

## ARGENT INDUSTRIAL LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1993/002054/06)

Share code: ART

ISIN: ZAE000019188

("Argent" or "the Company")



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## CATEGORY 2 DISPOSAL ANNOUNCEMENT

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### 1. INTRODUCTION

As disclosed in the Company's unaudited and unreviewed interim consolidated results for the six months ended 30 September 2023, which was published on 21 November 2023, the Company, through its wholly owned subsidiary Argent Industrial Investments (Pty) Ltd ("**Seller**"), concluded a sale and leaseback agreement for the Phoenix Steel properties situated in Gauteng.

Shareholders are advised that on 31 July 2023, the Seller entered into an agreement, which was amended on 18 January 2024 ("**Agreement**"), with Amnem Investments (Pty) Ltd ("**Purchaser**") (beneficially owned by South African residents, none of which are related parties of the Company), in terms of which the Seller will dispose of Erven 713 and 714 South Germiston Extension 7, situated at 13 Jack Pienaar Street, South Germiston together with the lease agreement in respect thereof ("**Property**"), to the Purchaser, as a going concern, for a disposal consideration of R45 400 000 ("**Disposal Consideration**") ("**Disposal**").

### 2. RATIONALE FOR THE DISPOSAL

The Property is not considered core to the strategy of the Company, and the Disposal aims to decrease the Argent group's current property portfolio.

### 3. DISPOSAL CONSIDERATION

The Disposal Consideration is payable by way of a deposit of 5% within 3 days of the Agreement becoming unconditional, with the balance to be secured by way of a written guarantee from a registered financial institution, payable in cash by the Purchaser on the Transfer Date (as defined below).

### 4. APPLICATION OF THE DISPOSAL CONSIDERATION

The Disposal Consideration will be used to settle the outstanding debt secured by way of a mortgage bond over the Property, and the remaining consideration will be used to repurchase Argent shares, in terms of the Company's existing general authority to repurchase shares.

### 5. CONDITIONS PRECEDENT AND EFFECTIVE DATE OF THE DISPOSAL

The Agreement is not subject to the fulfilment of any outstanding conditions precedent, and the effective date of the Disposal will be the date of registration of transfer of the Property into the name of the Purchaser ("**Transfer Date**"), which is anticipated as being on or about the end of February 2024.

## **6. FINANCIAL INFORMATION**

The value of the net assets comprising the Property as at 31 March 2023, being the date of the last audited consolidated financial statements of the Company, was R41 389 389.05.

The profit after tax attributable to the Property for the year ended 31 March 2023, was approximately R2 118 436.41, based on the audited financial statements of the Seller, for the year ended 31 March 2023.

## **7. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT**

The Agreement contains representations and warranties by the Seller in favour of the Purchaser which are standard for a transaction of this nature.

The terms and conditions of the lease agreement concluded between the Purchaser and the existing tenant of the Property, Phoenix Steel Group (Pty) Ltd, including the rental payments, are market related.

## **8. CLASSIFICATION OF THE DISPOSAL**

The Disposal constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

Durban  
30 January 2024

Sponsor  
PSG Capital



PSG CAPITAL