

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant or other professional adviser immediately. Copies of this circular (in English only) may be obtained from the offices of the sponsor at the address set out on the inside front cover. The definitions and interpretations commencing on page 5 of this circular apply *mutatis mutandis* throughout this circular, including the front cover.

Action required

1. If you have disposed of all of your shares in Caxton, please forward this document to the purchaser of such shares or to the stockbroker, banker or other agent through whom such disposal was effected.
2. Certificated or own-name dematerialised shareholders who are unable to attend the general meeting of shareholders to be held at 10h30 on Friday, 13 December 2019 in the boardroom at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg and wish to be represented thereat, must complete and return the attached Form of Proxy in accordance with the instructions contained therein to the Transfer Secretaries of the Company, Second Floor Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (PO Box 61051, Marshalltown 2107), e-mail address proxy@computershare.co.za so as to be received by them for administrative purposes not later than 10h30 on Wednesday, 11 December 2019.
3. Dematerialised shareholders, other than those with own-name registration, must inform their CSDP or broker of their intention to attend the general meeting in order for such CSDP or broker to be able to issue them with the necessary letters of representation to enable them to attend such meeting or, alternatively, should they not wish to attend the general meeting, they should provide their CSDP or broker with their voting instructions. This must be effected in terms of the agreement entered into between the shareholder and their CSDP or broker.



CAXTON AND CTP publishers and printers **LIMITED**

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1947/022616/06)
Share code: CAT ISIN: ZAE000043345

Circular to shareholders

regarding

- **the cancellation of an incentive share scheme for executive directors, to be implemented by the acquisition of ordinary shares from related parties;**

and incorporating

- **a notice of the General Meeting; and**
 - **the Form of Proxy.**
-

Sponsor



Auditors and
reporting accountants



Attorneys



Independent
Professional Expert



Date of issue: 15 November 2019

CORPORATE INFORMATION

Company secretary and registered office

Jeff Edwards
28 Wright Street
Industria West
Johannesburg, 2093
(PO Box 43587, Industria 2042)

Sponsor

Arbor Capital Sponsors Proprietary Limited
(Registration number 2006/033725/07)
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead 2157
(Suite #439, Private Bag X29, Gallo Manor 2052)

Auditors and reporting accountants

BDO South Africa Inc.
Registration number 1995/002370/21
Practice number 905526
Registered Auditors
Chartered Accountants (SA)
Wanderers Office Park
52 Corlett Drive
Illovo 2196
(Private Bag X10046, Wierda Valley 2146)

Attorneys

Fluxmans Inc.
Registration number 2000/024775/21
30 Jellicoe Avenue
Rosebank 2196
(Private Bag X41, Saxonwold 2132)

Independent Professional Expert

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch 7600
(PO Box 7403, Stellenbosch 7599)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07))
2nd Floor
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
(PO Box 61051, Marshalltown 2107)

CONTENTS

	Page
Corporate information	<i>Inside front cover</i>
Important dates and times	2
Salient features	3
Definitions and interpretations	5
Circular to shareholders	7
1. Introduction	7
2. Purpose of this circular	7
3. Nature of business and prospects	7
4. Ordinary share capital	7
5. The Corporate Action	8
6. Condition precedent relating to the Corporate Action	8
7. Adequacy of capital	8
8. <i>Pro forma</i> financial effects of the Acquisition	9
9. Particulars of directors and their interests	10
10. Opinions and recommendation	11
11. Experts' consents	11
12. Costs	11
13. Directors' responsibility statement	12
14. Material changes	12
15. Litigation statement	12
16. General meeting	12
17. Incorporation by reference	12
18. Documents available for inspection	13
Annexure 1 Independent Professional Expert's opinion on the Corporate Action	14
Annexure 2 <i>Pro forma</i> financial statements of Caxton for the financial year ended 30 June 2019	19
Annexure 3 Reporting Accountants' limited assurance report on the <i>pro forma</i> financial effects of the Corporate Action on Caxton	23
Notice of General Meeting	26
Form of Proxy (blue) for use by Caxton shareholders	<i>Attached</i>
<i>(Certificated and own-name dematerialised shareholders only)</i>	

IMPORTANT DATES AND TIMES

2019

Record date for Shareholders to be entitled to receive this Circular	Friday, 1 November
Circular including notice of General Meeting to consider the Corporate Action distributed to Shareholders	Friday, 15 November
Notice convening the General Meeting released on SENS on	Friday, 15 November
Notice convening the General Meeting published in the press on	Monday, 18 November
Last day to trade Shares in order to be eligible to vote at the General Meeting	Tuesday, 3 December
Record date to vote at the General Meeting	Friday, 6 December
Proxy forms requested to be lodged for administrative purposes with Transfer Secretaries by 10h30 on	Wednesday, 11 December
Proxy forms not lodged with Transfer Secretaries to be handed to the chairman of the General Meeting before 10h30 on	Friday, 13 December
General Meeting of Shareholders to be held at 10h30 on	Friday, 13 December
Results of General Meeting released on SENS on	Friday, 13 December
Results of General Meeting published in the press on	Tuesday, 17 December

Notes:

1. The dates and times set out above are subject to change. Any such change will be released on SENS and published in the press.
2. Dematerialised Shareholders, other than those with Own-Name registration, must inform their CSDP or broker of their intention to attend the General Meeting in order for such CSDP or broker to be able to issue them with the necessary letters of representation to enable them to attend such meeting or, alternatively, should they not wish to attend the General Meeting, they should provide their CSDP or broker with their voting instructions. This must be effected in terms of the agreement entered into between the Shareholder and the CSDP or broker.

SALIENT FEATURES

The salient features and actions required should be read in conjunction with this circular as a whole for a full appreciation thereof. The definitions and interpretations commencing on page 5 of this circular apply to the salient features.

1. INTRODUCTION

- 1.1 On 29 October 2019 Caxton announced that the Agreement had been concluded and the Boards had resolved to implement the Corporate Action.
- 1.2 Implementation of the Corporate Action requires the approval of the Shareholders in the General Meeting, by way of ordinary and special resolutions.
- 1.3 This Circular provides the Shareholders with details of the Corporate Action and contains a notice convening the General Meeting and the special and ordinary resolutions required for implementation of the Corporate Action.

2. THE CORPORATE ACTION

Subject to fulfilment of the Condition Precedent set out in paragraph 6 of this Circular, in terms of the Corporate Action, the Scheme will be cancelled and CTP will acquire the Corporate Action Shares from the Related Parties for a consideration of R15 per share, being the original subscription price of the Corporate Action Shares upon their issue. This will enable the Related Parties to repay the financial assistance of R14,75 per Share extended to them. The balance of R6 million will be retained by the Greyling Trust and the Holden Trust in equal shares.

3. RATIONALE FOR THE CORPORATE ACTION

On 8 October 2015 the shareholders of the Company approved the issue of the Corporate Action Shares to the Related Parties at an issue price of R15 per Share in terms of a proposed retention incentive scheme for Greyling and Holden. In addition, financial assistance was granted to the Related Parties to enable them to acquire the Corporate Action Shares.

Since then, the share price of the Shares of the Company has ranged between R19,00 and R6,71 per Share, currently R7,45 per share, and the issue of the Corporate Action Shares has therefore not achieved the desired objective for the Company.

