
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")

SMALL RELATED PARTY DISPOSAL

1. INTRODUCTION

The board of directors of Conduit Capital ("**the Board**") wishes to advise shareholders that the Board has signed a resolution to approve the disposal of a portion of each of the following listed investments, being Tiso Blackstar Group SE, Calgro M3 Holdings Limited, Trustco Group Holdings Limited, Combined Motor Holdings Limited and ENX Group Limited ("**the Listed Investments**") to the Riskowitz Value Fund LP, a partnership formed in the state of Delaware, USA ("**the Riskowitz Value Fund**") ("**the Purchaser**"), which has delegated its investment management and decision-making to Protea Asset Management LLC, for a total purchase consideration of R62 711 550.76 ("**the Disposal**").

2. THE DISPOSAL

2.1. Nature of the Disposal

The Disposal constitutes a portion of Conduit Capital's listed investments portfolio.

2.2. Rationale for the Disposal

The disposal will provide additional cash that will be employed in Conduit Capital's insurance subsidiaries in order to fund organic growth opportunities.

2.3. Purchase Consideration

The purchase consideration of R62 711 550.76 was determined using the 30 day volume weighted average prices of the respective Listed Investments as at the day before the Board resolved to conclude the sale and will be settled in cash.

2.4. Application of sale proceeds

The proceeds from the Disposal are to be used to service Conduit Capital's short term and long term funding requirements as mentioned in the rationale.

3. EFFECTIVE DATE OF THE DISPOSAL

There are no outstanding conditions on the Disposal and the effective date of the Disposal was once the Listed Investments were transferred to the Purchaser, being 12 June 2017.

4. FINANCIAL INFORMATION

The value of the net assets that are the subject of the Disposal as at 30 June 2016, being the last financial year end of Conduit Capital, was R63 137 255.13. The loss after tax attributable to such net assets for the year ended 30 June 2016 was R2 656 643.68.

The value of the net assets that are the subject of the Disposal as at 31 December 2016, being the last interim period end of Conduit Capital, was R65 588 457.93. The profit after tax attributable to such net assets for the six months ended 31 December 2016 was R1 902 133.37.

5. CLASSIFICATION OF THE DISPOSAL

The Riskowitz Value Fund is a material shareholder of Conduit Capital and thus the Riskowitz Value Fund is considered to be a related party to Conduit Capital in terms of paragraph 10.1(b)(i) of the Listings Requirements of the JSE Limited ("**JSE Listings Requirements**").

The Disposal is considered to be a small related party transaction in terms of paragraph 10.7 of the JSE Listings Requirements and consequently requires a fairness opinion ("**Opinion**") from an independent professional expert acceptable to the JSE ("**Independent Expert**"), confirming that the terms of the Disposal are fair as far as shareholders of Conduit Capital are concerned.

In terms of paragraph 10.7(b) of the JSE Listings Requirements, the Company has appointed Merchantec Capital as the Independent Expert and has provided the JSE with written confirmation from the Independent Expert that the terms of the Disposal are fair as far as the shareholders of Conduit Capital are concerned. The fairness opinion will be available for inspection at Conduit Capital's registered office for a period of 28 days from the date of this announcement.

12 June 2017

Sponsor

Merchantec Capital