

Tradehold Limited
(Incorporated in the Republic of South Africa)
(Registration number 1970/009054/06)
JSE code: TDH
ISIN: ZAE000152658
("Tradehold" or the "Company")

INVESTMENT INTO TRADEHOLD AND THE COLLINS GROUP – REVISED TRANSACTION TERMS AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the announcements (the "**Previous Announcements**") published on 27 February 2019, 6 March 2019, 5 April 2019 and 30 April 2019. Unless the context indicates otherwise, words and phrases defined in the Previous Announcement dated 6 March 2019 bear the same meanings in this announcement.

Shareholders are advised that:

- 1.1 the due diligence process has been completed by the Investor and its wholly-owned subsidiary U REIT Collins (Pty) Ltd ("**URC**"), formerly K2017224756 (South Africa) Proprietary Limited, to their satisfaction; and
- 1.2 detailed agreements have been concluded by Tradehold, CPP, URC and the Investor ("**the Agreements**") recording, inter alia, that the agreed tangible net asset value (the "**TNAV**") of CPP for purposes of the Transaction is R2 407 699 050, which is as at 30 April 2019 and not the closing date of the Transaction ("**the Closing Date**"), as previously agreed.

2. REVISED TERMS

As at the signature date of the Agreements, CPP, Imbali 21 and Saddle 69 were wholly-owned subsidiaries of Tradegro Holdings which in turn is a wholly owned subsidiary of Tradehold.

Creation of the Collins Group

Tradegro Holdings will dispose of all its shares in Imbali 21 and Saddle 69 to CPP in exchange for the issue of new ordinary shares in CPP, and cede and transfer to CPP all its loan claims in and against Imbali 21 and Saddle 69. In addition, Tradegro Holdings will capitalise substantially all the loans extended to CPP. The result will be that CPP will be a single holding company with two subsidiaries, namely Imbali 21 and Saddle 69 and their subsidiaries and associates (the "**Collins Group**"). Pursuant to the Agreements, CPP will no longer immediately be converted into a public company with a MOI that accords with the requirements of the JSE for a Real Estate Investments Trust ("**REIT**"), and such conversion has been delayed until such time as the decision is taken to list CPP on the JSE Limited ("**JSE**") (or any other recognised securities exchange) as a REIT. The intention is however to operate CPP as near as possible in compliance with the JSE's requirements for REITs with a view to a possible listing of CPP at an appropriate time. This will include adopting an appropriate distribution policy in line with REIT requirements.

Collins Group subscription

Following the above creation of the Collins Group, URC will subscribe ("**the CPP Subscription**") for ordinary shares equal to R833 million (a shareholding of approximately 25.7% and not 27% as originally estimated) in CPP at the TNAV.

This subscription amount will comprise of R500 million of the Investors' cash and R333 million of cash lent to the Investor by CPP ("**the CPP Loan**"). The CPP Loan is on market related terms, with a revised interest rate which will now be calculated at the prime lending rate (currently 10.25%) less 0.5% and must be repaid within 5 years of the Closing Date. Security for the repayment of the CPP Loan comprises a pledge of all the CPP shares held by URC and a pledge of all the shares in URC and a guarantee from I-Group Financial Holdings (Pty) Ltd limited to an amount of R111 million .

Tradehold Option

No terms have been amended regarding the Tradehold Option. URC will, once the CPP Subscription has been completed, acquire an option to invest R200 million in Tradehold through a combination of the subscription for new Tradehold ordinary shares and (at the election of Tradehold) the purchase of Tradehold's treasury shares currently held by Tradehold's wholly-owned subsidiary, Imbali 21. This option must be exercised within 10 business days of the Closing Date ("the Option Exercise Date"). The option price is R16 per Tradehold ordinary share and must be paid within 3 months of the Option Exercise Date. The option price will increase at the prime lending rate from the Option Exercise Date until the date that the option price is paid.

Transaction costs

There are no revised terms to the Transaction costs. CPP will pay, I-Group Retail Holdings (Pty) Ltd, a debt restructure fee of R30 million. In addition, a debt restructure fee calculated on a sliding scale of between 6% and 4% of the CPP Loan will be paid based on when the CPP Loan is settled in full.

Listing and unbundling of CPP

The proposed REIT listing and unbundling of CPP is expected to take place by no later than 28 February 2022, provided that market conditions at the time are conducive to such listing and all requisite approvals are obtained.

Transaction Unchanged

Save for any changes to the Transaction set out in this announcement, the salient terms of the Transaction remain the same as those set out in the Previous Announcements.

3. FULLFILLMENT OF THE CONDITIONS PRECEDENT

Save for certain third party consents, all of the conditions precedent have been fulfilled.

4. FINANCIAL INFORMATION OF THE TRANSACTION

Further to the completion of the due diligence process mentioned in paragraph 1 above the following financial information is disclosed:

- the value of the net assets that are the subject of the Transaction (namely CPP, Imbali 21 and Saddle 69) as at 31 August 2018 was R2 067 895 738; and
- the profits attributable to the net assets that are the subject of the Transaction for the six month period ended 31 August 2018 was R88 122 148.

The historical financial information of CPP, Imbali 21 and Saddle 69 was prepared in accordance with International Financial Reporting Standards as set out in the most recently reviewed interim financial statements for the six months ended 31 August 2018.

5. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

All of the relevant terms including the financial information regarding the Transaction have now been announced and shareholders are therefore no longer required to exercise caution when dealing in their Tradehold shares.

Cape Town
17 May 2019

JSE Sponsor to Tradehold

Mettle Corporate Finance Proprietary Limited