

TRADEHOLD LIMITED

(Registration number: 1970/009054/06)

("Tradehold" or "the Company")

Incorporated in the Republic of South Africa

JSE Share code: TDH ISIN: ZAE000152658

PROPOSED ACQUISITION BY TRADEHOLD OF REWARD INVESTMENTS LIMITED SHARES AND MOORGARTH HOLDINGS (LUXEMBOURG) S.À R.L SHARES

1. INTRODUCTION

Shareholders are advised that Tradehold has concluded an agreement ("the Agreement") for the acquisition of Timothy Andrew Vaughan's ("Vaughan") minority interests in Reward Investments Limited ("Reward") and Moorgarth Holdings (Luxembourg) S.à r.l ("MHLS") with effect from 18 July 2014.

2. THE ACQUISITION

2.1 Rationale for the Vaughan transaction

Currently, Tradehold, via its 100% shareholding in Tradegro Holdings Proprietary Limited ("Tradegro Holdings") and Tradegro Holdings' wholly-owned subsidiary Tradegro S.à r.l. ("Tradegro"), does not hold all the issued shares in Reward and MHLS. Tradehold wishes to acquire all the minority interests in Reward and increase its holding in MHLS in order to simplify Tradehold's group structure and better align Vaughan's incentives with his role as joint CEO of Tradehold. Following the acquisition of Vaughan's shares in Reward and MHLS, Tradehold will hold 100% of the shares in Reward (up from 90%) and 95% of the shares in MHLS (up from 85%).

Reward's two operating subsidiaries, Reward Capital and Reward Commercial Finance, focus on short-term, asset-backed loans to small and medium-sized businesses and on invoice-discounting facilities to similar businesses, respectively. Following the acquisition of Vaughan's shares, Tradehold's effective interest in these two operating subsidiaries will increase from 63% to 70%. MHLS manages a £91.9million portfolio of retail, commercial and industrial buildings located in the United Kingdom.

2.2 Salient terms of Vaughan transaction

Pursuant to the Agreement:

- Vaughan will sell to Tradegro 50 (fifty) ordinary shares in the share capital of MHLS for a cash consideration of £1 (one pound sterling), and 10 (ten) class C ordinary shares in the share capital of Reward for a mixture of cash in the amount of £187,237,20 (one hundred and eighty seven thousand two hundred and thirty seven pound sterling and twenty pence) and the issue by Tradegro to Vaughan of 398,481 (three hundred and ninety eight thousand four hundred and eighty one) ordinary shares in the share capital of Tradegro ("Tradegro Shares");
- immediately after the issue of the Tradegro Shares to Vaughan, Vaughan will sell to Tradegro Holdings the Tradegro Shares in exchange for the issue by Tradegro Holdings to Vaughan of 148 (one hundred and forty eight) ordinary shares of R2,00 (two rand) each in the share capital of Tradegro Holdings ("Tradegro Holdings Shares"); and
- immediately after the issue of the Tradegro Holdings Shares to Vaughan, Vaughan will sell to Tradehold the Tradegro Holding Shares in exchange for the issue by Tradehold to Vaughan of 532,456 (five hundred and thirty two thousand four hundred and fifty six) ordinary shares with a par value of 1 cent each in the share capital of Tradehold ("the Vaughan Shares").

The effective date of the Agreement is 18 July 2014.

Vaughan may not, during the period commencing on the date of issue of the Vaughan Shares and terminating on the date falling three years thereafter ("Restricted Period"), dispose of 452,587 (four hundred and fifty two thousand five hundred and eighty seven) of the Vaughan Shares ("Restricted Vaughan Shares") unless such disposal:

- is with the prior consent of Tradehold, which consent may not be unreasonably withheld or delayed;
- follows the termination of Vaughan's employment with Tradehold or any of its subsidiaries in circumstances where he is a "Good Leaver", which means, Vaughan if the termination of his employment with Tradehold or any of its subsidiaries occurs in any of the following circumstances:
 - retirement on or after contractual retirement date or otherwise in accordance with his employment contract (and any policy on retirement adopted by Tradehold, if any);
 - retirement on the grounds of ill health or permanent disability;
 - retirement with the prior consent in writing of Tradehold;
 - dismissal from employment which does not involve gross negligence or gross misconduct on the part of Vaughan; or
 - death; or
- is pursuant to the acceptance of any general offer for the entire issued share capital of Tradehold or to the giving of an irrevocable undertaking to accept any such offer.

