

The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

14 January 2019

C.H. BAILEY PLC

("C.H Bailey" or the "Group")

Proposed Cancellation of Admission to Trading on AIM

Proposed Capital Reorganisation

Top-Up Offer of up to 1,729,827 Existing Ordinary Shares

Tender Offer to purchase up to 2,316,168 Existing Ordinary Shares

and

Notice of General Meeting

C.H. Bailey plc, the diverse group of businesses, with investments and operations around the world in leisure, property, principally in Tanzania, South Africa and Malta, and a UK engineering business, announces that the Group has decided to seek Shareholders' approval to cancel the admission of the Ordinary Shares to trading on AIM pursuant to Rule 41 of the AIM Rules ("**De-Listing**").

As part of the De-Listing and in order to rationalise the Company's shareholder base following the De-Listing, the Group proposes to reorganise the existing share capital by Consolidation and, following the Consolidation, to arrange the purchase by Arden, of any Fractional Entitlements held by Shareholders at a price of £1 for each Existing Ordinary Share comprised in such Fractional Entitlement for subsequent Buyback from Arden by the Company.

The £1 payment for each Existing Ordinary Share comprised in any Fractional Entitlements, the Tender Offer Price and the Top-Up Price have each been calculated on the basis of:

- the 92.50 pence closing mid-market price of an Existing Ordinary Share at 6.00 pm on 11 January 2019, being the last dealing day before the date of this announcement; plus
- a premium of approximately 8.1% over that closing mid-market price of an Existing Ordinary Share to reflect what the increase in the share price of an Existing Ordinary Share would, theoretically, be if all of the Treasury Shares as at the date of this announcement were to be cancelled and, in each case, then rounded to the nearest 1 penny.

The Group also proposes to offer such Qualifying Top-Up Offer Shareholders who wish to remain as Shareholders after the De-Listing has taken place and who do not want to lose their Fractional Entitlements, the opportunity to increase their shareholdings of Existing Ordinary Shares to the nearest multiple of 10,000 ahead of the Consolidation. Shareholders who do not wish to remain as Shareholders after the De-Listing has taken place will have the opportunity to realise their investment in the Company by accepting the Tender Offer pursuant to which Arden will, conditionally, offer to purchase up to 2,316,168 Existing Ordinary Shares at the Tender Offer Price of £1 per Existing Ordinary Share.

The Consolidation will give rise to a number of Shareholders becoming entitled to only a Fractional Entitlement to a New Ordinary Share. Small Shareholders together with other Shareholders who do not wish to acquire Top-Up Shares and do not wish to tender their Existing Ordinary Shares to the Company shall, following the Consolidation, have their Fractional Entitlements bought by Arden, at a price of £1 for each Existing Ordinary Share comprised in such Fractional Entitlements, for subsequent Buyback from Arden by the Company. Further details of the Consolidation and arrangements for the Fractional Entitlements are set out in the Circular and in the announcement below.

The Directors consider the De-Listing to be in the best interest of Shareholders, after considering, amongst other things, the costs of maintaining trading in the Existing Ordinary Shares on AIM and the limited liquidity in the Existing Ordinary Shares.

The Ordinary Shares will continue to be admitted to trading on AIM, prior to the De-Listing. However, Shareholders should note the timetable and further information below in relation to the Top-Up Offer and the Tender Offer

The Group will today post to Shareholders a circular (the "**Circular**") in connection with the Proposals containing a notice convening a general meeting of the Group (the "**GM**") to be held at 2 p.m. on 6 February 2019 at the offices of Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH.

Defined terms used in this announcement have the meaning set out at the end of this announcement and as in the Circular.

Enquiries:

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EXTRACTS FROM THE CIRCULAR

The following has been extracted without amendment from, and should be read in conjunction with, the Circular dated 14 January 2019, which will be available shortly from the Group's website: <http://chbaileyplc.co.uk/>.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Top-Up Offer ¹	6.00 pm on 11 January 2019
Determination of Qualifying Top-Up Offer Shareholders and Top-Up Offer Entitlements	6.00 pm on 11 January 2019
Announcement of the Proposals	8.00 am on 14 January 2019
Posting of the Circular, Top-Up Forms, Tender Forms, Forms of Proxy and notice convening the General meeting	14 January 2019
Offer to Qualifying Top-Up Offer Shareholders opens	14 January 2019
Offer to Qualifying Tender Offer Shareholders opens	14 January 2019
CREST Top-Up Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	14 January 2019