The Boards have accordingly determined that the Company should cancel the Scheme by way of the Corporate Action.

4. **GENERAL MEETING AND ACTION REQUIRED**

The General Meeting will be held in the boardroom at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10h30 on Friday, 13 December 2019, to consider and pass the special and ordinary resolutions necessary to approve the Corporate Action. A notice convening the General Meeting is contained in this Circular as well as a Form of Proxy for those Certificated and Own-Name Dematerialised Shareholders who will be unable to attend the General Meeting but wish to be represented thereat. The Related Parties will be excluded from voting on the Corporate Action.

Certificated or Own-Name Dematerialised Shareholders who are unable to attend the General Meeting but wish to be represented thereat are requested to complete the attached Form of Proxy and return it in accordance with the instructions and notes contained therein to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (PO Box 61051, Marshalltown 2107), e-mail address proxy@computershare.co.za so as to be received for administrative purposes by not later than 10h30 on Wednesday, 11 December 2019.

In terms of the custody agreements entered into by Dematerialised Shareholders and their CSDPs or brokers:

- Dematerialised Shareholders, other than Own-Name Dematerialised Shareholders, who wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary letters of representation to attend the General Meeting.
- Dematerialised Shareholders, other than Own-Name Dematerialised Shareholders, who wish to be represented at the General Meeting by way of proxy, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures thereto, unless otherwise stated or the context indicates a contrary intention, the following expressions shall have the meanings set out opposite them. Cognate expressions bear corresponding meanings, words denoting one gender shall import and include the others, natural persons shall import and include juristic persons and *vice versa* and the singular shall import and include the plural and *vice versa*, as follows:

“the Acquisition”	the acquisition by CTP of the Corporate Action Shares, pursuant to the cancellation of the Scheme;
“the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“the Agreement”	collectively, the agreements dated 25 October 2019 concluded between the Company and the Related Parties regarding the Corporate Action;
“the Boards” or “the Directors”	the boards of directors of Caxton and CTP in office from time to time;
“Caxton” or “the Company”	Caxton and CTP Publishers and Printers Limited, registration number 1947/026616/06, a company incorporated in Pretoria, South Africa on 3 September 1947, and listed on the JSE;
“CTP”	CTP Limited, a wholly-owned subsidiary of Caxton, registration number 1971/004223/06, a company incorporated in South Africa;
“Certificated Shareholders”	Shareholders holding Shares represented by a Document of Title;
“the or this Circular”	this document dated Friday, 15 November 2019 including the notice of General Meeting and the Form of Proxy;
“the Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
“the Condition Precedent”	the condition precedent set out in paragraph 6 of this Circular;
“the Corporate Action”	collectively, the cancellation of the Scheme and the Acquisition, which will result in the Corporate Action Shares temporarily being classified as treasury shares, as contemplated in Section 48(2)(b) of the Act, and thereafter immediately sold to Caxton, whereupon the Corporate Action Shares will be cancelled and added back to the authorised but unissued share capital of the Company;
“the Corporate Action Shares”	8 000 000 Shares held by the Greyling Trust and the Holden Trust;
“CSDP”	a Central Securities Depository Participant as defined in the Financial Markets Act, 2012 (Act 19 of 2012);
“Dematerialised” or “Dematerialisation”	the process in terms of which securities held by Certificated Shareholders are converted into electronic form and held by a CSDP or broker;
“Dematerialised Shareholders”	Shareholders who hold Shares which have been Dematerialised;
“Documents of Title”	Share certificates, certified transfer deeds, balance receipts or any other documents of title;
“Form of Proxy”	the Form of Proxy (<i>blue</i>) attached to and forming part of this Circular;
“the General Meeting”	the general meeting of the Shareholders to be held at 10h30 on Friday, 13 December 2019;

“Greyling”	Petrus Gerhardus Greyling, identity number 570423 5010 081, the Deputy Managing Director of the company and a trustee and Beneficiary of the Greyling Trust;
“the Greyling Trust”	the Greyling Family Share Trust, IT 1199/2015 G, the trustees of which are currently Greyling, MJ Prinsloo and PM Jenkins. The beneficiaries of the Greyling Trust are Greyling, his wife, children and grandchildren;
“the Group”	Caxton and all of its subsidiaries;
“Holden”	Timothy John William Holden, identity number 640808 5103 082, the Managing and Financial Director of the company and a trustee and Beneficiary of the Holden Trust;
“the Holden Trust”	the Holden Family Share Trust, IT 1025/2015 G, the trustees of which are currently Holden, DW Boonzaaier and ME Koenig. The beneficiaries of the Holden Trust are Holden, his wife, children, grandchildren and father;
“the IPE”	the Independent Professional Expert appointed by the Company, namely PSG Proprietary Limited, registration number 2006/015816/07, a company incorporated in South Africa;
“the JSE”	the Johannesburg Stock Exchange, operated under licence as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012) by JSE Limited, registration number 2005/022939/06, a company incorporated in South Africa;
“the Listings Requirements”	the Listings Requirements of the JSE in force from time to time;
“Own-Name Registration”	Dematerialised Shareholders who have registered their Shares with a CSDP in their own name;
“the Related Parties”	Greyling, Holden, the Greyling Trust and the Holden Trust;
“SENS”	the Stock Exchange News Service operated by the JSE;
“the Scheme”	the executive share retention scheme approved by the Shareholders at a general meeting held on Thursday, 8 October 2015;
“the Shares”	ordinary shares in Caxton with a par value of 2,5 cents each;
“the Shareholders”	the holders of the Shares;
“South Africa”	the Republic of South Africa;
“Strate”	the electronic clearing and settlement system used by the JSE and operated by Strate Proprietary Limited, registration number 1998/022242/07, a company incorporated in South Africa;
“the Transfer Secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a company incorporated in South Africa; and
“the Trusts”	the Greyling Trust and the Holden Trust.



CAXTON AND CTP publishers and printers **LIMITED**

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1947/022616/06)
Share code: CAT ISIN: ZAE000043345

Directors

PM Jenkins * (Chairman)
TD Moolman (Chief Executive Officer)
TJW Holden (Managing and Financial Director)
PG Greyling (Deputy Managing Director)
ACG Molusi *
NA Nemukula *
JH Phalane *
T Slabbert *

* Independent non-executive

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

On 29 October 2019 Caxton announced that the Boards had resolved to implement the Corporate Action in accordance with the Agreement.

Implementation of the Corporate Action requires the approval of the Shareholders at the General Meeting, by way of special and ordinary resolutions.

2. PURPOSE OF THIS CIRCULAR

This Circular provides the Shareholders with details of the Corporate Action and contains a notice convening the General Meeting and the special and ordinary resolutions required for implementation of the Corporate Action.

3. NATURE OF BUSINESS AND PROSPECTS

The Group is involved in the publishing and printing of newspapers and magazines, manufacture and distribution of stationery, packaging and labels and the distribution of media products. The Corporate Action will have no effect on the business of the Group, other than to cancel the Scheme, which has not achieved the desired objectives of the Company.

