



BKB LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1998/012435/06)

Share Code: 4ABKB

ISIN: ZAE400000069

(“BKB” or “the Company”)

Formal Notice:

LISTING BY WAY OF INTRODUCTION OF BKB LIMITED ON CTSE

Tuesday, 1 March 2022

Not for publication, distribution or release, in whole or in part, directly or indirectly, in any jurisdiction outside of the Republic of South Africa, or any jurisdiction where it may be unlawful to publish, distribute this Formal Notice

1. INTRODUCTION

- 1.1. An application has been made by BKB Limited to Cape Town Stock Exchange (“CTSE”) for a listing by way of introduction (the “**Listing**”) of its entire Ordinary Share Capital on the Securities Exchange operated by CTSE (the “**Application**”). BKB Limited does not intend to raise capital leading up to the Listing.
 - 1.2. This Formal Notice contains extracts from the Listing Particulars dated Tuesday, 1 March 2022 and as such is not intended to be comprehensive. For a full appreciation of the Company and the Listing, the Listing Particulars should be read in its entirety in conjunction with this Formal Notice.
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This Formal Notice is not an invitation or offer to the public to acquire, purchase or subscribe for shares in BKB Limited.

- 1.3. *Save to the extent specifically stated otherwise herein, capitalised terms in this Formal Notice shall bear the corresponding meanings as ascribed to those terms in the Listing Particulars.*

2. GENERAL OVERVIEW OF THE BKB GROUP

- 2.1. BKB was established in 1998 as the ultimate Holding Company of the BKB Group of Companies, which is a leading player in the South African agricultural industry. The BKB Group operates directly in multiple agricultural sectors across all nine provinces in South Africa as well as in eSwatini and the Kingdom of Lesotho.
- 2.2. Recognised as the trusted home of agriculture, the Group prides itself in having secured a wide and deeply rooted footprint across the South African agricultural landscape with particular focus on:
 - Natural Fibre (Wool and Mohair) Brokerage, Services and Trading;
 - Trade and Fuel;
 - Livestock and Properties;
 - Primary producer value chain financing;
 - PakHouse Brands - Fruit
 - PakHouse Brands – Grain and Feed; and
 - Pakhouse Brands – Consumer Goods.

- 2.3. Over the years BKB has earned a reputation of trust and ensures peace of mind to all BKB's natural fibre (wool and mohair) producer clients and customers through comprehensive services including brokerage, shearing, technical field services, fibre trading and financing services. BKB aims to maximise sustainable returns for producers by ensuring an efficient and transparent marketplace, providing an efficient logistical service and advising producers on production efficiency with a primary focus on genetic improvement and sustainable farming methods.
- 2.4. BKB's national retail footprint was specifically created to support wool and mohair farmers. Over time, services expanded to provide a complete range of production inputs, production financing and other retail products to a broad spectrum of agricultural producers and the general public. Products include fuel, fertiliser, seed, veterinary products, animal feed, shearing equipment, irrigation, wool bags, steel, fencing, building material, hardware and groceries. Trade and Fuel operates through 51 (fifty one) retail stores, 4 (four) commercial service stations, 2 (two) convenience stores, 3 (three) fuel depots, a distribution centre and an online store.
- 2.5. BKB facilitates access to high quality auctioneering services through its Livestock and Properties division with an offering that includes specialised auctions, digital and simulcast auctions, "liaison services" transactions and financing services. BKB utilizes its extended national footprint and auction infrastructure to facilitate market access for buyers and sellers of livestock, agricultural equipment and properties. Property (farms, residential and commercial) sales and rentals are marketed through 4 (four) real estate agent branches. BKB's highly qualified real estate agents understand the demands associated with the purchasing and marketing of agricultural land in Southern Africa.
- 2.6. Desert Raisins forms part of **PakHouse Brands - Fruit** which focusses on the processing, packaging and exporting of high-quality raisin products through its processing plant in the Northern Cape. Improvements in infrastructure and processing capacity have contributed to volume growth since 2016, when BKB acquired the majority shareholding.
- 2.7. **PakHouse Brands – Grain and Feed** specialises in the storage and collateral management of grains through strategically located depots, of which 11 (eleven) are SAFEX accredited. With quality infrastructure and systems, grain is stored in silo bags and bunkers for up to 18 months. Every site is carefully chosen with the emphasis on maximising the competitive advantage of our producer clients while at the same time limiting the impact on the environment. The division also owns world-class processing facilities, supplying intermediate manufactured grain products and lucerne bales to local and international buyers.
- 2.8. Atlanta Sugar (part of **Pakhouse Brands – Consumer Goods**), an integral part of the Group, is one of the largest sugar pre-packing and production facilities in eSwatini. While Atlanta Sugar has been geared to develop and service all aspects of the sugar business, its product basket has been expanded to include grain products, sunflower oil, white maize and other retail products under the strong and thriving Atlanta brand.
- 2.9. At the heart of the Group's strategy is a strong focus on further strengthening the core businesses and securing their sustainability thus ensuring enhanced shareholder returns. All of the Group's operations are thoroughly assessed to ensure continuous improvement and that they generate positive, sustainable returns. The BKB' Group's close connection with its customers and clients, and other stakeholders, is critical to its success. Each Division strives continuously to provide relevant, innovative and value-adding services and products.
- 2.10. An overview of the operations and activities conducted by the BKB Group is provided in Section 3 of the Listing Particulars.

