

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

---

## **A FOREIGN CASH DIVIDEND TO ORDINARY SHAREHOLDERS OF R0.50 PER SHARE WITH AN ELECTION TO UTILISE THE PROCEEDS OF THE DIVIDEND TO SUBSCRIBE FOR NEW SHARES IN TRADEHOLD**

---

### **1. INTRODUCTION**

Shareholders are advised that the board of directors of Tradehold ("the Board") has declared a gross cash dividend of R0.50 ("Cash Dividend") per Tradehold ordinary share ("Share") to its ordinary shareholders recorded in the Company's share register at the close of business on the record date, being Friday, 15 June 2018 ("Record Date").

The net Cash Dividend after deducting dividend tax ("DT") of 20%, if applicable, will be R0.40 ("Proceeds").

Shareholders may elect to subscribe for new Tradehold ordinary shares ("New Shares") by utilising all or part of the Proceeds to which they are entitled.

Shareholders not electing to subscribe for the New Shares will, without any action on their part, receive the Cash Dividend.

All of the Cash Dividend will be funded from the Company's cash resources.

### **2. RATIONALE**

The Board is of the view that the declaration of a cash dividend with the option to apply the Proceeds to subscribe for New Shares is a prudent manner in which to manage the Company's balance sheet in a period of economic uncertainty. The option to subscribe for New Shares provides a cost effective opportunity for shareholders to increase their shareholding, while strengthening the Company's balance sheet and accelerating the planned reduction in its gearing metrics over the medium term.

### **3. TERMS OF THE CASH DIVIDEND AND SUBSCRIPTION FOR NEW SHARES ALTERNATIVE**

Shareholders will receive the Cash Dividend, if and to the extent that such Shareholders have not elected to apply the Proceeds to subscribe for the New Shares. Shareholders are, however, entitled to elect to apply all or part of their Proceeds to subscribe for New Shares by 12h00 on the Record Date.

The number of New Shares to which each of the shareholders will become entitled is determined as follows:

- The re-investment share price (or New Share subscription price) of a Share will be the volume weighted average price ("VWAP") of a Share traded on the JSE during the 5-day trading period ending at the close of business on , Friday, 1 June 2018.
- Once the re-investment share price (or New Share subscription price) is known, it is possible to calculate the number of New Shares which the Company will issue for each Share in respect of which an election to subscribe for New Shares is made, being the ratio of entitlement.
- The ratio of entitlement applicable to the New Shares will only be known at the end of business on 1 June 2018, and will be released on the finalisation date on SENS on Monday, 4 June 2018 and published in the press on Tuesday, 5 June 2018. It is calculated as the ratio that the Cash Dividend per Share bears to the re-investment share price.
- Where the application of this ratio of entitlement gives rise to a fraction of a Share, the rounding principles described in paragraph 4 below will be applied.

**The following serves as an example of the application of the above:**

Cash Dividend of R0.5 per share if a 100 shares are held	: R0.5 x 100 = R50
DT @ 20% (assuming no exemption available)	: R10
Cash available to re-invest in New Shares	: R40
Re-investment share price: 5-day VWAP	: R15
Portion of Cash Dividend applied to subscribe for New Shares	: 100%
Number of New Shares to be issued	: 2 (equalling R30)
Cash Dividend paid out in respect of fractional entitlements	: R10

This formula ensures that all shareholders are treated equally from an economic perspective, irrespective of whether they receive cash or elect to apply such Proceeds to subscribe for New Shares.

#### 4. FRACTIONS

The JSE Limited ("JSE") does not permit fractions and fractional entitlements of shares. Accordingly, where a shareholder's entitlement to New Shares calculated in accordance with the above formula gives rise to a fraction of a New Share, such fraction of a New Share will be rounded down to the nearest whole number, resulting in allocations of whole Shares and a cash payment for the fraction.

The applicable cash payment for any fraction arising in terms hereof is determined with reference to the VWAP of a Share traded on the JSE during the 5-day trading period ending at the close of business on Friday, 1 June 2018.

#### 5. TAX IMPLICATION

The Cash Dividend (irrespective of whether paid out in cash or applied to subscribe for the New Shares) is likely to have tax implications for both resident and non-resident shareholders. The following is not tax advice and is only a summary of the salient tax principles typically applicable in the below mentioned instances. Shareholders are therefore encouraged to consult their professional tax advisors if they are in any doubt as to the appropriate action to take.

5.1 in the case of South African shareholders:

5.1.1 In terms of the Income Tax Act, No. 19 of 2012 ("Income Tax Act"), as amended, the Cash Dividend (irrespective of whether paid in cash or applied to subscribe for New Shares) will, unless it qualifies for an exemption, be subject to DT. South African resident Shareholders that are liable for DT will be subject to DT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend by the Company. The net dividend per share after DT, if applicable, will be R0.40 cents.

