



## INTRODUCTION

In order to improve communication with shareholders and other stakeholders, Tradehold will be issuing an electronic newsletter on a quarterly basis that aims to provide an update on various projects currently on the go within the Tradehold group of companies. Following the very good set of results for the year ending 28 February 2017 the group has been active on many fronts (view our Results Presentation on the Tradehold website: [www.tradehold.co.za](http://www.tradehold.co.za)).

## Tradehold restructures to list Financial Services Interests separately

As a holding company with interests in the financial services sector, Tradehold has started a restructuring process to strip out these interests and list them separately. It has been done to create more focused businesses each with its own, clear identity.

**“Our financial services investments have always been dominated by property interests which constitute 92% of Tradehold’s gross assets. Through the restructuring the goal is to achieve greater visibility and public understanding of the financial services we offer; their value and potential”**

– Friedrich Esterhuysen, Joint CEO.

Tradehold’s financial services interests are vested in companies in the United Kingdom and in South Africa. In the UK we own, through Reward Investments, 70% of three

operating units while in South Africa we wholly-own Cape Town based Mettle Investments. These businesses offer services in inter alia financial technology, renewable energy finance, asset management and specialist lending, with the UK currently accounting for approximately two thirds of our net income.

Our property assets are in turn vested in three wholly-owned companies: Moorgarth Holdings in the UK, Tradehold Africa operating in Africa outside South Africa and the Collins Group in South Africa. Although the financial services assets at this stage are relatively small, a pipeline of potential acquisitions has been identified and negotiations are already under way with some of these businesses.

The financial services assets will be housed in a company called VestIN which has a primary listing on the Bermudan Stock Exchange (BSX) and a secondary listing on the JSE’s AltX. Currently a cash shell, VestIN, which will undergo a name change, will subsequently be

unbundled to Tradehold shareholders and retain its present listings. As a result, shareholders will receive shares in the new company equal to the number of shares held in Tradehold.

Tradehold is also presently in negotiations to dispose of non-core assets and acquire additional assets in the property field to both increase the size of the business and stimulate further growth, with a focus on our core markets in the United Kingdom and South Africa.



**Friedrich Esterhuysen**  
Tradehold, Joint CEO

UNITED KINGDOM

# Moorgarth and The Boutique Workplace Company



Tradehold’s European arm, Moorgarth, has continued to expand its businesses in the United Kingdom in line with expectations. The Moorgarth Group of Companies has continued to trade well in the first 6 months of the year with a continuing delivery of its strategy for the year.

In March, it completed the purchase of Waverley Mall in Edinburgh at a cost of £23.5m with its joint venture partner, The Moolman Group. The centre is located adjacent to Edinburgh’s main rail station and the prime retail focus of Princess Street and comprises a two storey retail and food centre on 10 000m<sup>2</sup>. Since its purchase we have improved the net operating income

of the centre and identified some very exciting asset management opportunities that will significantly improve the attractiveness of the centre and broaden its offer, together with increasing the available lettable area on site.

In addition, Moorgarth owns two larger centres, one in Reading to the west of London and one in Bolton, Greater Manchester. The Reading centre comprises of 40,000 sqm of retail and 6,000 sqm of offices while the Bolton centre comprises of 50 000 m<sup>2</sup> of retail, leisure, food and beverage. Both centres have undergone refurbishment with Bolton receiving a national award for a major shopping centre refurbishment. Letting

activity in Reading and Bolton has moved forward positively with net rental incomes improving in both centres. Further floor space has been successfully let in the Reading Office, leaving only a single floor available when four floors were vacant on purchase.

In line with our strategy for the year, we successfully concluded the sale of two of the non-core properties held within the portfolio, which we had targeted for sale this year. Both sales were concluded at substantially above book value.

Tradehold also operates a flexible office space business in the UK called The Boutique Workplace Company Limited (TBWC). This is a very exciting business on the forefront of the changing occupation market for companies seeking flexible office solutions in London. TBWC has an active programme of refurbishment works on a number of its facilities, now reaching completion, with two of the four assets under refurbishment effectively being fully let prior to completion of the work. TBWC looks to open further centres throughout London while considering broadening its operation into the wider UK market.

“Despite concerns over Brexit, the business is flourishing in the UK because of focused and innovative approaches to asset management. Moorgarth continues to look at significant opportunities to expand all of its businesses in the UK” – Tim Vaughan, Joint CEO.



**Tim Vaughan**  
Tradehold, Joint CEO

**SOUTH AFRICAN OPERATIONS**

# Collins Property Projects



The Collins Group was acquired by Tradehold towards the end of the previous financial year. The transaction offered Tradehold the opportunity to acquire an extensive portfolio of quality properties, together with a highly rated team of property asset managers and developers; with a reputation built up over generations. At year end the portfolio was valued at R8.3 billion, consisting of 148 properties with a total gross lettable area of 1.6 million square meters and a very low vacancy of 0.77%.

The mainly industrial portfolio (81%) includes blue chip tenants such as Pepkor, Massmart, Unilever, Sasol and Nampak on long leases. Apart from continuing actively managing the existing portfolio, new projects consist of the following:

### Retail Centres

The company is in the process of acquiring land and/or leasehold rights in four regions, namely Elliotdale (Eastern Cape), Langa (Western Cape), Mamelodi (Gauteng) and Nkandla (Kwazulu Natal) on which it intends to develop retail centres and lease these to national tenants on attractive yields.