Latest time and date for receipt of Form of Proxy (to be received no later than 48 hours before the General Meeting)	2 pm on 4 February 2019
General Meeting	2 pm on 6 February 2019
Announcement of results of General Meeting	By 5.00 pm on 6 February 2019
De-Listing and cancellation of admission of the Existing Ordinary Shares to trading on AIM	7.00 am on 14 February 2019
Latest time and date for receipt of Tender Forms and Top-Up Forms, TTE/USE instructions and for payment in respect of the Top-Up Offer	1.00 pm on 18 February 2019
Record Date for the Tender Offer	6.00 pm on 18 February 2019
Closing of the Top-Up Offer and transfer by the Company of Top-Up Shares to CREST accounts	7.00 am on 19 February 2019
Closing of the Tender Offer and purchase by Arden of Tender Offer Shares	7.00 am on 19 February 2019
Purchase by Arden of Existing Ordinary Shares representing Fractional Entitlements	7.00 am on 19 February 2019
Off-market purchase by the Company of Existing Ordinary Shares from Arden	7.30 am on 19 February 2019
Cancellation of Existing Ordinary Shares purchased from Arden	7.45 am on 19 February 2019
Record Date for the Consolidation	8.00 am on 19 February 2019
Effective Date for the Consolidation	8.15 am on 19 February
Dispatch of cheques/settlement of CREST payments for Tender Offer Shares	By 4 March 2019
Dispatch of cheques/settlement of CREST payments for Fractional Entitlements	By 4 March 2019
Dispatch of cheques/settlement of CREST payments for New Ordinary Shares	By 4 March 2019

- It is important for Shareholders to note that the Top-Up Offer is only available to Shareholders on the register of members as at 6.00 pm on 11 January 2019 which is the Record Date for the Top-Up Offer and the Top-Up Share Entitlement is calculated by referencing to the shareholding at that time. The Top-Up Offer is not available to individuals who become Shareholders, or to Shareholders whose shareholdings change, after that date.**

If any of the above times and/or dates change, the revised times and/or dates will be notified in writing to Shareholders and/or by announcement through a Regulatory Information Service. All times are references to London time.

All events in the above timetable following the General Meeting are conditional, inter alia, upon the approval of the Resolutions.

The De-Listing requires the approval of not less than 75% of the votes cast by Shareholders at the General Meeting.

INTRODUCTION

The Company today announced its proposals:

- to cancel the admission of its Existing Ordinary Shares to trading on AIM;

- as part of the De-Listing and in order to rationalise the Company's shareholder base, to reorganise the existing share capital by Consolidation and, following the Consolidation, to carry out a buyback of Fractional Entitlements held by Shareholders at a price of £1 for each Existing Ordinary Share comprised in such Fractional Entitlements;
- to offer such Qualifying Top-Up Offer Shareholders who wish to remain as Shareholders after the De-Listing has taken place and who do not want to lose their Fractional Entitlements, the opportunity to increase their shareholdings of Existing Ordinary Shares to the nearest multiple of 10,000 ahead of the Consolidation; and
- to provide Shareholders who do not wish to remain as Shareholders after the De-Listing has taken place with an opportunity to realise their investment in the Company by accepting the Tender Offer pursuant to which Arden will, conditionally, offer to purchase up to 2,316,168 Existing Ordinary Shares at the Tender Offer Price of £1 per Existing Ordinary Share.

In considering the Proposals, the Directors have reflected on the position of the Shareholders and their possible reasons for investing in the Company. As a result, the Proposals have been created to offer a number of possible options to the Shareholders, irrespective of whether they wish to remain a Shareholder of the Company or not following the De-Listing. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions necessary to implement the Proposals.

This letter sets out the background to and reasons for, and provides further details of, the Proposals including the terms and conditions of, and the procedure for participating in, the Top-Up Offer and Tender Offer, details of which can be found in the accompanying Top-Up Form and Tender Offer Form.

Implementation of the Proposals, including the Top-Up Offer and the Tender Offer, is conditional, *inter alia*, upon all of the Resolutions being passed at the General Meeting to be held at 2.00 pm on 6 February 2019. The Notice of General Meeting convening the General Meeting at which the Resolutions will be proposed is set out at the end of the Circular.

Shareholders should note that unless all the Resolutions are approved at the General Meeting by the requisite majority, the Proposals will not proceed.

GENERAL BACKGROUND

The Company is proposing the De-Listing for the reasons set out in paragraph 3 of this Part I below. In addition, the Company is proposing to:

- consolidate its existing share capital because the Company has a share register which includes a significant number of Shareholders holding a very small percentage of the total number of Existing Ordinary Shares. The Consolidation will give rise to a number of Shareholders becoming entitled to only a Fractional Entitlement to a New Ordinary Share. Small Shareholders together with other Shareholders who do not wish to acquire Top-Up Shares and do not wish to tender their Existing Ordinary Shares to the Company shall, following the Consolidation, have their Fractional Entitlements bought by Arden, at a price of £1 for each Existing Ordinary Share comprised in such Fractional Entitlements, for subsequent Buyback by the Company. Further details of the Consolidation and arrangements for the Fractional Entitlements are set out on pages 13 to 14 of the Circular;
- offer Shareholders who, following the De-Listing, wish to remain as Shareholders and who hold more than 10,000 Existing Ordinary Shares but not an exact multiple of 10,000 Existing Ordinary Shares as at the Record Date for the Top-Up Offer, the opportunity to purchase Top-Up Shares which means that such Shareholders will not lose any Fractional Entitlements upon the Consolidation. Further details of the Top-Up Offer is set out on page 15 of the Circular and in Part II of the Circular; and
- offer an exit route for Shareholders who, following the De-Listing, do not wish to remain as Shareholders by the means of selling their Existing Ordinary Shares to Arden pursuant to the Tender Offer for subsequent Buyback by the Company. Further details of the Tender Offer is set out on page 16 of the Circular and in Part III of the Circular.

