

TRADEHOLD LIMITED

(Registration number: 1970/009054/06)

("Tradehold" or "the Company")

Incorporated in the Republic of South Africa

JSE Share code: TDH ISIN: ZAE000152658

ANNOUNCEMENT REGARDING A PROPERTY TRANSACTION ENTERED INTO BY TRADEHOLD AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1 Introduction

Further to the cautionary announcement published on 10 June 2014 and the further announcements of 17 July 2014 and 28 August 2014 regarding the Memorandum of Understanding ("MOU") entered into between Tradehold Limited ("Tradehold") and Collins Property Projects Proprietary Limited ("Collins") on 16 June 2014 in terms of which Tradehold and Collins agreed, subject to the conclusion of final detailed agreements, that (1) Tradehold will acquire a portfolio (the "Portfolio") of commercial property assets in Botswana, Zambia, Namibia, Mozambique and the United Kingdom (the "Properties") from Collins and its affiliates, and (2) Collins and its affiliates will use the proceeds of such disposal to subscribe for ordinary shares ("Tradehold Shares") in Tradehold (all of the preceding hereinafter collectively referred to as the "Transaction"), Tradehold is pleased to announce that the legal structure of the Transaction has now been finalised, and final versions of the legal agreements setting out the detailed transaction steps have been prepared and approved by Tradehold's board of directors (the "Transaction Agreements").

2 Particulars of the transaction

The effective date of the Transaction is 11 June 2014, being the date on which the parties agreed to the matters set out in the MOU, and the completion date of each Transaction Agreement is the first day of the calendar month following the calendar month during which the conditions precedent to that Transaction Agreement is fulfilled, which is expected to be around 1 March 2015 for most of the Transaction Agreements.

The Transaction Agreements comprise:

- various sale of shares agreements (the "Sale Agreements") in terms of which 100% held subsidiaries of Tradehold (the "Tradehold Subsidiaries") will acquire property owning companies (the "Property SPVs") with property interests in, respectively, Botswana, Zambia, Namibia, Mozambique and the United Kingdom from affiliates of Collins (the "Sellers");

- corresponding subscription agreements (the “Subscription Agreements”) in terms of which affiliates of the Sellers (the “Subscribers”) will subscribe for Tradehold Shares; and
- in respect of Namibia, an additional agreement (the “Pipeline Agreement”) in terms of which Safcoll Property Holdings (Proprietary) Limited, one of the Property SPVs to be acquired pursuant to the Transaction, will acquire the rights to obtain interests in certain pipeline property development projects of Collins and its affiliates.

The salient terms of the Transaction Agreements may be summarised as follows:

- the Properties will be acquired through the purchase by the Tradehold Subsidiaries of all the ordinary shares and shareholder claims held by the Sellers in the respective Property SPVs;
- the purchase price payable by the Tradehold Subsidiaries for the acquisition of the Property SPVs will be the net asset value of each Property SPV; and
- the sale proceeds will be applied by the Sellers to enable the Subscribers to subscribe for Tradehold Shares.

The Transaction Agreements are subject to a number of conditions precedent, principal amongst which are:

- the acquisition of the Property SPVs in the various jurisdictions being approved by local regulatory authorities, including the competition regulators in Namibia, Botswana and Zambia;
- where third party debt is in place for a specific Property, the consent of the relevant lender to the change in control in the relevant Property SPV;
- the restructuring by Collins of the holding companies of the Zambian and Botswana Property SPVs;
- Tradehold obtaining finance, and any exchange control approval required, for the Transaction on terms acceptable to it;
- the JSE Limited (“JSE”) approving the subscription by the Subscribers for Tradehold Shares; and
- in respect of only the Pipeline Agreement, Tradehold obtaining all necessary approvals in terms of the JSE Listings Requirements.

The Sellers have provided extensive warranties and indemnities in respect of each Project SPV which are usual for transactions of this nature.

3 Sellers and Tradehold Subsidiaries

The following table sets out the names of the Tradehold Subsidiaries and Sellers in each applicable country:

Country	Tradehold Subsidiary	Seller
Botswana	Tradehold Collins JV Limited (“Tradehold JV”)	Buckholm Limited (“Buckholm”) Arnewood Properties Limited (“Arnewood”)
Namibia	Tradegro Holdings Proprietary Limited	Africol Property Investments Proprietary Limited; Safland Investment Holdings (Proprietary) Limited
Zambia	Tradehold JV	Buckholm Barbute Limited Sandrock Management Limited Arnewood
Mozambique	TC Mozambique Properties Limited	Prince Imperial Proprietary Limited JR Knysna Hollow Resort Proprietary Limited
United Kingdom	River Street Properties Limited	Collins International Limited Du Preez Limited

4 Consideration

The consideration payable by Tradehold for the Properties (the “Consideration”) is £22.3 million, which is the estimated net asset value (the “Net Asset Value”) of the Property SPVs (and, accordingly, the Properties being acquired). The Net Asset Value has been calculated based on the projected net income before interest and taxation for the twelve months ending 28 February 2015 of each Property SPV, capitalisation rates ranging between 8% and 11%, and after deducting third party debt of each Property SPV (if any). The valuations are underwritten by the Sellers, and the final Consideration will furthermore be dependent on valuations to be performed on each Property, at Tradehold’s request, by an independent registered valuer, provided that, save for certain Properties located in Zambia and United Kingdom, there will be no upward adjustment to the Consideration if the value of a Property exceeds the estimated value thereof in the relevant Sale Agreement.