4. ORDINARY SHARE CAPITAL

On Friday, 1 November 2019, the last practicable date before the issue of this Circular, the authorised and issued ordinary share capital of the Company was:

Authorised

1 200 000 000 ordinary shares of 2,5 cents each R30 000 000

Issued

386 713 640 ordinary shares of 2,5 cents each R9 668 000

Share premium R261 814 000

The issued share capital excludes 267 967 shares held by the Company which have been repurchased and cancelled, but not yet delisted.

Assuming implementation of the Corporate Action, the authorised and issued ordinary share capital of the Company will be:

Authorised

1 200 000 000 ordinary shares of 2,5 cents each R30 000 000

Issued

378 713 640 ordinary shares of 2,5 cents each R9 468 000

Share premium R142 014 000

The issued share capital excludes 267 967 shares held by the Company which have been repurchased and cancelled, but not yet delisted.

5. THE CORPORATE ACTION

Subject to fulfilment of the Condition Precedent set out in paragraph 6 of this Circular, in terms of the Corporate Action, the Scheme will be cancelled and CTP will acquire the 8 000 000 Corporate Action Shares from the Greyling Trust and the Holden Trust for a consideration of R15 per share, being the original subscription price for the Corporate Action Shares upon their issue. Implementation of the Corporate Action will entail the payment of R120 million to the Trusts, which will enable them to repay the financial assistance of R14,75 per Share extended to them, while the balance of R6 million will be retained in equal shares by the Trusts.

CTP is entitled in terms of Section 48(2)(b) of the Act to acquire the Corporate Action Shares and, immediately after implementation of the Corporate Action, will sell the Corporate Action Shares to Caxton, whereupon the Corporate Action Shares will automatically be cancelled and returned to authorised but unissued share capital in Caxton.

The Listings Requirements require that the Corporate Action be approved by way of a special resolution, which requires approval by at least 75% of the number of votes exercisable by Shareholders, present in person or by proxy, at the General Meeting. The quorum for the General Meeting is 25% of the issued share capital of the Company. The Related Parties and their associates will be precluded from voting at the General Meeting.

As the consideration for the Acquisition will be at a premium to the 30-day Volume Weighted Average Price of the Corporate Action Shares, and in addition will be from the Related Parties, the Listings Requirements require the issue of an opinion by the IPE as to whether the Corporate Action is fair to the Shareholders, which opinion is set out in Annexure 1 to this Circular. As that opinion is that the Corporate Action is not fair to the Shareholders, the Corporate Action is treated as a related party transaction and not a small related party transaction in terms of the Listings Requirements.

6. CONDITION PRECEDENT TO THE CORPORATE ACTION

The Corporate Action is subject only to approval of the Corporate Action by the Shareholders at the General Meeting.

7. ADEQUACY OF CAPITAL

The consideration for the Corporate Action will be settled out of current cash reserves.

The Directors have considered the impact of the Corporate Action and are of the opinion that, for a period of 12 months after the date of approval of this Circular:

- the provisions of Sections 4 and 48 of the Act will have been complied with;
- the Company and the Group will be able to pay their respective debts as they become due in the ordinary course of business;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited consolidated financial statements of the Company and the Group;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;

- the working capital of the Company and the Group will be adequate for ordinary business purposes.

In addition, the Boards have by resolutions in terms of Section 46(1)(a)(ii) of the Act:

- authorised the Corporate Action; and
- acknowledged that they have applied the solvency and liquidity test, confirmed that there have been no material changes to the financial position of the Company and the Group since the test was applied and has reasonably concluded that the Company and the Group will satisfy the solvency and liquidity test immediately after completing the Corporate Action in terms of Section 46(1)(c) of the Act.

8. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

Annexure 2 to this Circular contains the *pro forma* financial statements of the Group for the financial year ended 30 June 2019. The audited financial statements of the Group for the financial year are available on the website of the Company as more fully detailed in paragraph 17 below.

The table below sets out the *pro forma* financial effects of the Acquisition on Caxton's earnings per Share, headline earnings per Share, net asset value per Share and net tangible asset value per Share on the most recently published audited financial results of the Company for the financial year ended 30 June 2019. The financial effects are the responsibility of the Directors of the Company, are prepared for illustrative purposes only and, because of their nature, may not fairly present the financial position of the Company, changes in its equity or the results of its operations or cash flows after the Acquisition.

Annexure 3 contains the limited assurance report of BDO South Africa Inc., the reporting accountants, on the *pro forma* financial effects of the Acquisition.

	Audited to 30 June 2019	Adjustments	Notes	After the Acquisition	% Increase/ (decrease)
EPS (cents)	86,7	8,3	1	95,0	9,6
Diluted EPS (cents)	86,7	8,3	1	95,0	9,6
HEPS (cents)	101,6	8,5	1	110,1	8,4
Diluted HEPS (cents)	101,6	8,5	1	110,1	8,4
NAV per share (cents)	1 484	6,0	2	1 490	0,4
NTAV per share (cents)	1 442	6,0	2	1 448	0,4
Weighted average number of ordinary shares in issue	387 422 175	(8 000 000)	3	379 422 175	(2,1)
Number of ordinary shares in issue	386 713 640	(8 000 000)	3	378 713 640	(2,1)

Notes:

1. Adjusted for:

- Deemed interest on loans to directors not received for the year. The loans extended to the Trusts were present valued at the time that they were put in place. With the effluxion of time, the interest unwind in respect of the loans has been recorded by Caxton as deemed interest income.
- R120 million paid for the Acquisition. R114 million received as repayment of loans to directors.
- Interest not earned on net cash outflow of R6 million, calculated at 5,9% per annum.
- Upfront payment of deemed interest on loans to directors, being R114 million received as repayment of loans to directors, less the balance of R84,269 million as at 1 July 2018.
- Transaction costs in respect of the Corporate Action amounting to R0,52 million.
- Payment of Securities Transfer Tax amounting to R0,3 million.
- Normal tax at 28% raised on interest not earned on R6 million cash outflow, but not on transaction costs.

2. Adjusted for:

- 8 million Shares acquired for cash at R15 per Share, totalling R120 million.
- R114 million received in cash as repayment of loans to directors.
- Upfront payment of deemed interest on loans to directors, being R114 million received as repayment of loans to directors, less the balance of R88,609 million as at 30 June 2019.
- Transaction costs in respect of the Corporate Action amounting to R0,52 million.
- Payment of Securities Transfer Tax amounting to R0,3 million.
- Normal tax at 28% not raised on transaction costs.

3. Adjusted for 8 million Shares acquired by CTP, and in turn acquired from CTP by Caxton and cancelled.

9. PARTICULARS OF DIRECTORS AND THEIR INTERESTS

The full names, ages, addresses and occupations of the Directors of the Company are as follows:

Name	Business address	Occupation
Jenkins, Paul Michael (60)	Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg	Director of companies and independent non-executive Chairman of Caxton
Moolman, Terrence Desmond (75)	Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg	Chief Executive Officer of Caxton
Greyling, Petrus Gerhardus (62)	Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg	Deputy Managing Director of Caxton
Holden, Timothy John William (55)	Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg	Managing and Financial Director of Caxton
Molusi, Andrew Conway Gaorekwe (57)	23 Impala Road, Chislehurst, Sandton	Director of companies and independent non-executive director of Caxton
Nemukula, Albert Ntavhanyeni (64)	1 Amanda Avenue, Lea Glen, Florida, Roodepoort	Director of companies and independent non-executive director of Caxton
Phalane, Jack Howard (44)	30 Jellicoe Avenue, Rosebank, Johannesburg	Director of companies and independent non-executive director of Caxton
Slabbert, Tania (52)	1 st Floor, 28 Fricker Road, Illovo, Johannesburg	Director of companies and independent non-executive director of Caxton

The above Directors are all South African citizens.