2.3 Conditions precedent

The issue by Tradehold to Vaughan of the Vaughan Shares (the "Vaughan Issue") requires approval by special resolution of the shareholders of Tradehold in terms of section 41(1) of the Companies Act, No 71 of 2008. A circular accompanied by a notice of extraordinary general meeting, at which meeting the issue of the Vaughan Shares will be presented to Tradehold shareholders for approval, will be posted to Tradehold shareholders in due course.

2.4 Small related party transaction

The Vaughan Issue constitutes a small related party transaction in terms of the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"), and consequently requires a fairness opinion from an independent professional expert acceptable to the JSE that the terms of the Vaughan Issue are fair as far as the shareholders of Tradehold are concerned, but no shareholder approval is required in terms of the Listings Requirements. Furthermore, the Vaughan Issue constitutes an acquisition issue in terms of the Listings Requirements which also does not require shareholder approval.

In terms of the JSE Listings Requirements the fairness opinion which was prepared by Nodus Capital (Pty) Ltd, a JSE approved independent expert, will lie open for inspection at Tradehold's registered offices, 3rd Floor, Pepkor Building, 36 Stellenberg Road, Parow Industria, for a period of 28 days from the date of this announcement.

3. FINANCIAL INFORMATION RELATING TO THE VAUGHAN TRANSACTION

The value of the net assets of Reward are £3,206,000 at 31 August 2014, and the value of the net liabilities of MHLS are (£4,191,487) at 31 August 2014. Group funding is included in liabilities.

The profits attributable to the net assets of Reward for the 6 months to 31 August 2014 are £681,613, and the profits attributable to the net liabilities of MHLS for the same period are £2,633,239.

4. INCREASE IN THE AUTHORISED SHARE CAPITAL OF TRADEHOLD

Shareholders are advised that a circular relating to the following will be mailed today, 24 November 2014 to shareholders recorded in the share register of the Company on Friday, 14 November 2014:

- an increase in the authorised share capital of the Company through the creation of 65,000,000 redeemable preference shares of no par value, having rights, privileges, restrictions and conditions set out in the circular (“A Preference Shares”), which preference shares rank in priority to the non-convertible, non-participating non-transferable, redeemable preference shares (“N Preference Shares”) and ordinary shares with a par value of 1 cent each in the share capital of Tradehold (“Ordinary Shares”) in respect of dividends and on a winding up;
- an increase in the authorised share capital of the capital of the Company through the creation of a total of 40,000,000 redeemable preference shares of no par value, having the rights, privileges, restrictions and conditions as determined by the directors upon issue thereof (“Unspecified Preference Shares”), but which are intended to rank in priority to the N Preference Shares and Ordinary Shares in respect of dividends and on a winding up;
- the authority for the issue of up to 65,000,000 of the authorised but unissued A Preference Shares, subject to certain limitations;
- the authority for the issue of up to 40,000,000 of the authorised but unissued Unspecified Preference Shares, subject to certain limitations;
- the amendment of the Memorandum of Incorporation (“MOI”) to enable the proposals contained in the circular to be implemented; and
- directors’ authority to issue Ordinary Shares to Vaughan in terms of section 41(1) of the Companies Act.

The circular also contains:

- a notice of a combined general meeting of the Ordinary Shareholders and N Preference Shareholders to be held at the Company’s registered office on 22 December 2014 at 10:00, in order to consider and if deemed fit, approve, the resolutions in respect of the matters above as required in terms of the MOI; and
- a notice of a special general meeting of the holders of N Preference Shares to be held at the Company’s registered office on 22 December 2014 at 10:30, in order to consider and if deemed fit, approve, the resolutions in respect of the matters above as required in terms of the MOI.

A copy of the circular will also be made available on the Company’s website: www.tradehold.co.za today, 24 November 2014.

24 November 2014
Cape Town

Sponsor

Bravura Capital (Pty) Ltd

Independent Expert

Nodus Capital (Pty) Ltd

Corporate Advisor

Mettle Specialised Finance Proprietary Limited

Attorneys

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