

Tongaat Hulett Limited  
(Incorporated in the Republic of South Africa)  
Registration number 1892/000610/06  
JSE Share Code: TON  
ISIN: ZAE000096541  
("THL" or the "Company")

### **Cautionary announcement regarding the proposed disposal of the Company's starch business**

Shareholders ("**THL Shareholders**") are referred to the firm intention announcement released by THL on the JSE's Stock Exchange News Service on Friday, 28 February 2020 wherein the Company advised THL Shareholders that it had entered into an agreement to dispose of its starch business, Tongaat Hulett Starch, (the "**Starch Business**") as a going concern to KLL Group Proprietary Limited ("**KLL Group**"), a wholly-owned subsidiary of Barloworld Limited (the "**Starch Disposal Agreement**").

As stated in that announcement, the Starch Disposal Agreement is subject to the fulfilment or, where applicable, waiver of certain conditions precedent including that no event occurs after signature of the Starch Disposal Agreement which results in a material adverse change ("**MAC**") in the Starch Business. Further details on the definition of a MAC and on the other conditions precedent are contained in the circular distributed to shareholders last week.

KLL Group has notified the Company that KLL Group has formed the view that the impact of, *inter alia*, the COVID-19 global pandemic is reasonably likely to cause the EBITDA of the Starch Business for the financial year ending 31 March 2021 to be 82.5% or less of the EBITDA of the Starch Business for the financial year ended 31 March 2020, and that, therefore, KLL Group has formed the view that a MAC has occurred.

The Company is firmly of the view that a MAC has not occurred and has advised KLL Group accordingly.

The Company and KLL Group have been unable to agree on whether or not a MAC has occurred. The Starch Disposal Agreement provides that if the Company and KLL Group are unable to agree on whether or not a MAC has occurred, either can refer the matter for determination by an independent third party. The determination of that third party is final and binding, absent manifest error or fraud. It is anticipated that this process will now be followed.

The Starch Disposal Agreement is still of force and effect, and the Company remains committed to the steps currently underway aimed at (i) fulfilment of the conditions precedent (including the processes of seeking regulatory and shareholder approval for the transaction) and (ii) pursuant thereto, implementation of the transaction.

Further information will be provided to THL Shareholders once the Company has greater clarity.

The above matters may have a material effect on the price of the Company's securities. Accordingly, THL Shareholders are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

**Tongaat**  
12 May 2020

#### **Financial Adviser and Transaction Sponsor to THL**

PricewaterhouseCoopers Corporate Finance Proprietary Limited

#### **Legal Adviser to THL**

Bowmans