Implementation of the Corporate Action will not result in any direct change to the Directors and management or directors' remuneration.

Directors' interests in transactions

None of the directors of Caxton have any beneficial interest (directly or indirectly) in any transactions that were effected by the Company or the Group in the current or preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

Directors' interests in securities

On Friday, 1 November 2019, being the last practicable date prior to the finalisation of this Circular, the direct and indirect beneficial interests of the Directors and their associates in the share capital of Caxton were as follows:

Director	Direct	Indirect	%
PG Greyling	1 317 380	4 000 000	1,37
TJW Holden	–	4 000 000	1,03
PM Jenkins	8 000	–	–
TD Moolman	–	3 975 695	1,03
Total	1 325 380	11 975 695	3,43

Apart from the 8 000 shares inherited by PM Jenkins in September 2019, there have been no changes to the beneficial interests of the Directors and their associates between 30 June 2019, the end of the last financial year, and the date of this Circular.

The Moolman Coburn Partnership, through various intermediate companies controlled by it, controls Caxton Holdings Proprietary Limited, which holds 42,91% (30 June 2019: 42,84%) of the issued ordinary share capital of Caxton. The Moolman Coburn Partnership and its intermediate companies control an additional 5,32% (30 June 2019: 5,32%) and its associates acting in concert hold a further 3,08% (30 June 2019: 3,07%) of the issued ordinary shares of Caxton. It therefore controls a total of 51,31% (30 June 2019: 51,23%) of the issued ordinary share capital of Caxton.

As at 30 June 2019, and at the date of issue of this Circular, Caxton Holdings Proprietary Limited and Allan Gray Balanced Fund were the only shareholders holding in excess of 5% of Caxton's share capital.

10. **OPINIONS AND RECOMMENDATION**

With the Corporate Action Shares that were subscribed for by the special purpose trusts of Greyling and Holden in 2015 currently being significantly out of the money, the Scheme no longer serves the purpose for which it was intended. The unwinding of the Scheme by way of the Corporate Action results in R120 million being spent to acquire the Corporate Action Shares, with R114 million being repaid to Caxton by the Greyling Trust and the Holden Trust. The net effect of the Corporate Action is an outlay of R6 million now, but a saving on dividends of R4,8 million per annum (based on the present dividend per Share of 60 cents) going forward, as well as a reduction in the number of Shares in issue that will positively impact on future earnings per Share.

The Board, excluding Greyling and Holden, is accordingly of the opinion that the Corporate Action is in the best interests of the Company and the Shareholders in the longer term, and accordingly recommends that the Shareholders vote in favour of the resolutions to be proposed at the General Meeting. The Directors, excluding Greyling and Holden, intend to vote in favour of the resolutions in respect of the Shares held by them.

The IPE, a copy of whose report is reflected in Annexure 1 to this Circular, has advised the board that the terms and conditions of the Corporate Action are in its opinion not fair to Shareholders.

11. **EXPERTS' CONSENTS**

The reporting accountants and the IPE have consented in writing to the inclusion of their reports in the form and context in which they appear in this Circular, and had not withdrawn such consent prior to the date of issue of the Circular. In addition, the attorneys, sponsor and Transfer Secretaries have consented in writing to the inclusion of their names in this Circular, and had not withdrawn such consents prior to the date of issue of the Circular.

12. **COSTS**

The costs to be incurred by Caxton pursuant to the Corporate Action are estimated at approximately R0,54 million (exclusive of VAT) made up as follows:

	R
Arbor Capital Sponsors Proprietary Limited – JSE documentation and sponsor services	200 000
BDO South Africa – accounting services	40 000
Computershare Investor Services Proprietary Limited – secretarial services	28 000
Fluxmans Inc. – legal services	30 000
Ince Proprietary Limited – printing, advertising and distribution	65 000
PSG Capital Proprietary Limited – opinion	135 000
JSE – documentation inspection fees	43 336
TOTAL (estimate)	541 336

There have been no preliminary expenses incurred by the Company in the three years preceding the date of this Circular.

13. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company, whose names are given on pages 7 and 10 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

14. **MATERIAL CHANGES**

There have been no material changes in the financial or trading position of the Group since the publication of the financial statements for the financial year ended 30 June 2019.

15. **LITIGATION STATEMENT**

There are no legal or arbitration proceedings, including any proceedings which are pending or threatened, of which the Directors are aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

16. **THE GENERAL MEETING**

The General Meeting will be held in the boardroom at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10h30 on Friday, 13 December 2019, to consider and pass the special and ordinary resolutions necessary to implement the Corporate Action. A notice convening the General Meeting is contained in this Circular as well as a Form of Proxy for those Certificated and Own-Name Dematerialised Shareholders who will be unable to attend the General Meeting but wish to be represented thereat. The Related Parties will be excluded from voting on the Corporate Action.

Certificated or Own-Name Dematerialised Shareholders who are unable to attend the General Meeting but wish to be represented thereat are requested to complete the attached Form of Proxy and return it in accordance with the instructions and notes contained therein to the Transfer Secretaries at 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (PO Box 61051, Marshalltown 2107), e-mail address proxy@computershare.co.za to be received for administrative procedures by not later than 10h30 on Wednesday, 11 December 2019, or handed to the chairman of the General Meeting by not later than 10h30 on Friday, 13 December 2019.

In terms of the custody agreements entered into by Dematerialised Shareholders and their CSDPs or brokers:

- Dematerialised Shareholders, other than Own-Name Dematerialised Shareholders, that wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary letters of representation to attend the General Meeting;
- Dematerialised Shareholders, other than Own Name Dematerialised Shareholders, that wish to be represented at the General Meeting by way of proxy, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

17. **INCORPORATION BY REFERENCE**

The financial information set out below is incorporated in this Circular by reference, and can be accessed on the website of the Company at www.caxton.co.za. It is also available for inspection by Shareholders and/or prospective investors, free of charge, at the registered office of the Company, during business hours between 15 November and 13 December 2019:

Item

Annual financial statements of the Company and the Group for the financial year ended 30 June 2019

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available during normal business hours for inspection by the Shareholders from Friday, 15 November 2019 to Friday, 13 December 2019 at the registered office of Caxton at 28 Wright Street, Industria West, Johannesburg:

- 18.1 the Memoranda of Incorporation of the Company and its major subsidiaries;
- 18.2 the Agreement;
- 18.3 the audited annual financial statements of the Company and the Group for the three years ended 30 June 2017, 30 June 2018 and 30 June 2019;
- 18.4 the report of the IPE on the Corporate Action and its written consent on the publication of the report in the form and context in which it appears in this Circular;
- 18.5 the limited assurance report of the reporting accountants on the *pro forma* financial statements of the Company for the financial year ended 30 June 2019 and their written consent to the publication of the report in the form and context in which it appears in this Circular; and
- 18.6 the written consents of the attorneys, sponsor and Transfer Secretaries to the use of their names in the form and context in which they appear in this Circular.

