

Invicta Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1966/002182/06)  
Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773  
Preference Share code: IVTP Preference Share ISIN: ZAE000173399  
A2X ordinary share code: IVTJ  
A2X preference share code: IVTPJ  
(“**Invicta**” or the “**Company**”)

## **THE DISPOSAL OF KMP HOLDINGS LIMITED TO KIAN ANN ENGINEERING PTE LTD**

### **Introduction**

Invicta is pleased to advise shareholders that on 26 April 2024, the Company and its wholly-owned subsidiary, Invicta Global Holdings PLC (“**IVTG**”) (collectively, the “**Sellers**”), entered into an agreement (the “**Agreement**”) with Kian Ann Engineering Pte Limited (“**KA**” or the “**KA Group**”), in which Invicta holds a 48.81% interest, to dispose of all of the issued share capital of KMP Holdings Limited (“**KMP**”) held by IVTG to KA (the “**Disposal**”). The beneficial owners of KA are Invicta through its wholly owned subsidiary, Invicta Asian Holdings Pte Ltd (48.81%), with the remaining interests being held by entities controlled by Mr. Zou Jian Liang and his associates (48.81%) and Mr. Loy Soo Chew (2.38%).

### **Description of the business**

KMP is a leading independent supplier of aftermarket heavy-duty diesel engine parts for industrial and agricultural machinery. KMP’s main distribution facilities are located in Chertsey (UK) as well as Houston and Miami (USA). KMP was established more than 20 years ago and has a global customer base actively selling in more than 150 countries worldwide. KMP-branded products include aftermarket parts sourced from over 300 regular suppliers which are suitable for Komatsu®, Caterpillar®, Cummins®, Perkins®, Detroit Diesel® and John Deere® engines. KMP has been a specialist provider of diesel engine spare parts suitable for Komatsu® since 1994, Caterpillar® since 1996, Cummins® since 1994 and Perkins® since 2014. KMP-branded parts are widely recognised in the global aftermarket industry for their high quality, reliability and value.

### **Rationale for the Disposal**

Invicta and its business partner in the KA Group believe that the KMP and the KA Group businesses should be combined, creating strategic focus in the industries and markets in which Invicta has significant experience and strong management capabilities, alongside the strong procurement, network and manufacturing capabilities of the KA Group.

### **Conditions precedent and effective date**

The Disposal is not subject to any conditions precedent, and in terms of the Agreement, all profits, benefits and board control of KMP shall be assumed by the KA Group with effect from 1 April 2024.

## **Disposal consideration**

The total cash consideration for the Disposal is £12,600,977 (equating to an amount of R299,762,121.66 based on a spot ZAR/GBP exchange rate of R23.7888 as at 26 April 2024 (“**Prevailing Exchange Rate**”)) (“**Disposal Consideration**”) and will be paid by KA within 3 business days of 26 April 2024 (“**Completion Date**”). The Disposal Consideration will be utilised by Invicta to settle debt facilities in IVTG.

In addition, KMP shall repay the following loan claims due to the Sellers:

- i. the balance of the shareholder loans owing by KMP to IVTG of £4,234,200 (equating to an amount of R100,726,536.96 at the Prevailing Exchange Rate) by no later than 1 July 2024; and
- ii. £2,333,131 (equating to an amount of R55,502,386.73 at the Prevailing Exchange Rate) of declared distributable reserves payable to shareholders.

Should the net assets of KMP as at 31 March 2024, determined in accordance with the principles set out in the Agreement, differ from £10,600,977 (equating to an amount of R252,184,521.66 at the Prevailing Exchange Rate), this claim will be adjusted accordingly to reflect such difference due to or from the Sellers and be settled within 3 business days of determination thereof.

## **Warranties and other significant terms of the Agreement**

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

## **Financial information**

The value of the net assets and the profits attributable to the net assets that are the subject of the Disposal are as follows:

- i. consolidated net profit of £1,304,035 (equating to an amount of R31,021,427.81 at the Prevailing Exchange Rate) for the period 1 April 2022 to 31 March 2023; and
- ii. net asset value of £11,423,716 (equating to an amount of R271,756,495.18 at the Prevailing Exchange Rate) at 31 March 2023.

The financial information has been extracted from the audited annual financial statements of KMP, which were prepared in terms of International Financial Reporting Standards.

## **Categorisation of the Disposal**

The Disposal constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements and does not involve any related parties.

Johannesburg  
26 April 2024

## **Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited