

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 PROPERTY RENTAL ENTERPRISE TO DULU HOLDINGS PROPRIETARY LIMITED

1. INTRODUCTION

Shareholders are advised that on 16 September 2022, Imbali Props 21 Proprietary Limited ("**Imbali**" or "**the Seller**") (a subsidiary of Tradehold), concluded an agreement ("**the Agreement**") with Dulu Holdings Proprietary Limited ("**Dulu Holdings**" or "**the Purchaser**") to dispose of a property rental enterprise conducted in relation to a property ("**the Property**") ("**the Property Rental Enterprise**") ("**the Disposal**"), details of which are contained in paragraph 7 below.

Dulu Holdings, a Black Economic Empowerment property investment company that is not a related party to Tradehold, will acquire the Property Rental Enterprise from Imbali on a going concern basis. After the implementation of the Disposal, Dulu Holdings will also become the registered owner of the Property.

The Property is tenanted by Nampak Products Limited ("**Nampak**") and is subject to a 15-year lease agreement that was entered into between Imbali and Nampak on 28 June 2016

A separate lease agreement, which is yet to be entered into between Nampak and Imbali in relation to the Property ("**the Standalone Lease Agreement**"), will form part of the Property Rental Enterprise and 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

The Seller's business operations include property development and letting.

The primary reason for the Seller disposing of the Property Rental Enterprise is to reduce concentration risk and recycle capital for offshore investment. Imbali will retain ownership of a high quality portfolio of industrial properties tenanted by Nampak from which consistent rental income is derived.

3. DISPOSAL CONSIDERATION

The aggregate consideration in respect of the Disposal is R210,550,000 ("**the Disposal Consideration**"), which will be utilised partly to reduce gearing and partly for reinvestment in offshore opportunities.

The Disposal Consideration shall be payable, in cash, upon the registration of transfer of the Property into the name of Dulu Holdings.

4. CONDITIONS PRECEDENT

The Disposal is subject to the satisfaction of the following conditions precedent:

- by 30 September 2022, the Purchaser shall:
 - notify the Seller, in writing, that Dulu Holdings is satisfied with the results of its due diligence investigation into the Property Rental Enterprise and the draft terms of the Standalone Lease Agreement;
 - notify the Seller, in writing, that the Purchaser has raised sufficient bank funding to purchase the Property Rental Enterprise and will deliver to the Seller written confirmation from its bankers of such funding approval; and
 - deliver to the Seller a copy of a resolution passed by the Purchaser's board of directors approving the terms of the Agreement;
- by 30 November 2022, the Seller shall notify the Purchaser, in writing that;
 - Nampak has waived its right of first refusal to purchase the Property; and
 - Nedbank Limited has consented to the sale of the Property Rental Enterprise;
- by 28 February 2023,;
 - the Disposal shall 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 which both the Seller and the Purchaser confirm in writing to be acceptable to them; and
 - the Seller shall deliver a copy of the Standalone Lease Agreement, duly signed by the Seller and Nampak, to the Purchaser;
- by 14 March 2023, the Seller shall deliver a copy of the resolution passed by its board of directors (approving the Agreement), to the Purchaser.

5. EFFECTIVE DATE

The effective date of the Disposal will be on registration of transfer of the Property into the name of Dulu Holdings.

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 PROPERTY

The details of the Property are set out in the table below.

Property description	Location	Seller's initial purchase price (cost)	Fair value of the Property*	Rentable area (m ²)	Weighted average monthly rental / m ²
Erven 21, 22, 39 and Portion 4 of Erf 19 Vanderbijlpark	Vanderbijlpark North-East No. 3 Township, Gauteng Province	ZAR176m	ZAR193.2m	84,406	ZAR18.60

**Book value in Imbali's audited financial statements for its financial year ended 28 February 2022 as per directors' valuation of the Property. The valuation was performed by a non-independent valuer not*

registered in terms of the Property Valuers Profession Act, No. 47 of 2000. The last date of independent professional valuation was 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 Listings Requirements of the JSE Limited (“**the Listings Requirements**”) and is the responsibility of the Company’s directors:

The net property income attributable to the Property amounted to ZAR17.8m for the financial year ended 28 February 2022.

The source of the financial information in relation to the Property is Imbali’s audited financial statements for its financial year ended 28 February 2022.

9. CATEGORISATION

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

Cape Town
19 September 2022

Sponsor



Questco Corporate Advisory Proprietary Limited