By order of the board

Signed on behalf of all the directors of the Company in terms of a board resolution dated 25 October 2019 and separate powers of attorney by the Directors.

TD Moolman
Chief Executive Officer

Johannesburg
15 November 2019

INDEPENDENT PROFESSIONAL EXPERT'S OPINION ON THE CORPORATE ACTION

11 November 2019

The Directors
Caxton and CTP Publishers and Printers Limited
28 Wright Street
Industria West
Johannesburg
2093

Dear Sirs

INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE SPECIFIC REPURCHASE OF SHARES BY CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED FROM RELATED PARTIES

1. INTRODUCTION

During 2015, Caxton and CTP Publishers and Printers Limited ("**Caxton**" or the "**Company**") implemented a share incentive scheme ("**Share Scheme**") to incentivise and retain two of its key executives. In terms of the Share Scheme, the Holden Family Share Trust and the Greyling Family Trust (together the "**Family Trusts**") subscribed for 8 million Caxton shares in aggregate ("**Subscription Shares**") at R15.00 per share ("**Subscription Price**"), amounting to a total subscription consideration of R120 million (the "**Share Subscription**"). In terms of loan agreements entered into between Caxton and the Family Trusts, interest-free loans were granted to the Family Trusts amounting to R114 million to enable them to subscribe for the Subscription Shares ("**Loan Agreements**"), whilst the Family Trusts contributed R6 million for the Share Subscription ("**Own Contributions**").

As the Caxton share currently trades at a price significantly below the Subscription Price, the Share Scheme did not achieve the desired outcome for the Company. As such, the board of directors (the "**Board**") of Caxton has entered into share incentive scheme cancellation agreements (the "**Share Incentive Scheme Cancellation Agreements**"), in terms of which the Subscription Shares held by the Family Trusts will be repurchased by way of a specific repurchase of shares (the "**Specific Repurchase**"). The Specific Repurchase will be implemented by CTP Limited ("**CTP**"), a wholly-owned subsidiary of Caxton, at a price of R15.00 per share ("**Repurchase Consideration**"), amounting to a total Repurchase Consideration of R120 million. Following the Specific Repurchase, Caxton will acquire the Subscription Shares from CTP and cancel the Subscription Shares.

In terms of the Loan Agreements, the Family Trusts are obliged to make repayment to Caxton, on the sale or disposal of the Subscription Shares. From such proceeds of any sale or disposal, the Family Trusts shall pay Caxton an amount of R14.25 for every such Subscription Share so sold or disposed of. As such, the Repurchase Consideration will be applied by the Family Trusts to repay the R114 million debt outstanding in terms of the Loan Agreements ("**Loan Repayment**"). The net cash outflow for Caxton as a result of the Specific Repurchase and Loan Repayment amounts to R6 million, being equal to the Family Trust's Own Contributions.

As the Repurchase Consideration will be at a premium to the 30-day volume weighted average price ("**VWAP**") of a Caxton share, and in addition will be repurchased from related parties as defined in the JSE Limited Listings Requirements ("**Listings Requirements**"), a fairness opinion is required from an independent professional expert, in terms of section 5.69(e) of the Listings Requirements.

2. SCOPE

The Board is required in terms of the Listings Requirements to obtain a fairness opinion from an independent professional expert as to whether the terms and conditions of the Specific Repurchase are fair as far as the shareholders of Caxton are concerned.

PSG Capital Proprietary Limited (“**PSG Capital**”) has been appointed by the Board as the independent professional expert to advise, in accordance with the Listings Requirements on whether the terms and conditions of the Specific Repurchase are fair to Caxton shareholders.

3. **RESPONSIBILITY**

Compliance with the Listings Requirements is the responsibility of the Board. Our responsibility is to report on the terms of the Specific Repurchase as they relate to Caxton shareholders.

We confirm that our fairness opinion has been provided to the Board for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of the Caxton shareholders. We understand that the results of our work will be used by the Board to satisfy the requirements of the Listings Requirements.

4. **DEFINITION OF THE TERM “FAIR”**

In terms of Schedule 5 of the Listings Requirements, fairness is primarily based on quantitative factors. The Specific Repurchase will generally be considered fair to Caxton shareholders if the value attributable to Caxton on a per share basis, following the Specific Repurchase, is equal to or greater than the value prior to the Specific Repurchase.

We have applied the aforementioned principle in preparing our opinion on the Specific Repurchase. This fairness opinion does not purport to cater for individual shareholders’ positions but rather the general body of shareholders subject to the Specific Repurchase. A shareholder’s decision regarding fairness of the terms of the Specific Repurchase may be influenced by his or her particular circumstances. Should a shareholder be in doubt, he or she should consult an independent adviser as to the merits of the Specific Repurchase, considering his/her personal circumstances.

5. **SOURCES OF INFORMATION**

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Caxton management (“**Management**”) and from various public, financial and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in arriving at our opinion, include:

- The draft circular to Caxton shareholders in relation to the Specific Repurchase to be issued on or about 12 November 2019 (the “**Circular**”);
- The Loan Agreements entered into between Caxton and the Holden Family Trust dated 8 June 2015 and Caxton and the Greyling Family Share Trust dated 9 June 2015;
- The share subscription agreement entered into between Caxton and the Holden Family Trust dated 8 June 2015;
- The share subscription agreement entered into between Caxton and the Greyling Family Share Trust dated 9 June 2015;
- The Share Incentive Scheme Cancellation Agreements;
- The tax opinion on the cancellation of the Share Scheme prepared by Werksmans Attorneys dated 14 October 2019 (“**Tax Opinion**”);
- The audited financial statements of Caxton for the financial years ended 30 June 2016, 30 June 2017 and 30 June 2018;
- The reviewed condensed annual financial statements of Caxton for the financial year ended 30 June 2019;
- Extracts from the Caxton management accounts for two months ended 31 August 2019;
- The forecast financial information of Caxton for the financial years ending 30 June 2020, 30 June 2021 and 30 June 2022;
- Other financial and non-financial information and assumptions made by Management regarding the operations of Caxton and the financial effects of the Specific Repurchase on Caxton earnings;
- Discussions with independent Caxton directors and Management regarding the financial information relating to prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Specific Repurchase;
- Publicly available information relating to Caxton that we deemed relevant; and
- Publicly available information relating to the industry in which Caxton operates that we deemed relevant, including company announcements, analysts’ reports and media articles.

6. ASSUMPTIONS

We have arrived at our opinion based on the following assumptions:

- That the terms and conditions of the Specific Repurchase are legally enforceable;
- That reliance can be placed on the historical and forecast financial information of Caxton used in our analysis;
- The current economic, regulatory and market conditions will not change materially; and
- The Specific Repurchase will not give rise to any undisclosed tax liabilities.

7. APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Considering the historical trends of information and assumptions provided by Management;
- Comparing and corroborating such information and assumptions with external sources of information, to the extent available; and
- Determining the extent to which representations from Management and other industry experts were confirmed by documentary evidence as well as our understanding of Caxton and the economic environment in which it operates.

