



CAUTIONARY ANNOUNCEMENT

Further to earlier communiqués, the shareholders and public in general are advised that United Investments Ltd (“UIL”) entered into a conditional Share Purchase Agreement (“SPA”) on 20 July 2022 with Alternativ Capital Investments Ltd (“ACIL”), which is a consortium led by Senior Management of AXYS Group together with other investors.

The Transaction

The SPA concerns the sale of AXYS Group of Companies representing all of its operational financial services subsidiaries of (“Target Subsidiaries”) UIL to ACIL (the “Sale”).

UIL owns all the issued share capital of AXYS Ltd, which in turn owns shares in the said Target Subsidiaries. UIL shall procure the sale of shares in the Target Subsidiaries through AXYS Ltd once the conditions precedent under the SPA (including all approvals from the regulators) have been satisfied.

The consideration for the Sale under the SPA is broken down into (i) an upfront consideration of Rs1.1bn (“Upfront Consideration”), (ii) a deferred consideration of Rs300m to be paid on the second anniversary of completion of the Sale and (iii) an Earn Out consideration (which is a contingent consideration to be paid on the third anniversary of completion of the Sale and calculated in accordance with the SPA).

Following some of the regulatory conditions precedent being met, the Board of UIL has reaffirmed the above transaction. Part of the consideration for the Sale will be in the form of a share buyback which entails the shares owned by 11 shareholders, linked to AXYS Management, being bought back by the UIL (the “Share Buyback”) and the proceeds of the Share Buyback shall be applied by those shareholders to subscribe for shares in ACIL and thus offset against the Upfront Consideration.

The proposed Share Buyback relates to UIL buying back 20,162,513 no par value ordinary shares held by the 11 shareholders at a price of Rs. 8.38 per share, representing a 2.1% premium to the NAV per share which on March 31, 2023, stood at Rs. 8.21 per share. The Share Buyback remains subject to UIL fulfilling some outstanding conditions precedent including certain regulatory approvals.

The Directors consider that the terms of the Transaction are fair and reasonable insofar as shareholders of the Company are concerned.

The proceeds of the Sale will be used mainly to reduce the Group's indebtedness.

It is contemplated that following satisfaction of the outstanding conditions precedent, the shareholders will be called to a special meeting to approve the Share Buyback in accordance with the Companies Act 2001 and the Securities (Purchase of Own Shares) Rules 2008.

Shareholders and the public in general will be kept informed of any further developments.

By Order of the Board
NWT Secretarial Services Ltd

Dated this 28th day of August 2023

This Cautionary Announcement is issued pursuant to the DEM Rules, the Securities Act 2005, the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the Securities (Purchase of Own Shares) Rules 2008.

The Board of United Investments Ltd assumes full responsibility for the accuracy of information contained in this Cautionary Announcement.