As at the date of this announcement, the Company holds 671,959 Existing Ordinary Shares in the capital of the Company as Treasury Shares. Applications for Top-Up Shares will be satisfied firstly from the Treasury Shares. In the event that applications for Top-Up Shares are received which are in excess of the number of Treasury Shares available then Resolutions 2 and 5 to be proposed at the General Meeting will authorise the Company to issue additional Existing Ordinary Shares in order to satisfy such applications. The Treasury Shares hold the same rights in regards to voting and distribution as the shares currently in circulation to the Shareholders and no changes will be made to the existing share rights following the De-Listing.

DE-LISTING

Reasons for the De-Listing

The Board has conducted a review of the benefits and drawbacks to the Company in retaining its listing on AIM. The Board believes that the De-Listing is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Board has considered the following key factors:

- the management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Directors' opinion, disproportionate to the benefits to the Company;
- there is, and has been for some time, a lack of liquidity in the Existing Ordinary Shares such that there is a very limited market for the Existing Ordinary Shares; and
- there is limited trading of the Existing Ordinary Shares. Over the past 12 months 116,590 Existing Ordinary Shares were traded representing approximately 1.4 per cent. of the issued share capital and giving an average daily volume of approximately 457 Existing Ordinary Shares. Accordingly, the costs associated with maintaining the AIM quotation are considered by the Directors to be disproportionately high when compared to the benefits of being listed on AIM, even though these costs have been, so far as reasonably possible, controlled and minimised by the Company. The Board believes that these funds could be better utilised for the benefit of the Company.

Effect of De-Listing

The Directors consider that the principal effects of the De-Listing will be that:

- Shareholders will no longer be able to buy and sell Ordinary Shares through AIM or any other public stock market, further reducing the liquidity in the Ordinary Shares;
- in due course, Ordinary Shares will no longer be held in, or traded through, CREST but will be held in paper form only;
- the Company will no longer be required to announce material events or financial results through a Regulatory Information Service;
- the Company will no longer be required to comply with many of the corporate governance requirements applicable to companies traded on AIM;
- Arden will cease to be the nominated adviser and broker to the Company;
- the Company will no longer be subject to the Disclosure and Transparency Rules and will therefore no longer be required to publicly disclose major shareholdings in the Company;
- the Company will no longer be subject to the AIM Rules, with the consequence that Shareholders will no longer be afforded the protections given by the AIM Rules. Such protections include a requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business and to announce, inter alia, certain substantial and/or related party transactions; and
- the De-Listing may have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately.

Shareholders should note that the Takeover Code will continue to apply to the Company following the De-Listing. The Company will also continue to be bound by the Act (which requires shareholder approval for certain matters) following the De-Listing.

De-Listing Process

Under the AIM Rules, the De-Listing can only be effected by the Company after securing a resolution passed by 75% of the votes cast by its Shareholders in a general meeting of the Company and the expiry of a period of 20 clear Business Days from the date on which notice of the De-Listing is given to the London Stock Exchange. In addition, a period of at least five clear Business Days following Shareholders' approval of the De-Listing is required before the De-Listing may become effective. Resolution 6 seeks the approval of Shareholders for the De-Listing. Assuming that the Resolution is approved, it is proposed that the De-Listing will take place by 7.00 am on 14 February 2019.

New Ordinary

Share dealing following De-Listing Following the De-Listing, there will be no market facility for dealing in the New Ordinary Shares, no price will be publicly quoted for the New Ordinary Shares and the transfer of New Ordinary Shares will be subject to the provisions of the Articles of the Company. As such, holdings of New Ordinary Shares will be difficult to value and sell. However, while there can be no guarantee of any Shareholders being able to purchase or sell any New Ordinary Shares, any Shareholder seeking to do so should contact the Company at its registered office.

THE CONSOLIDATION, TOP-UP OFFER AND TENDER-OFFER

As set out in the Expected timetable of principal events above, completion of the Top-Up Offer and the Tender Offer and the Consolidation will take place shortly following the De-Listing.

Background to the Consolidation

The Register includes a large number of Shareholders holding a very small percentage of the total Existing Ordinary Shares. This creates a financial and logistical burden for the Company which is disproportionate to its size, particularly in the context of the proposed De-Listing. Therefore a consolidation of the Existing Ordinary Shares is proposed, which the Board has deemed to be an appropriate and commonly used method of reducing the excessive length of a company's share register. Shareholder approval is required for the Consolidation.