3. BOARD OF DIRECTORS OF BKB

Full details of the Board of Directors of BKB Limited appear in Section 6, paragraph 6.1 of the Listing Particulars.

4. RATIONALE FOR THE LISTING

The rationale for the Listing is primarily the following:

- 4.1. Since the conversion of BKB into a public company during 1998, BKB facilitated the BKB Share Trading Mechanism as the trading platform for its Securities. The introduction of the Financial Markets Act caused the Financial Sector Conduct Authority to take the view that share trading mechanisms such as the BKB Share Trading Mechanism, fell within the definition of an exchange and as such had to be licensed as an exchange pursuant to the Financial Markets Act.
- 4.2. The BKB Board considered the requirements for the licensing of the BKB Share Trading Mechanism and decided not to apply for an exchange license due to the costs involved and the onerous administrative burden that would be placed on BKB. The BKB Share Trading Mechanism was discontinued on 30 June 2014.
- 4.3. Since the discontinuation of the BKB Share Trading Mechanism, Shareholders have been able to trade their Shares on a bilateral trading system facilitated by BKB. This trading system allowed BKB to introduce, subject to the Shareholders providing their consent, buyers and sellers of BKB Shares to each other in order for BKB to implement the trade.
- 4.4. To ensure that BKB continues to provide a trading platform to its Shareholders, the Board took the decision to list on the CTSE. The Listing on CTSE will enhance the ability of existing and prospective shareholders to buy and sell BKB Shares in a cost-effective manner and will also simplify the current administration process for trading in BKB Shares.
- 4.5. The Listing on the CTSE provides the following additional advantages for the BKB Group:
 - 4.5.1. contributing to and enhancing the BKB Group's public profile;
 - 4.5.2. enhancing the BKB Group's relations with service providers, financiers and stakeholders; and
 - 4.5.3. increasing liquidity for Shareholders through a publicly-traded exchange and/or enabling Shareholders to realise the value of their investments in BKB.

5. SECURITIES FOR WHICH LISTING ON CTSE IS SOUGHT

- 5.1. The Ordinary Shares to be listed comprises of 88 407 075 (eighty-eight million four hundred and seven thousand and seventy-five) Ordinary Shares with no par value each (the "**Shares**".)
- 5.2. All Shares to be listed shall rank *pari passu* with each other in all respects, including in respect of voting rights and Distributions.
- 5.3. The Shares will be listed at a listing price of R10 (ten Rand) each and the dealings in the Shares are expected to commence on **Thursday, 10 March 2022**.

6. DOCUMENTS AVAILABLE FOR INSPECTION

- 6.1. The Listing Particulars, this Formal Notice and documents detailed in paragraph 7.3 of the Listing Particulars are available for inspection during normal office hours from the date hereof until Tuesday, 15 March 2022, at the registered offices of BKB Limited and the Corporate and Transaction Advisor, being Pallidus Capital Proprietary Limited ("**Pallidus Capital**") at:

BKB LIMITED
BKB Building
61 Grahamstown Road
North End
Gqeberha
6001
(PO Box 2002, North End, 6056)

PALLIDUS CAPITAL
Die Groenhuis
38 Garsfontein Road
Waterkloof
South Africa
0145
(PostNet Suite 65, Private Bag X4, Menlo Park, 0102)

- 6.2. The Listing Particulars is also available for download from the websites of BKB Limited (www.bkb.co.za) and CTSE (www.ctexchange.co.za).

7. PROCESS FOR AND CONSEQUENCES OF DEMATERIALISATION OF ORDINARY SHARES:

7.1. Dematerialisation process for Uncertificated Shareholders

- 7.1.1. For Uncertificated Shareholders no action is required insofar as the Dematerialisation of Shares is concerned. Their Shares will automatically be converted into electronic format as Dematerialised Shares. Uncertificated Shareholders will still however be required to open a share trading account, with a CTSE approved authorised user (Broker), for them to be able to trade in their shares with effect from the Listing Date. Uncertificated Shareholders are referred to page 6 "How to trade BKB Shares" in the Listing Particulars.

