

Effective Tradehold Limited
(Registration number: 1970/009054/06)
Incorporated in the Republic of South Africa
JSE Share code: TDH ISIN: ZAE000152658
("Tradehold" or "the Company")



SALE OF THREE PROPERTY RENTAL ENTERPRISES TO VH PROPERTIES PROPRIETARY LIMITED

1. INTRODUCTION

- 1.1 Shareholders are advised that on 27 October 2021, Imbali Props 21 Proprietary Limited ("**Imbali**" or "**the Seller**") (a subsidiary of Tradehold), concluded an agreement ("**the Agreement**") with VH Properties Proprietary Limited ("**VH Properties**" or "**the Purchaser**") to dispose of three (3) property rental enterprises ("**the Disposal**") conducted in relation to three properties ("**the Properties**") details of which are contained in paragraph 7 below (collectively, "**the Property Rental Enterprises**").
- 1.2 VH Properties, a property investment and management company which is not a related party to Tradehold, will acquire the Property Rental Enterprises from Imbali on a going concern basis. After the implementation of the Disposal, VH Properties will also become the registered owner of the Properties.
- 1.3 The Properties are tenanted by Nampak Products Limited ("**Nampak**") and form part of the R1,744bn portfolio of 16 properties purchased by Imbali from Nampak in 2016. A separate lease agreement, which is still to be entered into between Nampak and Imbali ("**the Standalone Lease Agreement**") in relation to the Properties, will form part of the Property Rental Enterprises and therefore the Seller will cede its rights and delegate its obligations under the Standalone Lease Agreement to the Purchaser as part of the Disposal.

2. RATIONALE FOR THE DISPOSAL

- 2.1 The Seller's business operations include property development and letting.
- 2.2 The primary reason for the Seller disposing of the Property Rental Enterprises is to reduce concentration risk and recycle capital for offshore investment. Imbali continues to retain ownership of a quality portfolio of industrial Nampak-tenanted properties from which consistent rental income is derived.

3. DISPOSAL CONSIDERATION

- 3.1 The aggregate consideration in respect of the Disposal is R674,013,800 ("**the Disposal Consideration**").
- 3.2 The Disposal Consideration will be utilised for the purposes of reducing gearing and for reinvestment in offshore opportunities.

3.3 The Disposal Consideration shall be payable, in cash, upon the transfer of the Property Rental Enterprises and the Properties into the name of VH Properties.

4. CONDITIONS PRECEDENT

4.1 The Disposal is subject to the conclusion of the following conditions precedent:

- within seven (7) days of the date of signature of the Agreement (“**Signature Date**”), the Seller delivers the draft Standalone Lease Agreement to the Purchaser;
- within thirty (30) days of Signature Date, the Purchaser notifies the Seller, in writing, that VH Properties is satisfied with the results of its due diligence investigation into the Property Rental Enterprises and the draft terms of the Standalone Lease Agreement (the “**Due Diligence Investigation**”);
- within thirty (30) days of the date of fulfilment of the condition precedent in relation to the satisfactory completion of Due Diligence Investigation, the Purchaser is to:
 - provided evidence, to the reasonable satisfaction of the Seller, that the Purchaser has secured bank funding for approximately 75% of the Disposal Consideration and that it has sufficient financial resources at its disposal to pay the remaining 25% of the Disposal Consideration (“**Confirmation of Funds**”); and
 - deliver to the Seller a copy of a resolution passed by the Purchaser’s board of directors approving the terms of the Agreement (“**the Purchaser’s Board Resolution**”)
- within fourteen (14) days of the date of fulfilment of the conditions precedent relating to the Confirmation of Funds and the delivery of the Purchaser’s Board Resolution, the Seller is to notify the Purchaser, in writing that:
 - Nampak has waived its right of first refusal to purchase the Properties (“**the Waiver**”); and
 - Nedbank Limited (“**Nedbank**”) has consented to the sale of the Property Rental Enterprises (“**the Nedbank Consent**”).
- within fourteen (14) days of the date of fulfilment of the conditions precedent relating to the Waiver and the Nedbank Consent, :
 - the Disposal is to be approved by the relevant competition authority in terms of the Competition Act (No. 89 of 1998), either unconditionally or conditionally upon terms and conditions both the Seller and the Purchaser confirm in writing to be acceptable to them; and
 - the Seller is to deliver a copy of the Standalone Lease Agreement, duly signed by the Seller and Nampak, to the Purchaser,(collectively, “**the Conditions Precedent**”).

5. EFFECTIVE DATE

The effective date of the Disposal will be on registration of transfer of the Properties into the name of VH Properties.

6. WARRANTIES AND OTHER MATERIAL TERMS

The Seller has provided the Purchaser with warranties and indemnities that are standard for a transaction of this nature.

7. THE PROPERTIES

The details of the Properties are as follows:

Property name	Location	Seller's initial purchase price (cost) (ZAR)	Fair value of the Properties (ZAR)*	Rentable area (m2)	Weighted average monthly rental / m ² (ZAR)
Paarl Property	Drakenstein Municipality, Division Paarl, Western Cape Province	R122m	R138.1m	32,462	R32.12
Springs Property	Nuffield Extension 4 Township, Gauteng Province	R289m	R295m	69,452	R35.30
Vanderbijlpark Property	Vanderbijlpark, North East No. 3 Township, Gauteng Province	R176m	R168.5m	84,406	R17.37

**Book value in Imbali's audited financial statements for its financial year ended 28 February 2021 as per independent valuations of the Properties prepared by Swindon Property Services in respect of the Paarl Property as at 28 February 2021 and Knight Frank in respect of the Springs Property and Vanderbijlpark Property as at 1 March 2021.*

8. FINANCIAL INFORMATION

The financial information set out below has not been reviewed or reported on by a reporting accountant in terms of section 8 of the JSE Listings Requirements and is the responsibility of Tradehold's directors:

The net property income attributable to the Properties amount to R57.6 million for the financial year ended 28 February 2021 are as follows:

- R11.9 million in relation to the Paarl Property;
- R28.4 million in relation to the Springs Property; and
- R17.3 million in relation to the Vanderbijlpark Property.

The source of the financial information in relation to the Properties is Imbali's audited financial statements for its financial year ended 28 February 2021.

9. CATEGORISATION

The Disposal is classified as a category 2 transaction in terms of the JSE Listings Requirements and, accordingly, is not subject to approval by Tradehold shareholders.

Cape Town
27 October 2021

JSE Sponsor to Tradehold



Questco Corporate Advisory Proprietary Limited