

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”)

ACQUISITIONS OF ADDITIONAL FARMS INCLUDING STANDING TIMBER

1. INTRODUCTION

1.1 York is pleased to advise that on Wednesday, 5 June 2024 (“**Signature Date**”), the Company, through its wholly owned subsidiary, York Timbers Proprietary Limited (the “**Purchaser**”), entered into sale agreements with Stevens Lumber Mills Proprietary Limited (“**Stevens Lumber Mills**” or the “**Seller**”), in terms of which the Purchaser agreed to acquire several properties from the Seller, namely:

1.1.1 the remaining extent of the Farm Groblersrust 970 (Schultz);

1.1.2 the Farm De Kroon 979 (Schultz);

1.1.3 the Farm Kaalfontein 972 (Schultz);

1.1.4 the Farm Boschhoek 978 (Schultz);

1.1.5 the Farm Boschoff 204 (Wolkberg); and

1.1.6 the Farm Boschoff Annex 203 (Wolkberg),

including, *inter alia*, (i) the water rights allocated to such properties by the Department of Water and Sanitation; and (ii) the standing timber thereon (collectively, the “**Farms**”), as more fully set out below (the “**Acquisitions**”).

1.2 Stevens Lumber Mills is a wholly owned subsidiary of Stevens Lumber Investments Proprietary Limited, the beneficial owners of which are:

1.2.1 The Stevens Lumber Community Trust (16%);

1.2.2 The Tshepo Malatji Family Trust (9%); and

1.2.3 Steve Schoeman Family Holdings Proprietary Limited (75%), which is beneficially owned by (i) The Troutwaters Trust (40%), (ii) The Steven Schoeman Trust (40%) and (iii) The Woodmere Trust (20%).

2. OVERVIEW OF THE FARMS AND RATIONALE FOR THE ACQUISITIONS

2.1 The Farms comprise a total of c. 1 365 hectares of land containing, *inter alia*, standing timber plantations (“**Plantations**”). Ownership in terms of the standing timber (and the proceeds thereof) will pass to the Purchaser on the date of registration of transfer of the Farms in the name of the Purchaser, being by no later than 30 September 2024.

2.2 The Acquisitions will, *inter alia*, serve to further bolster York’s fibre security and reduce York’s dependency on external third-party log purchases.

2.3 The market value of the Farms being R75 million (“**Market Value**”), was derived from the net standing value of the timber, enumerated by an independent external party as well as recent land transactions in the region. The Market Value approximates the net asset value of the Farms. 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 for the Acquisitions amounts to an aggregated total consideration of R75 million (inclusive of value added tax at zero rate), ("**Purchase Consideration**").
- 3.2 The Purchaser will settle the Purchase Consideration as follows:
 - 3.2.1 a deposit payment of an aggregate amount of R30 million in cash on or about the Signature Date; and
 - 3.2.2 by way of a loan facility to be obtained by the Company in respect of the remaining aggregate amount of R45 million ("**Remaining Balance**"), as envisaged in paragraph 4.1.2 below. In this regard, the Company will deliver to the Seller acceptable guarantees issued by a financial institution in respect of the Remaining Balance within 30 days from the date of approval of the financing.

4. SUSPENSIVE CONDITIONS

The Acquisitions are subject to, *inter alia*, the following suspensive conditions being met:

- 4.1 the Seller delivering to the Purchaser a special resolution of the shareholders of the Seller in terms of section 112 read with section 115 of the Companies Act, No. 71 of 2008, as amended, authorising the sale of the Farms, within 45 days of the Signature Date; and
- 4.2 the Purchaser obtaining financing for the Purchase Consideration, within 120 days of the Signature Date.

5. CATEGORISATION

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

Sabie, Mpumalanga
5 June 2024

Sponsor
One Capital