As at close of business on 11 January 2019 (being the latest practicable date prior to the publication of this announcement), the Company had 8,335,413 Existing Ordinary Shares in issue, having a mid-market price per Existing Ordinary Share at the close of business on such date of 92.50 pence. As at that date, the Company had sixty eight Shareholders, of which twenty nine held fewer than 10,000 Existing Ordinary Shares. As at 6.00pm on 11 January 2019, being the latest practicable date prior to the publication of this announcement, a shareholding of 10,000 Existing Ordinary Shares was worth £9,250 at the mid-market price. Thus a significant number of Shareholders hold a small number of shares in the Company and (based upon the closing mid-market price of an Existing Ordinary Share of 92.50 pence at 6.00 pm on 11 January 2019) the twenty nine Shareholders each holding fewer than 10,000 Existing Ordinary Shares have an aggregate holding worth £117,425 being just 1.66% of the Company's market capitalisation.

Your Board believes that the cost of administering the Company's Shareholder register and communicating with such a large number of Shareholders (many of whom have only a small interest in the Company) is to the detriment of the Company and its current Shareholders taken as a whole.

Accordingly, the Company has arranged for Arden to buy the Fractional Entitlements which will accrue to the Shareholders (save for any Qualifying Top-Up Offer Shareholders who accept the Top-Up Offer) on the Consolidation without any transaction cost being charged to the Shareholders. This will benefit the Small Shareholders who may have considered selling their Existing Ordinary Shares but decided not to do so due to the disproportionate dealing and administration costs relating to such a sale. It will also guarantee that Small Shareholders are able to exit the Company shortly after the De-Listing has taken place. The Company will subsequently Buyback the Fractional Entitlements from Arden.

The Consolidation

Upon implementation of the Consolidation, Shareholders on the Register of the Company at the Record Date for the Consolidation, will exchange every 10,000 Existing Ordinary Shares that they hold for one New Ordinary Share.

As a consequence of the Consolidation, if you hold 10,000 or fewer Existing Ordinary Shares at the Record Date for the Consolidation, your Fractional Entitlement to a New Ordinary Share will be purchased by Arden, at a price of £1 for each Existing Ordinary Share comprised in such Fractional Entitlement, and you will receive the proceeds of sale, free of dealing costs. The Company itself intends to subsequently Buyback those Fractional Entitlements from Arden, pursuant to the Repurchase Agreement.

If you hold an exact multiple of 10,000 Existing Ordinary Shares at the Record Date for the Consolidation then you will receive the relevant number of New Ordinary Shares and you will have no Fractional Entitlement.

If you hold more than 10,000 Existing Ordinary Shares but your holding is not divisible exactly by 10,000, you will be left with a whole number of New Ordinary Shares together with a Fractional Entitlement. If you are such a Qualifying Top-Up Offer Shareholder and, prior to the Record Date for the Consolidation, you have not purchased additional Existing Ordinary Shares on the market or Top-Up Shares under the Top-Up Offer then your Fractional Entitlement to a New Ordinary Share will be purchased by Arden and you will receive the proceeds of sale, free of dealing costs. Pursuant to the terms of the Repurchase Agreement, the Company shall purchase the Fractional Entitlements from Arden at the same price as they were purchased by Arden from Shareholder and the purchased shares will then be cancelled.

If you hold a share certificate in respect of your Existing Ordinary Shares it will no longer be valid from the time the proposed Consolidation takes effect. If you are entitled to any New Ordinary Share(s), you will be sent a new share certificate by 4 March 2019 and upon receipt, you should destroy the old certificate(s). If you hold your Existing Ordinary Shares in uncertificated form (that is, in CREST), you should expect to have your CREST account adjusted to reflect New Ordinary Shares by 4 March 2019 or as soon as practicable after the Consolidation takes effect. Existing Ordinary Shares credited to any stock account in CREST will be disabled and all Existing Ordinary Shares will be removed from CREST in due course.

The New Ordinary Shares created by the Consolidation will have the same rights as the Existing Ordinary Shares.

Share Price Calculation

The payment of £1 for each Existing Ordinary Share comprised in any Fractional Entitlements, the Tender Offer Price and the Top-Up Price have each been calculated on the basis of:

- (a) the 92.50 pence closing mid-market price of an Existing Ordinary Share as at the close of business on 11 January 2019, being the last dealing day before the date of this announcement; plus
- (b) a premium of approximately 8.1% over that closing mid-market price of an Existing Ordinary Share to reflect what the increase in the share price of an Existing Ordinary Share would, theoretically, be if all of the Treasury Shares as at the date of this announcement were to be cancelled, in each case then rounded to the nearest 1 penny.

Top-Up Offer

Upon implementation of the Consolidation, Shareholders on the register of members of the Company at the Record Date for the Consolidation who do not participate in the Tender Offer, will exchange every 10,000 Existing Ordinary Shares that they hold for one New Ordinary Share. If you hold more than 10,000 Existing Ordinary Shares at the Record Date for the Consolidation, then unless your holding is divisible by 10,000 you will be left with a whole number of New Ordinary Shares together with a Fractional Entitlement.

