>2017</b>
Rights Offer Declaration Data announcement released on SENS	Friday, 20 October
Rights Offer Finalisation announcement released on SENS	Thursday, 16 November
Last day to trade in Conduit Capital Shares in order to settle trades by the Record Date for the Rights Offer and to qualify to participate in the Right Offer ( <i>cum</i> entitlement) on	Tuesday, 21 November
Listing of and trading in the Letters of Allocation on the JSE commences at 09:00 on	Wednesday, 22 November
Conduit Capital Shares commence trading ex-rights on the JSE at 09:00 on	Wednesday, 22 November
Circular and Form of Instruction posted to certificated shareholders	Thursday, 23 November
Record date for the Rights Offer for purposes of determining the Conduit Capital shareholders entitled to participate in the Rights Offer at the close of business on	Friday, 24 November
Rights Offer opens at 09:00 on	Monday, 27 November
Holders of dematerialised Conduit Capital Shares will have their accounts at their CSDP or broker automatically credited with their Letters of Allocation on	Monday, 27 November
Holders of certificated Conduit Capital Shares will have their Letters of Allocation credited to an electronic register at the Transfer Secretaries on	Monday, 27 November
Circular distributed to dematerialised shareholders, who have elected to receive such documents	Tuesday, 28 November
Last day to trade in Letters of Allocation in order to settle trades by the Record Date for the Letters of Allocation and participate in the Rights Offer at the close of business on	Tuesday, 5 December
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of certificated Conduit Capital Shares wishing to <b>sell</b> all or part of their Rights Offer Entitlement by 12:00 on	Tuesday, 5 December

Listing and trading of Rights Offer Shares commences on the JSE at 09:00 on Wednesday, 6 December

Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of certificated Conduit Capital Shares wishing to **subscribe** for or **renounce** all or part of their Rights Offer Entitlement by 12:00 on (see note 2) Friday, 8 December

Record date for Letters of Allocation Friday, 8 December

Rights Offer closes at 12:00 and payment to be made by certificated shareholders on Friday, 8 December

CSDP/broker accounts credited with Rights Offer Shares and debited with the payments due in respect of holders of dematerialised Conduit Capital Shares on Monday, 11 December

Rights Offer Share certificates in terms of the Rights Offer posted to holders of certificated Conduit Capital Shares via registered post on or about Monday, 11 December

Results of Rights Offer announced on SENS on Monday, 11 December

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**Notes:**

1. Holders of dematerialised Conduit Capital Shares are required to notify their CSDP or broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the agreement governing the relationship between the dematerialised shareholder and his CSDP or broker.
2. Conduit Capital share certificates may not be dematerialised or rematerialised between Wednesday, 22 November 2017 and Friday, 24 November 2017, both days inclusive.
3. CSDPs effect payment in respect of holders of dematerialised Rights Offer Shares on a delivery versus payment basis.
4. To the extent that the rights are accepted, dematerialised shareholders will have their accounts at their CSDP automatically credited with their rights and certificated shareholders will have their rights credited to an account at Computershare Investor Services.
5. Rights Offer share certificates to be issued in terms of the Rights Offer will be posted to persons entitled thereto, by registered post, at the risk of the certificated shareholders concerned.

## **8. RESTRICTIONS ON THE RIGHTS OFFER**

Any shareholder resident outside the Common Monetary Area, being the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland, who receives the Rights Offer circular and accompanying form of instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/or any other formality must be observed to enable such a subscription to be made in terms of such form of instruction.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and the Rights Offer circular and accompanying form of instruction should not be forwarded or transmitted any person in any territory other than where it is lawful to make such an offer.

This document does not constitute or form part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Offer has not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), or under any relevant securities laws of any state or other jurisdiction of the United States. The Rights Offer Shares have not been and will not be registered under the US Securities Act. Accordingly, the Rights Offer Shares may not be offered, sold, taken up, resold, renounced, exercised, pledged, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the US Securities Act and applicable state and securities laws of the United States. The Rights Offer Shares may be offered, sold, taken up, resold, renounced, exercised, pledged, transferred or delivered, by persons outside the United States in accordance with Regulation S under the U.S. Securities Act.

There will be no public offering of the Securities in the United States. Notwithstanding the foregoing, the securities mentioned herein may be made available under the transactions to shareholders that are, or who are acting on behalf of, or for the account of benefit of, ("**Qualified institutional buyers**") (as such terms is defined in rule 144A under the Securities Act) pursuant to an available exemption from registration under the Securities Act or, in the sole discretion of the Company, to others who may be offered the securities mentioned herein pursuant to an available exemption from such registration.

The Rights Offer contained in the Rights Offer circular does not constitute an offer in the District of Columbia, the United States, the Dominion of Canada, the Commonwealth of Australia, Japan or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer ("**Non-qualifying shareholder**"). Non-qualifying shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or to trade their entitlement. To the extent that Non-qualifying shareholders are not entitled to participate in the Rights Offer, such Non-qualifying shareholders should not take up their Rights Offer entitlement or trade in their Rights Offer entitlement and should allow their rights in terms of the Rights Offer to lapse.

## **9. FURTHER ANNOUNCEMENT AND CIRCULAR**

The Rights Offer Finalisation announcement is expected to be released on SENS on or about 16 November 2017.

The Rights Offer circular, and accompanying Form of Instruction for use by certificated shareholders only, containing full particulars of the Rights Offer will be posted to certificated shareholders on or about 23 November 2017.

The Rights Offer circular containing full particulars of the Rights Offer will be distributed to dematerialised shareholders who have elected to receive documents on or about 28 November 2017.

Johannesburg  
20 October 2017

### **Sponsor and Corporate Adviser**

Merchantec Capital

### **Legal Adviser**

Cliffe Dekker Hofmeyr

### **Forward Looking Statement:**

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Conduit Capital operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expected", "intends", "plans", "believes", "seeks", "estimated", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Conduit Capital cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Conduit Capital only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Conduit Capital will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.