8. PROCEDURES

In arriving at our opinion, we relied upon financial and other information, obtained from Management together with industry-related and other information in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

In arriving at our opinion we have, *inter alia*, undertaken the following procedures in evaluating the fairness of the Specific Repurchase:

- Reviewed and analysed the historical and forecast financial information for Caxton;
- Reviewed the terms and conditions of the various agreements noted above;
- Reviewed the Tax Opinion;
- Reviewed the reasonableness of the information made available by and from discussions held with Management including, *inter alia*:
 - the rationale for the Specific Repurchase, including the impact of the Specific Repurchase on Caxton's earnings;
 - the events leading up to the Specific Repurchase;
 - the current market conditions relating to Caxton; and
 - such other matters as we considered necessary.
- Where relevant, corroborated representations made by Management to source documents;
- Reviewed certain publicly available information relating to Caxton that we deemed relevant;
- Performed a valuation of Caxton on a per share basis;
- Obtained a letter of representation from Management asserting that we have been provided with all relevant information and that no material information was omitted and that all such information provided to us is accurate in all respects [outstanding]; and
- Considered other relevant facts and information relevant to concluding this opinion.

9. VALUATION METHODOLOGY

In considering the Specific Repurchase, PSG Capital performed an independent valuation of Caxton, applying the discounted cash flow (“**DCF**”) valuation as primary methodology and a market multiple valuation as secondary methodology.

Key internal and external value drivers include, *inter alia*:

- revenue growth assumptions;
- direct and indirect cost growth assumptions;
- working capital assumptions; and
- forecast capital expenditure requirement assumptions.

Key internal drivers directly impact the profitability and cash generated by the Company. Any decrease in the profitability and cash generated by the Company will result in a decrease in the value attributable to Caxton and *vice versa*.

The key value drivers as set out above are influenced by various factors, including, *inter alia*:

- changes in the South African media industry and related market conditions.

Sensitivity analyses were conducted, where practical, utilising key value drivers as noted above. A variance range of 0.5% up and down in the discount rate applied and a 0.5x variance up and down in the exit multiple applied in the DCF valuation of the Company, resulted in a variation range on the calculated value of Caxton of 1.1% and 9.6% respectively.

10. OPINION

We have considered the terms of the Specific Repurchase as set out above, and our opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by Management.

Based on the results of our procedures and analysis performed and after taking into account all financial considerations, we are of the view, subject to the limiting conditions as set out below, that the Specific Repurchase at a Repurchase Consideration of R15.00 per share is in excess of PSG Capital's fair value range per Caxton share, and accordingly, we are of the opinion that the Specific Repurchase is not fair to Caxton shareholders.

11. LIMITING CONDITIONS

This opinion is provided to the Board in connection with and for the purpose of the Specific Repurchase for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of the Caxton shareholders. This opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

The forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those forecasted by the Management.

We relied upon the accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the historical and forecast financial and other information provided to us, our engagement does not constitute nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the Specific Repurchase.

The opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof.

We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the Specific Repurchase have been or will be properly fulfilled. Subsequent developments may affect our opinion, however, we are under no obligation to update, revise or re-affirm such.

12. **INDEPENDENCE**

We have been retained by the Board as an independent expert to advise the Board in connection with the Specific Repurchase. We confirm in terms of Schedule 5 of the Listings Requirements that we have no material interest, direct or indirect, beneficial or non-beneficial in Caxton and that our fees are not contingent upon the success or failure of the Specific Repurchase.

13. **CONSENT**

We hereby consent to the inclusion of this opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the Specific Repurchase.

Yours faithfully

RIAAAN VAN HEERDEN
PSG CAPITAL PROPRIETARY LIMITED

PRO FORMA FINANCIAL STATEMENTS OF CAXTON FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

IMPACT OF THE CORPORATE ACTION ON THE AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2019

Set out below is the:

- unaudited *pro forma* statement of profit or loss and other comprehensive income for the year ended 30 June 2019 illustrating the effects of the Corporate Action on the assumption that the Corporate Action had been implemented on 1 July 2018; and
- unaudited *pro forma* statement of financial position as at 30 June 2019 illustrating the effects of the Corporate Action on the assumption that the Corporate Action had been implemented on 30 June 2019.

The unaudited *pro forma* financial information set out below is the responsibility of the directors of Caxton and has been prepared for illustrative purposes only to illustrate the effects of the corporate action on Caxton's financial position. Due to the nature of the *pro forma* financial information, it may not fairly present the financial position of the company, changes in its equity or the results of its operations or cash flows after the corporate action. An independent reporting accountants' assurance report on the unaudited *pro forma* financial information is included in Annexure 3.

AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

R'000	Audited 12 months to 30 June 2019	Pro forma adjustments	Pro forma after the Corporate Action	% change
Revenue	6 320 895	–	6 320 895	
Other operating income	114 306	–	114 306	
Total operating income	6 435 201	–	6 435 201	
Changes in inventories of finished goods and work in progress	67 075	–	67 075	
Raw materials and consumables used	2 860 826	–	2 860 826	
Staff costs	1 505 151	–	1 505 151	
Other operating expenses	1 348 489	841	1 349 330	
Total operating expenses	5 781 541	841	5 782 382	
Profit from operating activities before depreciation and amortisation	653 660	(841)	652 819	
Depreciation and amortisation	288 560	–	288 560	
Profit from operating activities after depreciation and amortisation	365 100	(841)	364 259	
Impairment of goodwill	1 182	–	1 182	
Loss on step acquisition of Cognition Holdings	37 212	–	37 212	
Impairment of loans	2 105	–	2 105	
Impairment of plant	26 136	–	26 136	
Profit from operating activities	298 465	(841)	297 624	
Finance income	140 455	(354)	140 101	
Finance costs	1 338	–	1 338	
Loss on foreign exchange	10 204	–	10 204	
Deemed interest on loans to directors	4 340	25 391	29 731	
Income from associates	20 214	–	20 214	
Profit before taxation	451 932	24 196	476 128	
Taxation	96 602	(99)	96 503	
Profit for the year	355 330	24 295	379 625	
Other comprehensive loss	(25 497)	–	(25 497)	
Items that will not be reclassified subsequently to profit or loss				
Fair value adjustments – investments	(25 497)	–	(25 497)	
Total comprehensive income for the year	329 833	24 295	354 128	
Profit attributable to:				
Non-controlling interest	19 323	–	19 323	
Equity holders of the parent	336 007	24 295	360 302	
	355 330	24 295	379 625	
Total comprehensive income attributable to:				
Non-controlling interest	19 323	–	19 323	
Equity holders of the parent	310 510	24 295	334 805	
	329 833	24 295	354 128	
Earnings per ordinary share (cents)	86,7		95,0	9,6%
Headline earnings per ordinary share (cents)	101,6		110,1	8,4%
Ordinary dividend paid per share in respect of the previous year (cents)	60		60	
Preference dividend paid per share in respect of the previous year (cents)	490		490	
Weighted average number of shares in issue	387 422 175	(8 000 000)	379 422 175	(2,1%)
Reconciliation of headline earnings				
Earnings attributable to equity holders of the parent	336 007	24 295	360 302	
Headline earnings adjustment	57 465	–	57 465	
Headline earnings	393 472	24 295	417 767	

