

TRADEHOLD LIMITED  
(Registration number: 1970/009054/06)  
("Tradehold" or "the Company")  
Incorporated in the Republic of South Africa

## **ESTABLISHMENT OF TRADEHOLD'S ZAR1,250,000,000 DOMESTIC PREFERENCE SHARE PROGRAMME**

The Company has established the Tradehold Limited ZAR1,250,000,000 Domestic Preference Share Programme (the "Programme").

The Preference Shares will be issued in individual tranches, which together with other tranches, may form part of a particular Class of Preference Shares. A tranche of Preference Shares will be issued on, and subject to, the terms and conditions ("Terms and Conditions") set out in the Programme Memorandum, as replaced, amended and/or supplemented by the terms and conditions of that tranche of Preference Shares set out in the Applicable Pricing Supplement.

The Class "B" Preference Shares will be placed through a private placement by the Company and listed on the main board of the JSE under the share code TDHPB and ISIN ZAE000253050 with abbreviated name TDH B Pref in the Preference Share sector ("B" Preference Shares). Full details regarding the abridged applicable pricing supplement will be announced on SENS on Thursday, 14 December 2017.

The information in this announcement has been extracted from the Programme Memorandum issued on 12 December 2017, unless otherwise stated. The Programme Memorandum has also been made available on the Company's website: [www.tradehold.co.za](http://www.tradehold.co.za). The definitions and interpretations set out in the Programme Memorandum apply to this announcement, which has been prepared in terms of the JSE Listings Requirements, for the purpose of providing information relating to the listing of the "B" Preference Shares.

### **1. INTRODUCTION AND RATIONALE**

Tradehold will use the issue proceeds of the "B" Preference Shares to pay all dividends owing in connection with, and should it so elect redeem all of, the existing "A" Preference Shares which are currently listed on the JSE under share code TDHP and ISIN ZAE000201166 (the "A" Preference Shares"); pay all amounts outstanding under the Bridge Loan; pay all amounts outstanding under the Existing Market Place Facility and fund any other requirements within the Group as required.

The Programme will be implemented through the Listing of "B" Preference Shares in terms of which a maximum number of 1,250,000 (one million two hundred and fifty thousand) "B" Preference Shares will be issued. The Programme is therefore expected to raise a maximum amount of approximately ZAR1,250,000,000 (one billion two hundred and fifty million Rand) before expenses.

### **2. INFORMATION RELATING TO TRADEHOLD**

Tradehold was incorporated in South Africa on 10 July 1970 and is an investment holding company listed on the main board of the JSE. Its property assets are located in South Africa, the United Kingdom and Southern Africa outside of South Africa.

In the United Kingdom ("UK") it owns 100% of the Moorgarth group holding company, which manages a £177 million, or £234m if its interest in joint ventures (not reflected on the balance sheet) is included, portfolio of retail, commercial and industrial properties located throughout the UK, as well as a serviced office business in London through a separate business trading as The Boutique Workplace Company. In South Africa it owns 100% of the Collins group of companies which own and manage a £504 million portfolio of commercial, industrial and retail properties located throughout South Africa. It furthermore owns and manages a £119 million portfolio of commercial and development properties in Namibia, Mozambique, Zambia and Botswana.

It holds financial services interests in the UK through its holding of 70% of the Reward group of companies ("Reward"), and in South Africa through its 100% holding in Mettle Investments Proprietary Limited ("Mettle"). Reward focuses on short-term, asset-backed loans to small and medium-sized businesses and on invoice-discounting facilities to similar businesses. Mettle was established in 1995 as a specialist financial services company and offers financing, administration and advisory solutions to clients ranging from international corporates to small to medium enterprises locally, as well as solar power solutions in southern Africa. Tradehold currently has 61,927,500 "A" Preference Shares listed on the main board of the JSE. Tradehold is entitled, but not obliged, to redeem the "A" Preference Shares on the Voluntary Redemption Date and this notice of redemption is revocable at the instance of Tradehold at all times prior to the actual redemption of the A Preference Shares, which will only happen on successful listing of the "B" Preference Shares and provided the redemption notice has not been revoked.