If you are in this position and if you do not wish to participate in the Tender Offer and if you do not wish to have your Fractional Entitlement sold then you might wish to consider increasing your shareholding of Existing Ordinary Shares to a multiple of 10,000. There are two methods to do that, namely:

- (a) you could seek to purchase on the market such number of Existing Ordinary Shares as you may decide provided that the trade completes prior to the Record Date for the Consolidation; or
- (b) you could choose to participate in the Top-Up Offer.

Shareholders who are nominees holding Existing Ordinary Shares on behalf of more than one beneficial owner will be entitled to participate in the Top-Up Offer in respect of any beneficial owner as would, if the Existing Ordinary Shares were registered in the name of such beneficial owner, constitute a Qualifying Top-Up Offer Shareholder. Shareholders who are nominees and who apply for Top-Up Shares on behalf of beneficial owners should note the relevant representations and warranties given in relation to such applications as referred to in Part III of this Part 1 of the Circular in the two sections headed "Effect of Application".

Pursuant to the Top-Up Offer you are granted the right to purchase, ahead of the Consolidation, such number of Top-Up Shares as will take your shareholding up to the nearest multiple of 10,000 so that, following the Consolidation, you will be left with a whole number of New Ordinary Shares.

The Top-Up Price has been calculated on the basis of the Share Price Calculation. If you are a Qualifying Top-Up Offer Shareholder, your Top-Up Share Entitlement has been calculated as at the Record Date for the Top-Up Offer.

The Top-Up Offer is conditional on, inter alia, the passing of the Resolutions as set out in the Notice of General Meeting at the end of the Circular.

If you elect not to purchase additional Existing Ordinary Shares pursuant to the Top-Up Offer but still wish to remain a Shareholder of the Company and hold a Fractional Entitlement above a multiple of 10,000 Existing Ordinary Shares, your Fractional Entitlement will be purchased from you by Arden in accordance with paragraph 5 of Part I of the Circular. For the avoidance of doubt, Qualifying Top-Up Offer Shareholders wishing to remain a Shareholder of the Company will, should they elect not to purchase additional Existing Ordinary Shares, still have every 10,000 Existing Ordinary Shares they hold at the Record Date for the Consolidation consolidated into 1 New Ordinary Share and only their Fractional Entitlement will be purchased by Arden.

If you are a Qualifying Top-Up Offer Shareholder you need to consider carefully whether you wish to purchase additional Existing Ordinary Shares pursuant to the Top-Up Offer. You need to bear in mind the proposed De-Listing and that, subject to the passing of the Resolutions, neither the Existing Ordinary Shares, nor the New Ordinary Shares, will be admitted to trading on AIM. A Qualifying Top-Up Offer Shareholder should only apply for Top-Up Shares if they are making a positive decision that they wish to remain as a shareholder in the Company following the De-Listing and if, as part of that positive decision, they wish to ensure that they do not lose any Fractional Entitlements to a Consolidated Share pursuant to the Consolidation.

Qualifying Top-Up Shareholders who do not wish to remain as shareholders in the Company following the De-Listing should not apply for Top-Up Shares but should, instead, consider accepting the Tender Offer (described further below).

Full details of the Top-Up Offer are set out in Part III of the Circular and the **ISIN of the CREST Top-Up Entitlement is GB00BHNBGK05**

Tender Offer

The Board recognises that not all Shareholders will wish to continue to own Ordinary Shares in the Company following the De-Listing. Subject to the Tender Conditions being satisfied, Qualifying Tender Offer Shareholders will therefore have the opportunity to tender, pursuant to the Tender Offer, all, but not some only, of their Existing Ordinary Shares at the Record Date for the Tender Offer.

In order for Shareholders who are nominees holding Existing Ordinary Shares on behalf of more than one beneficial owner to participate in the Tender Offer in respect of individual beneficial owners who would, if the Existing Ordinary Shares were registered in the names of such beneficial owners, constitute Qualifying Tender Offer Shareholders, the nominee will need to split the registered holding into separately designated accounts; one account for the total number of shares to be tendered then separately designated accounts for each beneficial owner who would constitute a Small Shareholder and who is unable to tender their Existing Ordinary Shares which will therefore be repurchased as Fractional Entitlements, and one for the remaining holding which will be subject to the Consolidation (this should be the original designated account and any Top-Up Offer Shares which have been applied for will be allotted to this account). The nominee must then submit a TTE for the entire holding of the account from which the shares will be tendered.

Qualifying Tender Offer Shareholders are not obliged to tender any Existing Ordinary Shares and, if they do not wish to participate in the Tender Offer, Qualifying Tender Offer Shareholders should not complete or return their Tender Form.

Shareholders in any doubt as to what action to take, are recommended to seek immediate professional advice from their stockbroker, solicitor, accountant or other independent financial adviser duly authorised under FSMA who specializes in advising upon investments in shares and other securities.

Under the Tender Offer, Arden will purchase up to 2,316,168 Existing Ordinary Shares from Qualifying Tender Offer Shareholders at £1 per Existing Ordinary Share.

The Tender Offer Price will be calculated on the basis of the Share Price Calculation.