Elliotdale at 4100 m<sup>2</sup> lettable area will be anchored by Shoprite on a 10 year lease, while Langa will be anchored by Boxer store at around 2300 m<sup>2</sup> of lettable area on a 10 year lease. Mamelodi will be anchored by Cambridge, and Nkandla by Shoprite, both on 10-year leases.

Construction on these retail centres is due to commence in the near future.

### Mzuri Estate

The company has acquired prime land in Somerset West (Western Cape) and is in the process of marketing a premier lifestyle offering, Mzuri Residential Estate. The proposed residential development comprises of 244 units, made up of a 100 single residential and duplex houses (launched June 2017) as well as 144 apartments (launching end September 2017). The development boasts fantastic views over False Bay with a state of the art clubhouse at the heart of the estate; including an indoor swimming pool, modern fully equipped gymnasium, rooftop garden terrace, and communal shared work space areas.

Mzuri Estate incorporates modern open plan contemporary designed units with imaginative finishes, SMEG integrated appliances, high end fibre to the home (FTTH), state of the art security including biometric access control, landscaped communal gardens, all which have been sensibly designed to remain environmentally conscious.

Adjacent to Mzuri Estate and as part of the same development land, the company is proposing to construct a lifestyle shopping centre of approximately 10,000 m<sup>2</sup> which will tie into and complement the existing Vergelegen Plein Shopping Centre anchored by Checkers and Woolworths Food. The retail development will be anchored by Virgin Active with a number of attractive restaurants, pharmacies and home and lifestyle offerings.

Mzuri Estate sales are progressing well with construction estimated to commence in early 2018.

(Any interested parties are to contact our sales team: Kelly, Simoné, Joy or Janice on 021 824 1224, or get in touch through [www.mzuri.co.za](http://www.mzuri.co.za)).

### De Tijger Business Park

The recently acquired and well established De Tijger Business Park in the Northern Suburbs of Cape Town is in the process of being upgraded. Located on the corner of McIntyre Street and Frans Conradie Drive, De Tijger Business Park is in close proximity to the N1 Highway. The Park is a two-storey complex with various sized offices to let, ranging from 157 m<sup>2</sup> to 452 m<sup>2</sup>. It accommodates a state of the art day hospital, making it ideal for medical suites.

The company has commenced refurbishments that will offer existing tenants and prospective owners a more stylish, modern and convenient working environment.

### Renovations to the Park will include:

- a new entrance canopy with a guardhouse
- around the clock security
- a new electrical fence around the internal perimeter
- upgrades to existing road works, landscaping and installation of street lights.
- ample parking with shade cloth and basement parking available

### Wellness Crossing

The company acquired this property located in Wilgeheuwel, Roodepoort in Gauteng and is currently in the process of preparing the property for development to include a sub-acute hospital, namely Cure Day Clinics and other medical suites, including a pathology laboratory, dialysis clinic, physiotherapist and orthopedic surgeon.



**Sean Meekers**  
Collins Property Projects, CEO

**AFRICA OPERATIONS - OUTSIDE SOUTH AFRICA**

 **NAMIBIA**

The Namibian business is entering into an exciting phase where discussions are well under way to list some of our Namibian assets, together with the assets managed by our development partners, Safland Property Group, on the Namibian stock exchange. Our Namibian development pipeline is healthy and include the following project which are already underway:

**Dunes Mall, Walvis Bay**

Dunes Mall in Walvis Bay, a joint venture with Atterbury, is due for completion at the end of October 2017 with current construction being on programme and within budget. Dunes Mall was initially approved on a gross lettable area (GLA) of 27,153 m<sup>2</sup>. Phase two of the development has recently been approved which will see an increase in the GLA to 32,224 m<sup>2</sup>, incorporating Game as a further anchor tenant. The inclusion of Game further solidifies Dunes Mall as the dominant future retail offering in Walvis Bay and surrounding locations upon completion.

**2 @ Steps, Windhoek**

2 @ Steps located adjacent to the Grove Mall is due to commence construction in the 1st quarter of 2018. 2 @ Steps is the first of three future phases within the Steps precinct (adding to the recently completed Virgin Active, 1 @ Steps and City Lodge developments) which intend to position The Steps precinct as the premium office node for corporate tenants for the foreseeable future.

**Gobabis Mall, Gobabis**

Gobabis Mall commenced bulk earthworks in June 2017. Gobabis is located in the East of Namibia, 200km from Windhoek along the B6 National road, a primary link between Namibia and adjacent Sub-Saharan African countries. Gobabis Mall will be completed in November 2018 and will comprise 9,939 m<sup>2</sup> of gross lettable area which will be anchored by Shoprite Checkers.

**Steps Town Lodge, Windhoek**

The Steps Town Lodge development, within the Steps precinct adjacent to the Grove Mall in Windhoek, is nearing completion and will be handed over for commencement of trading by City Lodge in October 2017. The transaction has been concluded based on the terms of a sale and lease back transaction negotiated with City Lodge on a 15-year lease.



 **MOZAMBIQUE**

**Phemba Shopping, Phemba**

Phemba Shopping commenced trading on 29 June 2017 following completion of phase 1 of the retail development. The shopping centre, anchored by Shoprite Checkers, Pep and OK Furniture, brings formal retail to this northern town of Mozambique for the first time. The development follows a successful joint venture with Atterbury on two properties in Mozambique.