

York Timber Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1916/004890/06)

Share code: YRK

ISIN: ZAE000133450

(“York” or the “Company”)

ACQUISITION OF FARM LAND INCLUDING STANDING TIMBER

1. INTRODUCTION

1.1 York is pleased to advise that on Monday, 29 January 2024, the Company, through its wholly owned subsidiary, Stadsrivier Vallei Proprietary Limited (“**Stadsrivier Vallei**” or the “**Purchaser**”), entered into a sale agreement with Sappi Southern Africa Limited (“**Sappi SA**”), a wholly owned subsidiary of Sappi Limited (a company listed on the securities exchange operated by the JSE Limited) and Sappi Property Company Proprietary Limited, a wholly owned subsidiary of Sappi SA (collectively, the “**Sellers**”), in terms of which Stadsrivier Vallei agreed to acquire two portions of land from the Sellers, namely:

1.1.1 the remaining extent of the Farm Pinelands No. 501; and

1.1.2 the remaining extent of Portion 3 of the Farm Rietvallei No. 256,

together with, *inter alia*, all commercial timber thereon (collectively, the “**Pine-valley Farms**” or “**Farms**”), as more fully set out below (the “**Acquisition**”).

2. OVERVIEW OF THE FARMS AND RATIONALE FOR THE ACQUISITION

2.1 The Pine-valley Farms comprise a total of 1 193 hectares of land containing standing timber plantations (“**Plantations**”). The Farms are contiguous to York’s Rhenosterhoek Plantation as well as Stadsrivier Vallei’s agriculture complex, thereby providing York with a variety of synergistic growth benefits, including 300 hectares of arable land for the expansion of York’s existing avocado and soft citrus farming operations.

2.2 The Acquisition also serves to bolster York’s fibre security and reduce York’s dependency on external third-party lumber purchases.

2.3 The value of the net assets of the Pine-valley Farms is based on a market value of R65.4 million, as per an external valuation report prepared by DDP Valuation and Advisory Services Proprietary Limited, dated 25 March 2023. The profits attributable thereto will be realised over time upon the harvesting of the timber from the Plantations.

3. PURCHASE CONSIDERATION

3.1 The purchase consideration payable amounts to a total cash consideration of R65.4 million (plus value added tax at zero rate), (“**Purchase Consideration**”).

3.2 The Purchase Consideration will be settled by way of a loan facility obtained by the Company, payable against registration and transfer of the Pine-valley Farms into the name of the Purchaser.

4. SUSPENSIVE CONDITION

The Acquisition remains subject to the fulfilment or waiver (to the extent permitted) of the condition that the Sellers provide the Purchaser with confirmation of the written notice to the relevant Regional Land Claims Commissioner in terms of section 11(7)(aA) of the Restitution of Land Rights Act, No. 22 of 1994, of the Sellers intention to sell and transfer the Pine-valley Farms.

5. CATEGORISATION

The Acquisition is categorised as a category 2 transaction for York in terms of section 9.5(a) of the JSE Limited Listings Requirements and therefore the Acquisition is not subject to York shareholder approval.

Sabie, Mpumalanga
29 January 2024

Sponsor
One Capital