### **3. SALIENT TERMS OF THE PROGRAMME MEMORANDUM AND "B" PREFERENCE SHARE APPLICABLE PRICING SUPPLEMENT**

The full terms of the "B" Preference Shares are set out in the Programme Memorandum and Applicable Pricing Supplement. The summary below is not conclusive or exhaustive, and potential investors should refer to the Programme Memorandum and Applicable Pricing Supplement for full particulars of the terms and conditions of the "B" Preference Shares.

#### **3.1 "B" PREFERENCE SHARE PRICING SUPPLEMENT**

Full details regarding the applicable pricing supplement will be announced prior to the listing date.

Programme Memorandum available on the Company's website  
Abridged Applicable Pricing Supplement announced on SENS  
Listing Date

Tuesday, 12 December 2017  
Thursday, 14 December 2017  
Monday, 18 December 2017

Any changes to these dates and times will be released on SENS.

### 3.2 ENTITLEMENTS TO DIVIDENDS

Dividends on the "B" Preference Shares are payable quarterly on each Dividend Payment Date. Dividend Payment Dates are 15 March, 15 June and 15 September and 15 December, of each year, with the first Scheduled Dividend Date being 15 March 2018.

For each Dividend Period, each of the "B" Preference Shares shall be entitled to a Dividend Amount, being the amount of the dividend payable on the Issue Price of each "B" Preference Share, on each Dividend Payment Date in respect of such Dividend Period, determined by the Calculation Agent in accordance with Condition 7 (*Dividend Rights of the Preference Shares*).

### 3.3 VOTING RIGHTS

No Preference Share shall have associated with it any general voting right at any shareholders meeting of the Company, provided that where any amendment to the Terms and Conditions is a proposed amendment to the Terms and Conditions and/or Tradehold's Memorandum of Incorporation which affects or relates to all Preference Shares in issue under the Programme at that time, then such amendment shall not be effective unless it is approved by Special Resolution of all Preference Shareholders and for such purpose all of the holders of Preference Shares shall be treated as a single class and each Preference Share shall have associated with it one general voting right for the purposes of such Special Resolution. Where any proposed amendment to the Terms and Conditions is a proposed amendment to the Terms and Conditions or Tradehold's Memorandum of Incorporation, which affects or relates to a Class of Preference Shareholders only, then such amendment shall not be effective unless it is approved by Special Resolution of the affected Class of Preference Shareholders.

A resolution of the Preference Share Agent (acting on behalf of the Preference Shareholders), as a separate class of shareholders shall be required to be passed in respect of the following matters:

- i. for so long as any Trigger Event or Potential Trigger Event has occurred and is continuing;
- ii. if any Preference Dividend (or any part thereof) is not paid on its Dividend Payment Date and remains in arrears;
- iii. if any Final Redemption Amount (or any part thereof) is not paid on its Applicable Redemption Date and remains in arrears; or
- iv. if a resolution of Tradehold is proposed which affects these Terms and Conditions, the rights to receive the Preference Dividends, the rights to receive the Final Redemption Amounts or the interests of the Preference Shareholders, including any resolution for the amendment of the Terms and Conditions.

A resolution of the Preference Share Agent (acting on behalf of the Preference Shareholders), as a separate class of shareholders) shall be required to be passed, in addition to the resolution required to be passed by ordinary shareholders, in respect of the following matters:

- i. increasing, altering, subdividing, repurchasing, reduction, return or repayment of any share capital, share premium, stated capital, non-distributable reserve account or reserves of the issued and/or authorised share capital of Tradehold, including the issue and allotment of shares, share options, warrants and debentures (and other similar instruments), other than the issue of ordinary shares, issues for purposes of an acquisition issue, vendor consideration placing or employee share incentive scheme, in each case, in accordance with the provisions of the JSE Listings Requirements;
- ii. sale or disposal of any asset of Tradehold directly or indirectly;
- iii. amending, varying or cancelling any of the rights attaching to the ordinary shares held by Tradehold;
- iv. amending Tradehold MOI, other than for purposes of compliance with the JSE Listings Requirements, the Companies Act or any Applicable Law;
- v. approving a scheme of arrangement, liquidation, winding up or application for business rescue of Tradehold;
- vi. incurring any debt, or guaranteeing other indebtedness in Tradehold, other than any Indebtedness or guarantees contemplated in these Terms and Conditions;
- vii. changing the nature of the business of Tradehold;
- viii. undertaking any act that requires a special resolution to be passed under the Companies Act; or
- ix. any other matter which affects the rights of the Preference Shareholders under these Terms and Conditions, the right of the Preference Shareholder to receive any Preference Dividends or any Applicable Redemption Amount or that affects the interest of the Preference Shareholder.

