

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

#### CATEGORY II ACQUISITION BY A WHOLLY OWNED SUBSIDIARY OF TRADEHOLD

The shareholders of TDH are advised that Moorgarth Holdings Luxembourg S.a.r.l. ("Moorgarth"), a wholly-owned member of the TDH group of companies, acting through its wholly-owned subsidiary, Inception Euston S.a.r.l. ("the Purchaser") has concluded agreements ("the Acquisition Agreements") to acquire 41 Chalton Street and 43 Chalton Street London, NW1 1JD ("the Acquisition Properties") from N J A Limited and Peawalk Properties Limited ("the Vendors") respectively, as a single indivisible transaction ("the Transaction").

In addition, the Purchaser has an in principle agreement with The Boutique Workplace Company ("TBWC"), the serviced office space provider in the TDH group of companies, to rent all of the Acquisition Properties ("the Rental Agreement").

#### Salient features of the Acquisition Agreements:

In terms of the Acquisition Agreements the Purchaser will pay N J A Limited a cash consideration of £7,155,600 in respect of 41 Chalton Street and Peawalk Properties Limited a cash consideration of £6,194,400 in respect of 43 Chalton Street. The costs of the Transaction, including stamp duty, land costs and agent's commission are expected to be £907 800.

The Acquisition Properties are acquired subject to occupational leases currently in place with two tenants occupying 59% of the Acquisition Properties. These leases are due to terminate twelve months from the completion date of the Acquisition Agreements.

Following the closing of the Acquisition Agreements ("Closing"), which Closing is subject to, amongst others, financing and other conditions standard to a transaction of this nature, the vacant portions of the Acquisition Properties (41%) will be refurbished, which should take approximately 5 months. Thereafter, TBWC will rent the refurbished portion. Once the current tenants have vacated the Acquisition Properties, the balance of the properties will be refurbished prior to TBWC's occupation, which should take 2 months.

#### Salient details of the Acquisition Properties:

The Acquisition Properties are both freehold. Their combined net internal area is 17,070 sq ft (1,586 m<sup>2</sup>). The passing rent in terms of the leases currently in place is £263,247 per annum which equates to an average rent of £166 per m<sup>2</sup> per annum. Consequently 7,408 sq ft (688 m<sup>2</sup>) is currently vacant. The Acquisition Properties have:

- Contracted rental income of £263,247 per annum from the two existing tenants.

- Near contracted rental income with TBWC, which will pay an initial rent of £296,320 per annum for the currently vacant part of 41 Chalton Street rising to £1,020,000 per annum equating to an average rent of £643 per m<sup>2</sup> per annum for the whole of 41 and 43 Chalton Street. TBWC will receive a rental reduction of 50% for its first 12 months of occupation.

#### Rationale for the Transaction:

The Acquisition Properties are in an attractive area of London in the immediate proximity of Euston station and close to King's Cross station with good capital growth potential, and are well suited for occupation by TBWC.

#### Financial Forecast:

During the Purchaser's first year of ownership of the Acquisition Properties the forecast net operational income from the current tenants and TBWC is £439k and forecast net profit after tax is £128k.

After the first 12 months of full occupation by TBWC following the expiry of the rental reduction, the forecast operational net income is £1,020k p.a. and the forecast net profit after tax £627k p.a.

The above forecast has been prepared by the management of Moorgarth and has not been reviewed by the latter's auditors nor by the auditors of TDH.

#### Independent Valuation of the Acquisition Properties:

The Acquisition Properties are being independently valued by Strutt and Parker, Royal Chartered Surveyors in the United Kingdom ("Independent Valuer"). Shareholders will be advised of the values placed on the Acquisition Properties by the Independent Valuers in due course.

The effective date:

The Transaction is anticipated to be effective on Closing.

#### Categorisation:

As at the date of the conclusion of the Acquisition Agreements, being 19 September 2017, the aggregate purchase price of the Acquisition Properties represented 5.1% of TDH's market capitalisation and the Transaction is therefore deemed to constitute a Category 2 transaction in terms of section 9 of the Listings Requirements of the JSE.

The Transaction is not considered a related-party transaction in terms of section 10 of the Listings Requirements of the JSE.

Shareholders will be advised of the value placed on the Acquisition Properties by the Independent Valuer and achievement of Closing, in due course.

Cape Town  
17 October 2017

Sponsor  
Bravura Capital Proprietary Limited