AUDITED STATEMENTS OF FINANCIAL POSITION

R'000	Audited as at 30 June 2019	<i>Pro forma</i> adjustments	<i>Pro forma</i> after the Corporate Action	%
				change
ASSETS				
Non-current assets				
Property, plant and equipment	2 494 612	–	2 494 612	
Other intangible assets	13 325	–	13 325	
Goodwill	148 753	–	148 753	
Interest in associates	370 383	–	370 383	
Investments	258 839	–	258 839	
Deferred taxation	16 427	–	16 427	
Loans to directors	88 609	(88 609)	–	
	3 390 948	(88 609)	3 302 339	
Current assets				
Inventories	938 924	–	938 924	
Trade and other receivables	1 217 109	–	1 217 109	
Taxation	3 256	–	3 256	
Cash equivalents	800 000	–	800 000	
Cash	897 650	(6 841)	890 809	
	3 856 939	(6 841)	3 850 098	
TOTAL ASSETS	7 247 887	(95 450)	7 152 437	
EQUITY AND LIABILITIES				
Equity				
Ordinary share capital	9 668	(200)	9 468	
Ordinary share premium	261 814	(119 800)	142 014	
Non-distributable reserves	506 960	–	506 960	
Retained Income	4 961 453	24 550	4 986 003	
Equity attributable to owners of the parent	5 739 895	(95 450)	5 644 445	
Non-controlling interest	104 130	–	104 130	
Preference share capital	100	–	100	
TOTAL EQUITY	5 844 125	(95 450)	5 748 675	
Non-current liabilities				
Deferred taxation	360 716	–	360 716	
	360 716	–	360 716	
Current liabilities				
Trade and other payables	803 268	–	803 268	
Provisions	222 110	–	222 110	
Taxation	17 668	–	17 668	
	1 043 046	–	1 043 046	
TOTAL EQUITY AND LIABILITIES	7 247 887	(95 450)	7 152 437	
Net asset value per share (cents)	1 484		1 490	0.4%
Net tangible asset value per share (cents)	1 442		1 448	0.4%
Capital expenditure	187 346		187 346	
Capital expenditure committed	70 000		70 000	

Notes to the *pro forma* statement of profit or loss and other comprehensive income

1. The audited results for the 12 months to 30 June 2019 have been extracted without adjustment from the published audited results.
2. The *pro forma* adjustments represent the following:
 - 2.1 Deemed interest on loans to directors not received for the year. The loans extended to the Trusts were present valued at the time that they were put in place. With the effluxion of time, the interest unwind in respect of the loans has been recorded by Caxton as deemed interest income.
 - 2.2 R120 million paid for the Acquisition. R114 million received as repayment of loans to directors.
 - 2.3 Interest not earned on net cash outflow of R6 million. Interest calculated at 5.9% per annum.

- 2.4 Upfront payment of deemed interest on loan to directors, being R114 million received as repayment of loans to directors less the balance of R84,269 million as at 1 July 2018.
 - 2.5 Transaction costs in respect of the Corporate Action amounting to R0,54 million.
 - 2.6 Normal tax at 28% raised on the interest not earned on the R6 million cash outflow, but not on the transaction costs.
 - 2.7 8 million Shares acquired by CTP, and in turn acquired from CTP by Caxton and cancelled.
 - 2.8 Payment of Securities Transfer Tax in the amount of R0,3 million.
3. None of the adjustments has a continuing effect.

Notes to the *pro forma* statement of financial position

1. The audited results as at 30 June 2019 have been extracted without adjustment from the published audited results.
2. The *pro forma* adjustments represent the following:
 - 2.1 8 million Shares acquired for cash at R15 per share, totalling R120 million.
 - 2.2 R114 million received in cash as the repayment of loans to directors.
 - 2.3 Upfront payment of deemed interest on loans to directors, being R114 million received as the repayment of loans to directors less the balance of R88,609 million as at 30 June 2019.
 - 2.4 Transaction costs in respect of the Corporate Action amounting to R0,54 million.
 - 2.5 Normal tax at 28% not raised on the transaction costs.
 - 2.6 8 million Shares acquired by CTP, and in turn acquired from CTP by Caxton and cancelled.
 - 2.7 Payment of Securities Transfer Tax in the amount of R0,3 million.
3. None of the adjustments has a continuing effect.

REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS OF THE CORPORATE ACTION ON CAXTON

The Directors
Caxton and CTP Publishers and Printers Limited
28 Wright Street
Industria West
Johannesburg
2093

11 November 2019

Dear Sirs/Madam

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED ("CAXTON" OR "THE COMPANY")

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Caxton by the directors. The *pro forma* financial information, as set out in Annexure 2 of the circular to be issued on or about 12 November 2019 ("the Circular"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Listing Requirements and described in Annexure 12.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraph 8 of the Circular, on the company's financial position and performance as at 30 June 2019, as if the corporate action or event had taken place at 30 June 2019 for statement of financial position and 1 July 2018 for statement of comprehensive income purposes. As part of this process, information about the company's financial position and performance has been extracted by the directors from the company's audited annual financial information for the year ended 30 June 2019.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listing Requirements and described in Annexure 2 of the Circular and as described in the notes to the consolidated *pro forma* statement of financial position and *pro forma* statement of comprehensive income.

Our independence and quality control

We are required to comply with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listing Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in the Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listing Requirements and described in Annexure 2 of the Circular.

Consent

This report on the *pro forma* statement of financial position is included solely for the information of the Shareholders. We consent to the inclusion of our report on the *pro forma* statement of financial position, *pro forma* statement of comprehensive income and the references thereto, in the form and context in which they appear.

Yours faithfully

BDO SOUTH AFRICA INCORPORATED
PAUL BADRICK

Partner
Registered Auditor



CAXTON AND CTP publishers and printers **LIMITED**

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1947/022616/06)

Share code: CAT ISIN: ZAE000043345

("CAT" or "the Company")

NOTICE OF GENERAL MEETING

A. NOTICE OF MEETING

Notice is hereby given that a General Meeting of Shareholders of the Company ("the General Meeting") will be held in the boardroom at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10h30 on Friday, 13 December 2019. The definitions and interpretations set out in the Circular to which this notice of meeting is attached will be applicable in this notice.

B. RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to receive the notice of the General Meeting is Friday, 1 November 2019 and the record date for determining which shareholders are entitled to participate in and vote at the General Meeting is Friday, 6 December 2019. The last day to trade in order to be eligible to participate in and vote at the General Meeting is Tuesday, 3 December 2019.

If you hold Dematerialised Shares which are registered in your name or if you are the registered holder of Certificated Shares:

- you may attend the meeting in person;
- alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions it contains and returning it to the Transfer Secretaries, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107), e-mail proxy@computershare.co.za to be received not later than 48 forty-eight) hours (excluding Saturdays, Sundays and public holidays) prior to the General Meeting.

If you hold Dematerialised shares which are not registered in your name:

- and wish to attend the meeting, you must obtain the necessary letter of representation from your CSDP or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions;
- you must not complete the attached Form of Proxy.

A Shareholder who is entitled to attend and vote at the General Meeting is entitled, by completing the attached Form of Proxy and delivering it to the Company in accordance with the instructions on that Form of Proxy, to appoint a proxy to attend, participate in and vote at the General Meeting in that Shareholder's place. A proxy need not be a shareholder of the company. The votes of the Share Trust Shares will be excluded from voting on the Corporate Action.