The Tender Offer is conditional on, inter alia, the passing of the Resolutions as set out in the Notice of the General Meeting at the end of the Circular.

Existing Ordinary Shares not validly tendered and which do not become Fractional Entitlements will not be purchased. Existing Ordinary Shares purchased pursuant to the Tender Offer will be purchased free of commissions and dealing charges.

Pursuant to the terms of the Repurchase Agreement, all New Ordinary Shares and Fractional Entitlements derived from successfully tendered Existing Ordinary Shares purchased by Arden under the Tender Offer will be repurchased by the Company at an aggregate price equal to the price paid by Arden for such shares. Such shares will be immediately cancelled. For the avoidance of doubt, no shares repurchased by the Company will be retained as Treasury Shares.

Qualifying Tender Offer Shareholders who retain a shareholding following completion of the Tender Offer will, on completion of the De-Listing, hold New Ordinary Shares in a non-publicly traded company. As such, there will be no market facility for dealing in the New Ordinary Shares.

Full details of the Tender Offer are set out in Part IV of the Circular.

The attention of Qualifying Tender Offer Shareholders who are citizens or nationals of or resident in jurisdictions outside the United Kingdom and who wish to participate in the Tender Offer is drawn to the section headed "Overseas Shareholders" in Part IV of the Circular. The Tender Offer is not being made, directly or indirectly, in or into any Restricted Jurisdiction.

Interaction of Top-Up Offer and Tender Offer

The Top-Up Offer and the Tender Offer are exclusive of each other. If you are both a Qualifying Top-Up Offer Shareholder and a Qualifying Tender Offer Shareholder you need to choose to take part in one or other such Offer, or neither of them. If applications are received from a Shareholder under both the Top-Up Offer and the Tender Offer then the Top-Up Offer application will be rejected and the Shareholder will be deemed to have tendered their entire holding of Existing Ordinary Shares pursuant to the Tender Offer.

FRACTIONAL ENTITLEMENTS

Subject to completion of the Consolidation, Shareholders entitled to any Fractional Entitlement following the Consolidation will receive cash in lieu of those Fractional Entitlements.

Arden shall purchase the Fractional Entitlements of all Shareholders entitled to Fractional Entitlements following the Consolidation on the following basis:

- The price payable for the Fractional Entitlements calculated on the basis of £1 for each Existing Ordinary Share comprised in such Fractional Entitlements.
- Completion is to take place at 7.00 am on 19 February 2019 and payment of the cash consideration is to be made to the Shareholders by cheque or through their CREST accounts (as appropriate) by 4 March 2019.
- The Shareholders will receive payment of the sale proceeds of their Fractional Entitlements by cheque if they hold their Shares in certificated form, or, if held through CREST, their CREST accounts will be

credited by 4 March 2019, and all such Fractional Entitlements which are purchased by the Company will be cancelled.

- Pursuant to the terms of the Repurchase Agreement, the Company will purchase the Fractional Entitlements from Arden. The aggregate of all Fractional Entitlements shall then be cancelled.

Example 1 – Small Shareholders

If a Small Shareholder holds 5,000 Existing Ordinary Shares at the Record Date for the Consolidation, such Small Shareholder will, following the implementation of the Consolidation, hold a Fractional Entitlement to half of a New Ordinary Share. Immediately following the Consolidation, such Fractional Entitlement will be aggregated with all other Fractional Entitlements and purchased by Arden, without any transaction cost being charged to the Shareholder. Based upon the Share Price Calculation, the Small Shareholder would receive £5,000 for its shareholding of 5,000 Existing Ordinary Shares.

Example 2 – other Shareholders

If a Shareholder holds 11,000 Existing Ordinary Shares at the Record Date for the Consolidation and such Shareholder has not participated in the Top-Up Offer, such Shareholder will, following the implementation of the Consolidation, hold 1 New Ordinary Share derived from 10,000 Existing Ordinary Shares with the remaining 1,000 Existing Ordinary Shares forming a 1/10th Fractional Entitlement of a New Ordinary Share. Immediately following the Consolidation, the Fractional Entitlement will be aggregated with all other Fractional Entitlements and purchased by Arden, without any transaction cost being charged to the Shareholder. Based upon the Share Price Calculation, the Shareholder would receive £1,000 for his shareholding of 1,000 Existing Ordinary Shares in addition to the 1 New Ordinary Share.

Rights attaching to the New Ordinary Shares

The New Ordinary Shares arising on implementation of the Consolidation will have the same rights as the Existing Ordinary Shares, including voting, dividend and other rights.

CURRENT TRADING AND FUTURE PROSPECTS

The Company published its interim financial results on 7 December 2018. The Company's highlights and outlook sections are detailed below:

“Group Highlights

Overall

- Value of the Malta property increases and improves the Company's assets and income statement value.
- Operations in Tanzania affected by reduced economic activity in the country.
- Revenue in South Africa reduced due to the fire at Galenia in February 2018 with anticipated recovery in the second half of the financial year.
- Growth in revenues at B.I.E, the UK engineering business.

