

THIS LETTER IS ADDRESSED ONLY TO THOSE SHAREHOLDERS
OF LA CONCORDE REGISTERED IN THE SECURITIES REGISTER
AS AT 8 NOVEMBER 2019 AND HOLDING 9 500 SHARES OR MORE.



Hosken Consolidated Investments Limited

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20 November 2019

Dear Sir/Madam

OFFER TO ACQUIRE YOUR SHARES IN LA CONCORDE HOLDINGS LIMITED ("LA CONCORDE")

1. INTRODUCTION

- 1.1. The securities register of La Concorde reflects that you are currently the registered holder of ordinary shares in La Concorde ("**Shares**").
- 1.2. As at the date of this letter, Hosken Consolidated Investments Limited (Registration No. 1973/007111/06) ("**HCI**") controls approximately 78% of the issued Shares of La Concorde.
- 1.3. La Concorde was formerly known as KVV Holdings Limited, the holding company of KVV South Africa Proprietary Limited, which was one of the leading wine and spirits producers in South Africa. During 2016 the KVV business was sold to a third party controlled by the Vasari Group.
- 1.4. Significant dividends have been paid to shareholders since the sale of the KVV business, and La Concorde's assets now consist primarily of (i) some investment properties (including the La Concorde building and the Laborie wine estate, both situated in Paarl); (ii) an art collection, and (iii) cash, but no material operating business.
- 1.5. While it may historically have been practical for La Concorde to be a public company with several thousand shareholders, following the disposal of the majority of La Concorde's operational assets, this is no longer the case and it has become impractical for La Concorde to continue to comply with the extensive compliance and administrative requirements resulting from it being a public unlisted company.
- 1.6. Shareholders of La Concorde have also indicated that, due to the low liquidity in La Concorde Shares and the lack of an organised trading platform for these Shares, it is very difficult for them to sell their Shares.
- 1.7. HCI, being the ultimate holding company of La Concorde, believes that it would be appropriate to simplify the administration and decision-making processes of La Concorde by reducing the number of shareholders of La Concorde, and wishes to grant certain shareholders of La Concorde the opportunity to sell their Shares in La Concorde.

2. OFFER

- 2.1. In light of the above, HCI hereby offers to acquire your Shares in La Concorde from you for a purchase price of **R3.25** per Share ("**Purchase Price**"), on the terms and subject to the conditions set out in this offer letter (the "**Offer**").
- 2.2. The Purchase Price of R3.25 has been determined based on the following:
 - 2.2.1. La Concorde's securities register reflects that during the past six months, of La Concorde Shares that have been traded, the vast majority was traded at R3.25 per share or less;
 - 2.2.2. The annual financial statements for the year ended 31 March 2019 reflect a net asset value of approximately R3.36 per Share. HCI considers the Purchase Price, which entails a discount of approximately 3.3% to the stated net asset value, appropriate, in light of the limited operating profitability of La Concorde, as well as the limited liquidity in trading of La Concorde Shares.
- 2.3. The latest available summarised statement of financial position and statement of profit or loss of La Concorde is available on the website of La Concorde (<http://laconcordeholdings.co.za/>), for your information.
- 2.4. You should consult your financial adviser or stock broker for advice, if you have any queries relating to the fairness of the Offer made to you.

Directors:

Executive:

Non-Executive:

Company Secretary:

JA Copelyn (Chief Executive Officer) TG Govender JR Nicoletta (Chief Financial Officer) Y Shaik
VE Mphande (Chairman) MSI Gani MF Magugu N Mkhwanazi JG Ngcobo R Watson
HCI Managerial Services (Pty) Limited
Reg. No. 1973/007111/06