5.1.2 The subsequent disposal of New Shares obtained by applying the Proceeds (as is the case with existing Shares) is likely to have income tax or capital gains tax implications for the shareholders. Where proceeds realised from the disposal of New Shares in future are of a capital nature, the base cost of such Shares will be an amount equal to so much of the proceeds from the Cash Dividend applied by that shareholder to subscribe for such Shares for purposes of paragraph 20 of the Eighth Schedule to the Income Tax Act (or the value at which such Shares will be included in the determination of the weighted average base cost method will be the amount of the Cash Dividend applied to subscribe for such shares). Shareholders should confirm the tax implications where any such Shares will be held on revenue or trading account with their tax advisors.

5.2 in the case of foreign shareholders:

Shareholders who are not residents of South Africa for tax purposes are exempt from DT in respect of any Cash Dividend (irrespective of whether paid out in cash or applied to subscribe for New Shares). Such shareholders should consult their own professional advisors regarding their tax implications.

#### 6. FOREIGN SHAREHOLDERS

The rights to receive the Cash Dividend and/or to apply the Proceeds to subscribe for New Shares (in the alternative) in jurisdictions other than South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. **Accordingly, shareholders who are not entitled to subscribe for New Shares, directly or indirectly, in those jurisdictions are deemed to have elected not to subscribe for New Shares and to receive the Cash**

**Dividend.** Such non-resident shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the subscription for New Shares, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate advisor in the relevant jurisdictions without delay.

## 7. CIRCULAR TO SHAREHOLDERS

A circular containing full details of the Cash Dividend and New Shares subscription alternative, will be made available on Tradehold's website ([www.tradehold.co.za](http://www.tradehold.co.za)) and mailed to shareholders on Friday, 25 May 2018.

## 8. SALIENT DATES AND TIMES

Record date for Shareholders eligible to receive the circular	<b>Friday, 18 May 2018</b>
Declaration Date for Cash Dividend or subscription for New Shares and announcement on SENS	<b>Thursday, 24 May 2018</b>
Circular and Form of Election posted to Shareholders and announcement in press on	<b>Friday, 25 May 2018</b>
Finalisation information including the ratio of entitlement applicable to the subscription for New Shares and re-investment price, based on the 5 day volume weighted average price ending at the close of business on Friday, 1 June 2018, released on SENS by 11h00 on	<b>Monday, 4 June 2018</b>
Finalisation information including the ratio of entitlement applicable to the subscription for New Shares and re-investment price, based on the 5 day volume weighted average price ending at the close of business on Friday, 1 June 2018, published in the press on	<b>Tuesday, 5 June 2018</b>
<b>Last day to trade</b> in order to be eligible for the Cash Dividend or to elect to subscribe for the New Shares	<b>Tuesday, 12 June 2018</b>
Shares trade "ex" the Cash Dividend on	<b>Wednesday, 13 June 2018</b>
Last day to elect to subscribe for the New Shares by utilizing the Proceeds Forms of Election to reach the Transfer Secretaries by 12h00 noon on	<b>Friday, 15 June 2018</b>
<b>Record Date</b> in respect of the Cash Dividend and the New Shares subscription	<b>Friday, 15 June 2018</b>
Listing and trading of maximum possible number of Shares on the JSE in terms of the New Shares subscription from the commencement of business on	<b>Friday, 15 June 2018</b>
Announcement relating to the results of the Cash Dividend and the New Shares subscription released on SENS by 11h00 on	<b>Monday, 18 June 2018</b>
Cash Dividend payments made to applicable Shareholders, CSDP/Broker accounts credited/updated, as applicable, on	<b>Monday, 18 June 2018</b>
Announcement relating to the results of the Cash Dividend and the New Shares subscription published in the press on	<b>Tuesday, 19 June 2018</b>
New Shares issued to applicable Dematerialised Shareholders on the Register and certificates posted to applicable Certificated Shareholders	<b>Wednesday, 20 June 2018</b>
JSE listing of Shares in respect of the New Shares subscription adjusted to reflect the actual number of Shares issued in terms of the New Share subscription at the commencement of business on or about	<b>Thursday, 21 June 2018</b>

All times provided above are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 June 2018, and Friday, 15 June 2018, both days inclusive.

Shareholders electing to utilise the Proceeds to subscribe for New Shares in Tradehold are alerted to the fact that the New Shares will be listed three (3) business days after the last day to trade ("LDT") and that these New Shares can only be traded three (3) business days after the LDT, due to the fact that settlement of the shares will be three (3)

business days after the Record Date, which differs from the conventional one (1) business day after the Record Date settlement process.

24 May 2018

**JSE Sponsor to Tradehold**

Mettle Corporate Finance Proprietary Limited