Finance

- Group Revenue is down 4% to £2,609k (2017: £2,713k).
- Gross profit margin is down to 28.9% (2017: 30.2%).
- EBITDA at £1,188k is up 18% (2017: £1,006k).
- Group Operating profit is up 42% at £776k (2017: £547k).
- Overall profit is up 43% at £601k (2017: £421k).

Outlook

We will continue to maintain our market position in Tanzania. Our involvement in new development projects in an advisory capacity will indirectly help our hospitality business and we remain positive in our potential future growth in the country.

South Africa is expected to remain steady as the country stabilises and attracts new local and inward investment. We hope to locate and benefit from further property development opportunities in Cape Town, and to make progress with the development plans in Montagu.

Malta still grows in international economic stature. We hope to find further development sites in Valletta or other opportunities on the island, where we have invested for over 50 years and know the local market well.

We believe there will be continued growth in the UK engineering business. However, the continued uncertainty of Brexit may impact our customers' businesses and therefore could have an adverse effect on our business growth.

Operating in emerging markets and niche industries, like heavy engineering in the UK, it is difficult to predict the future but we remain positive and cautiously optimistic."

The directors of the Company can confirm that, since the date of publication of the interim financial results, there has been no significant change in the trading or financial position of the Company.

Following the Consolidation and De-Listing, the Company intends to continue operating as it has done over the Company's last financial year and carry out the same activities, and retain the same business strategy, as a private company, that it did as a public company. Based on current market conditions, the Company does not envisage any significant changes to the Company's trading position once the Consolidation and De-Listing are completed.

GENERAL MEETING

The General Meeting will be held on 6 February 2019 at 2.00 pm, at which Shareholders will be asked to consider and, if thought fit, pass the Resolutions.

Ordinary resolutions require the approval of the majority of those Shareholders present and voting (in person or by proxy) at the General Meeting. Special resolutions require the approval of not less than 75% of those shareholders present and voting (in person or by proxy) at the General Meeting.

The Resolutions, which are summarised below, are necessary for the implementation of the Proposals. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions as they intend to do in relation to their respective shareholdings. The reasons for the recommendation in this paragraph are as set out in this Circular and, in particular, in the "recommendation" paragraph below. As regards Resolutions 1 and 5, the amount to be paid for the equity securities referred to in those Resolutions is the Top-Up Price which has been calculated as described in the paragraph headed "Share Price Calculation" so as to be consistent with the Tender Offer Price and the price to be paid for the Existing Ordinary Shares that represent Fractional Entitlements.

Resolution 1

This Resolution is required for the purposes of the Top-Up Offer.

Resolution 1 is proposed as a special resolution to authorise the Company to sell the Existing Ordinary Shares currently held by the Company as Treasury Shares for cash as if section 561 of the Act did not apply to such sale. Such authority is proposed to be limited to the sale of Treasury Shares up to a total nominal value of £67,195. The proposed authority set out in Resolution 1 shall expire on 20 August 2020 but prior to its expiry the Directors may make offers, and enter into agreements, which would, or might, require Treasury Shares to be sold after the authority expires and the Directors may sell Treasury Shares under such offer or agreement as if the authority had not expired.

Resolution 2

This Resolution is also required for the purposes of the Top-Up Offer in the event that the Treasury Shares are insufficient to satisfy all applications for Top-Up Shares.

Resolution 2 is proposed as an ordinary resolution to authorise the Company, in accordance with section 551 of the Act, to allot equity securities for cash up to a total nominal value of £105,787. The proposed authority set out in Resolution 2 shall expire on 20 August 2020 but prior to its expiry the Directors may make offers, and enter into agreements, which would, or might, require equity securities to be sold after the authority expires and the Directors may sell equity securities under such offer or agreement as if the authority had not expired.

Resolution 3

This Resolution is required for the purposes of the Repurchase Agreement, the Tender Offer and the purchase of the Fractional Entitlements.

Resolution 3 is proposed as an ordinary resolution to approve the Repurchase Agreement and to authorise the Company to, in accordance with the Act, make the Buyback from Arden, pursuant to the Repurchase Agreement, of such number of Existing Ordinary Shares as are successfully tendered pursuant to the Tender Offer and the Fractional Entitlements which will arise from the Consolidation.

Resolution 4

This Resolution is required for the purposes of the Consolidation and is proposed as an ordinary resolution.

Resolution 4 is a resolution that all of the Existing Ordinary Shares be consolidated into, and redesignated as, New Ordinary Shares at a ratio of 10,000 Existing Ordinary Shares to 1 New Ordinary Share. Furthermore, the Directors are authorised to deal with the Fractional Entitlements arising from the Consolidation as described in the Circular pursuant to their powers under the Articles.

Resolution 5

This Resolution is also required for the purposes of the Top-Up Offer in the event that the Treasury Shares are insufficient to satisfy all applications for Top-Up Shares. Resolution 5 is proposed as a special resolution to disapply the statutory pre-emption provisions of section 561 of the Act in relation to any shares to be allotted pursuant to Resolution 2.