7.2. Dematerialisation process for Certificated Shareholders

- 7.2.1. Certificated Shareholders who hold Certificated Shares wishing to trade their Shares on the Listing Date must, by no later than 17h00 on Friday, 4 March 2022 proceed as follows:

7.2.1.1. duly complete and sign the form of surrender ("**Form of Surrender**") in accordance with the instructions contained therein. The Form of Surrender has been attached as **Annexure 6** to the Listing Particulars. A Form of Surrender is also obtainable upon request from (1) BKB's share clerk, Marinda van Niekerk on telephone number 041 503 3062 or by email at marinda.vanniekerk@bkb.co.za or (2) the Company Secretary, Johannette Oosthuizen, on telephone number 041 503 3060 or by email at jo.oosthuizen@bkb.co.za or (3) by email to CTSE Registry at admin@ctseregistry.co.za. Alternatively, Shareholders can obtain a Form of Surrender from their nearest BKB retail branch; and

7.2.1.2. deliver the completed and signed Form of Surrender together with such relevant Certificated Shares to their nearest BKB retail branch where a designated branch manager will take receipt thereof and, in turn, provide a relevant notice of receipt to the respective Certificated Shareholder.

7.2.1.3. Certificated BKB shareholders who would like to make an alternative arrangement regarding the Dematerialisation Process applicable to them are welcome to contact BKB's company secretary, Johannette Oosthuizen at telephone number: 041 503 3060 or email at jo.oosthuizen@bkb.co.za.

7.2.2. For the avoidance of doubt, Certificated Shareholders who hold Certificated Shares wishing to trade their Shares post the Listing Date, will be required to dematerialise their Shares by surrendering their BKB Share certificates to the Company. Certificated Shareholders may contact CTSE Registry by email at admin@ctseregistry.co.za for additional information on how to dematerialise their BKB Share certificates in this regard.

7.3. Dematerialisation for Shareholder who hold Certificated Shares which have been lost or destroyed

- 7.3.1. Shareholders whose Certificated Shares have been lost or destroyed are required to proceed as follows:

7.3.1.1. notwithstanding that the Certificated Shares in relation to such Shareholder(s) have been lost or destroyed, duly sign and complete the Form of Surrender (refer to paragraph 7.2 above insofar obtaining the required Form of Surrender); and

7.3.1.2. together with the completed and signed Form of Surrender, provide evidence to this effect to the satisfaction of the Board and, in addition, also submit a duly signed and completed indemnity form which is obtainable upon request from (1) Marinda van Niekerk (marinda.vanniekerk@bkb.co.za) or (2) the Company Secretary (jo.oosthuizen@bkb.co.za) or (3) CTSE Registry at admin@ctseregistry.co.za.

7.3.1.3. Upon having submitted their Form of Surrender and Indemnity Form as set out above, the Board may then dispense with the requirement applicable to a Certificated (Lost/Destroyed) Shareholder to surrender his/her BKB Certificated Share.

7.4. Post Dematerialisation of Ordinary Shares

- 7.4.1. Shareholders who have successfully completed the Dematerialisation applicable to them, as set in this section of the Listing Particulars, who wish to trade their BKB Shares on the Listing Date, will have to open a share trading account (prior to the Listing Date) with a CTSE approved authorised user (Broker).

- 7.4.2. Immediately prior to the CTSE Listing Date, the BKB share certificates of BKB shareholders who have successfully completed the Dematerialisation process will be cancelled, their BKB shares will automatically be converted into Dematerialised Shares and then be transferred to a nominee account controlled by CTSE Registry. CTSE Registry as custodian, will hold BKB shares on behalf of each Shareholder (who will continue to be the beneficial holder thereof). Shareholders will also receive a statement from CTSE Registry post the Listing Date, informing them of the number of BKB Shares held.
- 7.4.3. CTSE Registry will hold such Dematerialised Shares for each Shareholder who will continue to be the beneficial owner thereof. Shareholders will receive a notification (by email) from CTSE Registry once an account has been opened.; and
- 7.4.4. Shareholders will be able to register and open an account with the CTSE Registry Portal, which account may be used by Shareholders to view (but not trade) their portfolios. Shareholders can access the CTSE Registry Portal via the following link: <https://ctsergistry.co.za>.
- 7.4.5. Notwithstanding the Dematerialisation, Shareholders will be entitled to, pursuant to the Listing, rematerialise their Dematerialised Shares to Certificated Shares in accordance with sections 49(6) and 54 of the Companies Act. Shareholders wishing to do this should contact their brokers.

8. CORPORATE ADVISOR AND ISSUER AGENT

BKB has appointed Pallidus Capital Proprietary Limited as Corporate Advisor and Pallidus Exchange Services Proprietary Limited as the External Issuer Agent for the Listing, with its registered address at Die Groenhuis, 38 Garsfontein Road, Waterkloof, 0145 South Africa (www.pallidus.co.za).

BY ORDER OF THE BOARD OF DIRECTORS OF BKB LIMITED

1 March 2022

COMPANY SECRETARY
Mrs. J Oosthuizen

BKB Limited

CORPORATE ADVISOR AND EXTERNAL ISSUER AGENT TO BKB LIMITED

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