All General Meeting participants (including Shareholders and proxies) may be required to provide satisfactory identification to the chairman of the General Meeting. Forms of identification include valid identity documents, passports and driver's licences.

C. PURPOSE OF THE GENERAL MEETING

The purpose of the General Meeting is to consider, and, if deemed fit, to pass, with or without modification, the special resolution and ordinary resolution set out below.

SPECIAL RESOLUTION

Voting rights:

In order to be adopted, the special resolution requires the support of 75% of the votes cast by Shareholders present or represented by proxy at the General Meeting. The quorum for the General Meeting is Shareholders holding 25% of the issued share capital of the Company.

Special resolution number 1

“Resolved that the Company be and is hereby authorised by way of a specific authority in terms of the Listings Requirements, and as detailed in the Circular to which this notice of the General Meeting is attached, to approve and implement the Corporate Action in accordance with the terms and conditions set out in the Circular.”

The Related Parties and their associates will be excluded from voting on the Corporate Action.

The reason for special resolution number 1 is to grant the Company a specific authority to implement the Corporate Action.

The effect of special resolution number 1 is that the Company will have the necessary specific authority to implement the Corporate Action.

ORDINARY RESOLUTION

Voting rights:

In order to be adopted, the ordinary resolution requires the support of a majority of the votes cast by Shareholders present or represented by proxy at this meeting. The quorum for the meeting is 25% of the issued share capital of the Company.

Ordinary resolution number 1

“Resolved that any one director or the company secretary of the Company be and is hereby authorised to do all such things and to sign all such documents as may be necessary to give effect to special resolution number 1 to be considered at this General Meeting.”

The reason for and effect of ordinary resolution number 1 is to obtain the authority of Shareholders of the Company for any one Director or the company secretary to give effect to special resolution number 1.

By order of the board

Jeff Edwards

Company secretary
Johannesburg
15 November 2019

Registered office

28 Wright Street, Industria West, Johannesburg 2093
(PO Box 43587, Industria 2042)

Transfer Secretaries

Computershare Investor Services Proprietary Limited, 2nd Floor, Rosebank Towers,
15 Biermann Avenue, Rosebank, Johannesburg, 2196
(PO Box 61051, Marshalltown 2107)

Sponsor

Arbor Capital Sponsors Proprietary Limited, 20 Stirrup Lane, Woodmead Office Park,
Corner Woodmead Drive and Van Reenens Avenue, Woodmead 2157
(Suite # 439, Private Bag X29, Gallo Manor 2052)



CAXTON AND CTP publishers and printers LIMITED

CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1947/022616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352

FORM OF PROXY

The Form of Proxy is for use by Certificated and Dematerialised shareholders whose Shares are registered in their Own Names on Friday, 6 December 2019, being the Record Date for the General Meeting (see note 1) to be held at 10h30 on Friday, 13 December 2019 in the boardroom at Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg (see note 2).

For instructions on the use of this Form of Proxy and a summary of the rights of the Shareholders and the proxy, please see the instructions and notes at the end of this Form of Proxy.

I/We (full names)

of (address)

Telephone number

Cell phone number

Email address

being a Shareholder/s and being the registered owner/s of Shares (see note 3), hereby appoint:

1. or failing him/her

2. or failing him/her

the chairman of the General Meeting (see note 4) as my/our proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf at the General Meeting to be held at 10h30 on Friday, 13 December 2019 or at any adjournment thereof (see note 5).

I/We desire my/our proxy to vote as follows:

Indicate with a cross how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his discretion (see note 6).

	In favour of	Against	Abstain
1. Special resolution number 1 To approve the Corporate Action			
2. Ordinary resolution number 1 To approve the appointment of a signatory to give effect to special resolution number 1			

Signed this _____ day of _____ 2019

Signature

Instructions and notes to proxy form

1. This Form of Proxy is for use by Certificated and Dematerialised shareholders with Own-Name Registration whose Shares are registered in their Own Names on the Record Date and who wish to appoint another person to represent them at the General Meeting. If duly authorised, companies and other corporate bodies which are Shareholders having Shares registered in their Own-Names may appoint a proxy using this Form of Proxy or may appoint a representative in accordance with the last paragraph below.

Other Shareholders should not use this Form of Proxy. All beneficial holders who have Dematerialised their shares through a CSDP or broker, and do not have their Shares registered in their Own Name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. This Form of Proxy must be received at the Transfer Secretaries, 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, Republic of South Africa, for administrative purposes not later than 10h30 on Wednesday, 11 December 2019. If a shareholder does not wish to deliver this form to that address, it may also be posted at the risk of the Shareholder to PO Box 61051, Marshalltown, 2107 or sent by e-mail to proxy@computershare.co.za. Alternatively, the Form of Proxy may be handed to the chairman of the General Meeting before the proxy exercises any voting rights.
3. This Form of Proxy shall apply to all the Shares registered in the name of Shareholders at the Record Date unless a lesser number of Shares is inserted.
4. A Shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the General Meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may delegate the authority given to him in this Form of Proxy by delivering to the Company, in the manner required by these instructions, a further Form of Proxy which has been completed in a manner consistent with the authority given to the proxy of this Form of Proxy.
5. Unless revoked, the appointment of a proxy in terms of this Form of Proxy remains valid until the end of the General Meeting even if the General Meeting or part thereof is postponed or adjourned.
6. If:
 - 6.1 a Shareholder does not indicate on this Form of Proxy that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2 the Shareholder gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s are properly put before the General Meeting; or
 - 6.4 any resolution listed in the Form of Proxy is modified or amended;the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the Shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. If this Form of Proxy is signed by a person (signatory) on behalf of the Shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:
 - 7.1 it is accompanied by a certified copy of the authority given by the Shareholder to the signatory; or
 - 7.2 the Company has already received a certified copy of that authority.
8. The chairman of the General Meeting may, at his discretion, accept or reject any Form of Proxy or other written appointment of a proxy which is received by the chairman prior to the time when the General Meeting deals with a resolution or matter to which the appointment of the proxy relates, if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the Shareholder appointing the proxy
9. Any alternations made in this Form of Proxy must be initialed by the authorised signatory/ies.
10. This Form of Proxy is revoked if the Shareholder who granted the proxy:
 - 10.1 gives written notice of such revocation to the Company, so that it is received by the Company by not later than 10h30 on Wednesday, 11 December 2019; or
 - 10.2 appoints another proxy for the General Meeting; or
 - 10.3 attends the General Meeting himself in person.
11. All notices which a Shareholder is entitled to receive in relation to the Company shall continue to be sent to that Shareholder and shall not be sent to the proxy.
12. A minor must be assisted by his/her guardian, unless proof of competency to sign has been recorded by the Company.
13. If duly authorised, companies and other corporate bodies which are Shareholders having Shares registered in their Own Name may, instead of completing this Form of Proxy, appoint a representative to represent them and exercise all of their rights at the General Meeting by giving written notice of the appointment of that representative. This notice will not be effective at the General Meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the Transfer Secretaries at 2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa, not later than 10h30 on Wednesday, 11 December 2019.

Summary of rights established by section 58 of the Companies Act, as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company.
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii)).
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