Resolution 6

This Resolution relates to the De-Listing and is proposed as a special resolution for the cancellation of the admission of the Existing Ordinary Shares to trading on AIM.

ACTION TO BE TAKEN

General Meeting

Shareholders will find enclosed with the Circular a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6AH as soon as possible and in any event not later than 2.00 pm on 4 February 2019. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you so wish and are so entitled.

If the Form of Proxy is not returned by 2.00 pm on 4 February 2019, your vote will not count.

Top-Up Offer

If you are a Qualifying Top-Up Offer Shareholder and wish to participate in the Top-Up Offer, you should follow the procedure for applying for Top-Up Shares. Full details of the Top-Up Offer, and the procedure to be followed by Qualifying Top-Up Offer Shareholders wishing to apply for Top-Up Shares, are set out in Part III of the Circular.

The procedure for applying for Top-Up Shares depends on whether a Qualifying Top-Up Offer Shareholder holds Existing Ordinary Shares in certificated or uncertificated form.

Qualifying Top-Up Offer Shareholders who hold Existing Ordinary Shares in certificated form and who wish to apply for Top-Up Shares should complete a Top-Up Form in accordance with the instructions set out in Part III of the Circular and the instructions printed on the Top-Up Form itself and return it by post to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6AH or (during normal business hours only) by hand to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible and, in any event, so as to arrive by no later than 1.00 pm on 18 February 2019. Share certificates for the New Ordinary Shares will be despatched no later than 4 March 2019.

Qualifying Top-Up Offer Shareholders who hold Existing Ordinary Shares in uncertificated form and who wish to apply for Top-Up Shares should follow the CREST procedures set out in Part III of the Circular. The CREST instruction must have settled no later than 1.00 pm on 18 February 2019.

Tender Offer

If you are a Qualifying Tender Offer Shareholder and wish to participate in the Tender Offer, you should follow the procedure for tendering shares. Full details of the Tender Offer, and the procedure to be followed by Qualifying Tender Offer Shareholders wishing to tender their Existing Ordinary Shares, are set out in Part IV of the Circular.

The procedure for tendering Existing Ordinary Shares on the Register at the Record Date for the Tender Offer depends on whether a Qualifying Tender Offer Shareholder holds Existing Ordinary Shares in certificated or uncertificated form.

Qualifying Tender Offer Shareholders who hold Existing Ordinary Shares in certificated form and who wish to tender all or some of their Existing Ordinary Shares held at the Record Date for the Tender Offer should complete a Tender Form in accordance with the instructions set out in Part IV of the Circular and the instructions printed on the Tender Form itself and return it, together with their original share certificate(s) by post to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6AH or (during normal business hours only) by hand to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible and in any event so as to arrive by no later than 1.00 pm on 18 February 2019.

Qualifying Tender Offer Shareholders who hold Existing Ordinary Shares in uncertificated form and who wish to tender all or some of their Existing Ordinary Shares held at the Record Date for the Tender Offer should tender electronically through CREST so that the TTE Instruction settles by no later than 1.00 pm on 18 February 2019. If Existing Ordinary Shares are held under different member account IDs, a separate TTE Instruction should be sent for each member account ID.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

DIRECTORS' INTENTIONS, AND IRREVOCABLE UNDERTAKINGS

The Directors, who together hold 5,390,855 Existing Ordinary Shares representing approximately 64.67% of the Existing Ordinary Shares in issue, have each confirmed to the Company that they intend to vote in favour of all of the Resolutions.

Mr Charles Bailey has undertaken to the Company that he intends to apply for his Top-Up Share Entitlement and that he will not be accepting the Tender Offer

Mr Christopher Fielding has undertaken to the Company that he will not apply for his Top-Up Share Entitlement and that he will be accepting the Tender Offer.

Mr David Wilkinson has undertaken to the Company that he will not apply for his Top-Up Share Entitlement and that he will be accepting the Tender Offer.

RECOMMENDATION

The Directors consider that the Proposals are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole. Your Directors consider it appropriate that the Qualifying Top-Up Offer Shareholders should have the choice as to whether they, if they wish to remain as Shareholders in the Company following the De-Listing, should be able to increase their holding of Existing Ordinary Shares prior to the Consolidation so as to not lose any Fractional Entitlements upon the Consolidation. Your Directors also consider it appropriate that the Qualifying Tender Offer Shareholders should have the choice as to whether to remain Shareholders in the Company following the De-Listing and that, accordingly, they should be given an opportunity to realise their investment under the Tender Offer prior to the De-Listing. However, the Directors make no recommendation to Qualifying Top-Up Offer Shareholders or to Qualifying Tender Offer Shareholders in relation to their participation in the Top-Up Offer or the Tender Offer and recommend that all such Shareholders consult their

duly authorised independent advisers before they make a decision as to whether to apply for Top-Up Shares or to tender their Existing Ordinary Shares, in order to obtain advice relevant to their particular circumstances.