The Purchasers will pay the Consideration in cash on the completion date of each Sale

Agreement, which cash will be utilised by the Sellers to enable the Subscribers to subscribe for shares in Tradehold in terms of the Share Issue (defined below).

5 Issue of Shares

The Sellers will apply the proceeds of the consideration received from the various Purchasers to enable the Subscribers to subscribe (the "Share Issue") for up to 28,311,803 Tradehold Shares at R14.15 per Tradehold Share, being the 30 day volume-weighted average trading price of Tradehold Shares on 11 June 2014, the effective date of the Transaction.

Following the Share Issue, Tradehold will have an estimated total of 183,912,224 ordinary shares in issue.

In terms of the Subscription Agreements, the Subscribers are not permitted to dispose of more than 50% (fifty percent) of the Tradehold Shares subscribed for during a 5 year 'lock-in' period, and may only encumber the Tradehold Shares so subscribed for with the prior written consent of Tradehold, which consent may not be unreasonably withheld or delayed.

6 Financial Effects of the Transaction

Based on Tradehold's interim financial results for the six months ended 31 August 2014, the unaudited *pro forma* financial effects ("Financial Effects") of the Transaction and the Share Issue on Tradehold's earnings per share ("EPS"), headline earnings per share ("HEPS"), diluted earnings per share ("DEPS"), diluted headline earnings per share ("DHEPS"), net asset value per share ("NAV") and net tangible asset value ("NTAV") are set out below.

The Financial Effects are prepared for illustrative purposes only, and because of their nature, may not give a fair presentation of Tradehold's financial position or the effect and impact of the Transaction and the Share Issue. The Financial Effects are the responsibility of Tradehold's board of directors.

	Before the Transaction and Share Issue ¹	Adjustments ²	After the Transaction and Share Issue ³	% Change ⁴
EPS (pence) ⁵	2.7	0.22	3.0	8%
DEPS (pence) ⁵	2.6	0.22	2.9	8%
HEPS (pence) ⁵	1.2	0.47	1.7	39%
DHEPS (pence) ⁵	1.2	0.46	1.6	39%
NAV (pence) ⁶	75.2	0.57	75.8	0.76%

NTAV (pence) ⁶	75.2	0.57	75.8	0.76%
Actual number of ordinary shares in issue	155,600,421	28,311,803	183,912,224	18%
Diluted weighted average number of ordinary shares in issue	149,517,946	28,844,259	178,362,204	19%

Notes:

1. Based on Tradehold's interim financial results for the six months ended 31 August 2014.
2. The "Adjustments" column reflects the *pro forma* adjustments in respect of the Transaction and Share Issue.
3. The "After the Transaction and Share Issue" takes into account the impact of item 2 above.
4. The "% Change" column is measured as the "Adjustments" column as a percentage of the "Before the Transaction and Share Issue" column.
5. In calculating the Financial Effects on EPS, DEPS, HEPS and DHEPS, it was assumed that the Transaction and Share Issue was implemented on 1 March 2014 for purposes of the statement of comprehensive income.
6. In calculating the Financial Effects on NAV and NTAV, it was assumed that the Transaction was implemented on 31 August 2014 for statement of financial position purposes.

7 Description of Business and Rationale for the Transaction

The Property SPVs form part of the Collins group of companies, which is a fourth-generation family-owned property development business which has built up an excellent track record in the development and management of commercial properties across Southern Africa and beyond.

The Transaction will result in Tradehold gaining access to the resources and property expertise of the Collins group in Namibia, Botswana, Zambia and Mozambique. Following the acquisition of the Portfolio certain Collins representatives will join the Tradehold business to assist with the development of Tradehold's African portfolio.

Whilst the greater part of Tradehold's property business will remain focused on the United Kingdom, Tradehold intends to build up a significant property portfolio across Africa (excluding South Africa).

8 Property information

The Properties have been valued by Collins at certain specific dates. Collins is not independent nor registered as professional valuers. As indicated in paragraph 4 above, in terms of the Transaction, Collins underwrites the value of each of the Properties and Tradehold is entitled to obtain formal independent valuations for each Property by an

independent registered professional valuer prior to certain agreed dates.

9 Constitutional documents of Property SPVs

Tradehold confirms that it will ensure that the provisions of the constitutional documents of the Property SPVs do not frustrate Tradehold in any way from compliance with its obligations in terms of the JSE's Listings Requirements, and that nothing contained in such constitutional documents shall relieve Tradehold from compliance with the Listings Requirements.

10 Categorisation

The Transaction is a category 2 transaction in terms of the JSE Listings Requirements.

11 Related party transaction

Certain of the counterparties under the Pipeline Agreement will, following completion of the Transaction, become related parties, as defined in the JSE Listings Requirements, to Tradehold and, accordingly, the implementation of the Pipeline Agreement will constitute a related party transaction, as contemplated in section 10 of the JSE Listings Requirements, which requires a fairness opinion from an independent professional expert acceptable to the JSE that the terms of the transactions contemplated in the Pipeline Agreement are fair as far as the shareholders of Tradehold are concerned, as well as shareholder approval. A circular convening a general meeting of the shareholders of Tradehold to obtain such approval will be posted to Tradehold shareholders in due course. Tradehold will also appoint an independent expert to provide the requisite fairness opinion.

12 Withdrawal of Cautionary Announcement

The cautionary announcement and further cautionary announcements mentioned in paragraph 1 above were in relation to the Transaction and are accordingly withdrawn.

Cape Town

26 November 2014

Sponsor

Bravura Capital Proprietary Limited

Attorneys

Cliffe Dekker Hofmeyr Inc.