The total voting rights of all the Preference Shareholders and the holders of all other redeemable, preference shares in the share capital of the Company shall not exceed 24.99% (twenty four comma nine nine percent) of the total voting rights of all shareholders of the Company at any general meeting in all circumstances.

### 3.4 RANKING AND LIQUIDATION

The Preference Shares, rank as regards to the payment of dividends and a return of capital on the winding-up of the Company (i) *pari passu* among themselves and the Unspecified Shares (as defined in Appendix A: Amended And Additional Terms And Conditions), (ii) in priority to the ordinary shares and “N” Preference Shares (as defined in Appendix A: Amended And Additional Terms And Conditions) of the Company, and (iii) below all claims in respect of any indebtedness of the Company.

The Company does not have any class of shares which rank in priority to the Preference Shares in any respect. Other than the “A” Preference Shares and the Unspecified Shares, which rank *pari passu* amongst themselves and with the Preference Shares, the Company does not have any class of shares which rank *pari passu* to the Preference Shares in any respect.

### 3.5 SCHEDULED AND VOLUNTARY REDEMPTION

Unless previously redeemed or purchased and cancelled and subject to the Companies Act, a Tranche of Preference Shares will be redeemed by the Company, on the Final Redemption Date, at its Issue Price or at such other Final Redemption Amount as specified in the Applicable Pricing Supplement.

The Company may (having given not more than 10 (ten) Business Days’ notice to the Preference Shareholders, which notice shall be revocable by the Company, in accordance with Condition 20 (*Notices*), subject to Condition 12.2.3. of Appendix A: Amended And Additional Terms And Conditions, redeem the Preference Shares in whole, or if so specified in the Applicable Pricing Supplement, in part on the Early Redemption Dates, in accordance with Condition 12.2 (*Early Redemption at the option of the Company*) of Appendix A: Amended And Additional Terms And Conditions.

If Tradehold proposes to redeem any Unredeemed Preference Shares from the proceeds of a Refinancing, Tradehold shall be obliged to redeem all (and not less than all) of the Unredeemed Preference Shares.

Tradehold shall be obliged to apply all amounts standing to the credit of the Reserve Account (as defined in Appendix A: Amended And Additional Terms And Conditions) on the 3rd (third) Business Day after the expiry of the Restricted Period, taking into account any STT, towards the redemption of such number of Unredeemed Preference Shares as can be redeemed at that time using such amounts.

Tradehold shall, by each Scheduled Redemption Date (as defined in Appendix A: Amended And Additional Terms And Conditions), be obliged to redeem (to the extent that same have not already been redeemed) such number of Preference Shares (if any) as may be required to ensure that the aggregate number of Preference Shares that have been redeemed by Tradehold is at least equal to the Scheduled Preference Shares (as defined in Appendix A: Amended And Additional Terms And Conditions) set out opposite such Scheduled Redemption Date (as defined in Appendix A: Amended And Additional Terms And Conditions).

If any Preference Shares are redeemed in accordance with these Conditions prior to the Scheduled Redemption Dates set out in the defined term “Scheduled Redemption Date”, the number of Preference Shares to be redeemed on each subsequent Scheduled Redemption Date will be reduced pro rata.

## 4. POTENTIAL VOLUNTARY EARLY REDEMPTION, CANCELLATION & DELISTING OF THE EXISTING “A” PREFERENCE SHARE

Tradehold has issued a revocable voluntary redemption notice to “A” Preference Shareholders, indicating that Tradehold is contemplating the full redemption and cancellation (the “Voluntary Redemption”) of the “A” Preference Shares which are currently in issue on 18 December 2017 (the “Voluntary Redemption Date”).

If the Voluntary Redemption proceeds, the Voluntary Redemption will take place at ZAR1,000 cents per “A” Preference Share, being an aggregate amount of R619,275,000 being paid to the “A” Preference Shareholders. Tradehold shall pay all STT in respect of the Voluntary Redemption of the “A” Preference Shares as and when due.