3. ACCEPTANCE OF OFFER

- 3.1. The Offer shall be open for acceptance by you until 12:00 on Wednesday, 18 December 2019, or such other date as HCI may determine by notice in writing to you.
- 3.2. You may accept the Offer in respect of some or all of your Shares.
- 3.3. If you wish to accept the Offer, please complete and sign the acceptance letter attached hereto as **Annexure A** ("**Acceptance Letter**").
- 3.4. Once signed, please deliver the following documents to the Transfer Secretaries, Computershare Investor Services Proprietary Limited ("**Computershare**") at the address set out in paragraph 3.6 below:
 - 3.4.1. the originally signed Acceptance Letter;
 - 3.4.2. the original share certificate(s) in respect of the Shares;
 - 3.4.3. a completed and signed share transfer form, in the form attached hereto as **Annexure B**;
 - 3.4.4. proof of your banking details, which can take the form of a cancelled cheque or letter from your bank confirming your bank account details; and
 - 3.4.5. if the Shares are held by a company, close corporation or the trustees of a trust, the resolution of the directors, members or trustees, as the case may be, authorising the acceptance of the Offer.
- 3.5. Should you merely hold the Shares as registered shareholder/nominee/broker/central securities depository participant on behalf of a beneficial interest holder, please ensure that you disclose the terms hereof to the beneficial interest holder and obtain the necessary instructions from that beneficial interest holder. HCI will not engage directly with any beneficial interest holder who is not a registered shareholder, unless expressly requested to do otherwise.
- 3.6. The documents referred to in paragraph 3.4 should be delivered to the following address, to be received by Computershare on or before the date in paragraph 3.1:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown, 2107

- 3.7. If your original share certificate(s) has/have been misplaced, please make contact with Computershare at **011 870 8216** or **0861 100 634** or **GroupAdmin1@Computershare.co.za** who would be able to assist you in obtaining a replacement share certificate(s).
- 3.8. On 20 December 2019, provided that Computershare receives the documentation listed in paragraph 3.4 ("**Effective Date**"), and provided that HCI is satisfied that such documentation is valid:
 - 3.8.1. HCI shall purchase your Shares, *cum* any dividend, distribution and right declared, paid, made or created on or after the Effective Date, but free from all encumbrances;
 - 3.8.2. ownership in your Shares shall pass to HCI and all risk in and benefits attaching thereto shall be deemed to have passed to HCI; and
 - 3.8.3. HCI shall make payment of the full Purchase Price into your nominated bank account.

4. CONTACT DETAILS

If you have any questions regarding the Offer or need assistance in completing any of the documentation listed in paragraph 3.4 above, please do not hesitate to contact **011 870 8216** or **0861 100 634** for assistance.

Yours faithfully

HOSKEN CONSOLIDATED INVESTMENTS LIMITED

Per

The Board of Directors

ACCEPTANCE LETTER

Attention: Computershare Investor Services Proprietary Limited
 Subject: HCI/La Concorde
 Rosebank Towers
 15 Biermann Avenue, Rosebank
 Johannesburg, 2196
 (PO Box 61051, Marshalltown, 2107)

Dear Sirs

ACCEPTANCE OF OFFER TO ACQUIRE SHARES IN LA CONCORDE HOLDINGS LIMITED

1. Capitalised terms defined in the Offer to which this Acceptance Letter is attached shall have the same meanings when used in this Acceptance Letter.

2. I, _____ (Identity No. _____)/OR*
 _____ (Registration No. _____)/OR*

We, the trustees for the time being of _____ (IT No. _____),

*[*populate as applicable]*

(the "Offeree"), being the registered holder of the Shares, hereby irrevocably accept the Offer made by HCI to purchase Shares held by me in La Concorde, being _____ (insert number) Shares, on the terms and conditions set out in the Offer.

Number of certificate	Number of Shares

3. I/we confirm that the purchase price of R3.25 per Share should be paid into the following bank account:

Bank account details:

Bank: _____

Account holder: _____

Account number: _____

Branch: _____

4. I/we enclose herewith the documentation referred to in paragraph 3.4 of the Offer. I/we acknowledge that HCI shall have the right, in its sole discretion, to accept or reject the validity of the documentation provided to prove the validity of my acceptance of the Offer.

5. I/we hereby warrant to and in favour of HCI that, on the Effective Date:

5.1. I/we am/are and will be the sole registered owner(s) of the Shares, and will be entitled to transfer free and unencumbered ownership of the Shares to HCI;

5.2. the Shares will be free of any pledge, lien, hypothec, notarial bond or encumbrance whatsoever; and

5.3. no person will have the right (including any option or right of first refusal) to purchase and/or acquire the Shares.

5.4. I/we have the necessary power, capacity and authority to accept this Offer.

6. I/we hereby choose the following address as my/our address for service of notices and documents in terms of or relating to the Offer:

Physical address: _____

Attention: _____

E-mail address: _____

Yours faithfully

Offeree

Spouse (if married in community of property):

 Name: _____

 Name: _____

 Date: _____

 Date: _____