If Tradehold redeems the “A” Preference Shares, the “A” Preference Shares will also subsequently be delisted from the JSE Limited by way of a delisting on Tuesday, 19 December 2017.

If Tradehold redeems the “A” Preference Shares, and provided that the “B” Preference Shares are listed and issued on the listing date, the redemption of the “A” Preference Shares will be effected on cashless and net settlement basis.

If Tradehold elects to redeem the “A” Preference Shares, then, immediately prior to the Voluntary Redemption, Tradehold will declare and pay all accrued dividends on the “A” Preference Shares of 3.62356 cents per “A” Preference Share (“Accrued “A” Preference Share Dividends”) in respect of the period from 1 December 2017 to 18 December 2017 on the Voluntary Redemption Date from the distributable reserves of the Company.

The Accrued Preference Share Dividends constitute a foreign dividend, as defined in section 1 of the Income Tax Act, 1962 ("ITA"), and is a dividend for purposes of dividends tax ("DT") imposed under Part VIII of Chapter II of the ITA, since the "A" Preference Shares are listed on the JSE Limited and therefore constitute "listed shares" as contemplated in section 64D of the ITA. In terms of the ITA, DT of 20% has been withheld for those "A" Preference Shareholders who are not exempt from DT. "A" Preference Shareholders who are not exempt from DT will therefore receive a net dividend of 2.89885 cents per "A" Preference Share.

All required consents and waivers from the "A" Preference Shareholders have been obtained for the Redemption.

## 5. COPIES OF THE PROGRAMME MEMORANDUM

Copies of the Programme Memorandum will be available for inspection at 3rd Floor, Pepkor Building, 36 Stellenberg Road, Parow Industria, 7493, South Africa and at the offices of the Joint Debt Sponsor, Building 2, Commerce Square Office Park, 39 Rivonia Road, Sandhurst, 2196 or 1 Melrose Boulevard, Suite 7, Melrose Arch, 2076, Johannesburg, South Africa, during normal Business Days from the date of issue of this Programme Memorandum up to and including the last day of the Availability Period.

This announcement is issued by the Joint Debt Sponsor on behalf of Tradehold.

A copy of the Programme Memorandum has been made available on the Company's website: [www.tradehold.co.za](http://www.tradehold.co.za)

12 December 2017  
Cape Town

Joint Debt Sponsor  
Nodus Capital Proprietary Limited  
Mettle Specialised Finance Proprietary Limited

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any "B" Preference Shares in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

This announcement does not constitute an offer to the public as contemplated in the Companies Act, 2008 and, accordingly, no prospectus will be issued or registered in respect of the offer of "B" Preference Shares (the "Offer"). The Offer will only be made to offerees, who, subject to certain conditions, comprise selected institutional investors in South Africa (within the ambit of section 96(1)(a) of the Companies Act), and to persons in South Africa who subscribe for "B" Preference Shares at a minimum aggregate subscription price of R1 000 000 per single addressee acting as principal (as envisaged in section 96(1)(b) of the Companies Act), and in each case to whom the Offer is specifically addressed. The Offer is not being made, and the "B" Preference Shares are not being offered, in any jurisdiction other than South Africa.

The distribution of this announcement, Programme Memorandum, any Applicable Pricing Supplement, and the issue, sale or offer of "B" Preference Shares may be restricted by law in certain jurisdictions. Persons into whose possession this announcement comes must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this announcement and the offer or sale of "B" Preference Shares in the United States of America, the European Economic Area, the United Kingdom, South Africa and certain other jurisdictions. Tradehold, the Arranger, the Dealer(s), the Debt Sponsors and the other professional advisers do not represent that this announcement may be lawfully distributed, or that any "B" Preference Shares may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Tradehold, the Arranger, the Dealer(s), the Debt Sponsors and the other professional advisers which would permit a public offering of any "B" Preference Shares or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no "B" Preference Shares may be offered or sold, directly or indirectly, and neither this announcement, the Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations.

"B" Preference Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). "B" Preference Shares may not be offered, sold or delivered within the United States of America or to U.S. Persons except in accordance with Regulation S (as defined in the Securities Act) under the Securities Act.