

TRADEHOLD LIMITED

(Registration number: 1970/009054/06)

("Tradehold" or the "Company")

Incorporated in the Republic of South Africa

JSE Share code: TDH ISIN: ZAE000152658

CATEGORY 1 RELATED PARTY ACQUISITION AND WITHDRAWAL OF CAUTIONARY

1. Introduction

Further to the cautionary announcement released on the Stock Exchange News Service ("SENS") of JSE Limited ("JSE") on 26 November 2015 and the further announcements of 13 January 2016, 24 February 2016 and 11 April 2016 (the "Cautionary Announcements"), respectively, regarding a memorandum of understanding ("MoU") entered into between Tradehold Limited ("Tradehold") and Collins Property Projects Proprietary Limited ("Collins") on 26 November 2015, which MoU was amended and restated on 18 February 2016 (the "Amended MoU") and in terms of which Tradehold and Collins agreed in principle, subject to a number of conditions precedent including the conclusion of final detailed agreements, that Tradehold will acquire (the "Transaction") a portfolio (the "Portfolio") of commercial, industrial and retail property assets in South Africa (the "Properties") from Collins and its affiliates (the "Collins Associates"), Tradehold is pleased to announce that a framework agreement recording the various transactions that are required to precede the Transaction, as well as the essential terms of the Transaction, was executed between the parties on 3 June 2016.

The board of directors of Tradehold approved the Transaction on 23 May 2016 and the long-form agreements in respect of the various Transaction steps (the "Transaction Agreements") will be entered into in due course.

2. Particulars of the Transaction

2.1 Effective date

The commercial effective date of the Transaction is 29 February 2016 ("Effective Date"). The completion date of Transaction is expected to be on or about 1 September 2016, subject to fulfilment of certain conditions precedent.

2.2 Key terms

In terms of the Transaction, Tradehold will purchase all the issued ordinary shares in Imbali Props 21 Proprietary Limited ("Imbali"), Saddle Path Props 69 Proprietary Limited ("Saddle Path") (Imbali and Saddle Path, collectively, the "Property Companies") and Collins. The purchase consideration payable by Tradehold for the Property Companies and Collins (the "Consideration") will be settled partly in cash and partly through the issue of Tradehold ordinary shares ("Tradehold Shares") as set out in paragraphs 4 and 5 below.

2.3 Conditions precedent:

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

- the completion to the satisfaction of Tradehold of a due diligence investigation of the Properties, the Property Companies and Collins;
- the approval of the Transaction by the South African Competition Commission, the Takeover Regulations Panel, and the obtaining of all other required third party consents;
- the JSE approving the listing of the Tradehold Shares to be issued in terms of the Transaction; and
- the approval of the Transaction by the shareholders of Tradehold in terms of the Companies Act, No. 71 of 2008 ("Companies Act") and the Listings Requirements of the JSE (the "JSE Listings Requirements").

Other than those conditions above that are of a regulatory nature and cannot be waived, Tradehold and the Collins Associates, by agreement in writing and to the extent they are permitted to do so in terms of the Companies Act, may extend the time period of the fulfilment of any of the aforementioned conditions or waive the conditions.

3. Sellers

Details regarding the various participants in the Transaction, other than Tradehold, will be set out in the circular to be issued to shareholders of Tradehold ("Tradehold Shareholders") in due course (the "Circular").

4. Net Asset Value of the Portfolio being acquired under the Transaction:

The Consideration is an aggregate amount of GBP82.4 million (calculated at the ZAR:GBP exchange rate of ZAR21.44:GBP1 as at 18 February 2016 (the "Exchange Rate"), the signature date of the Amended MoU, and being the equivalent of ZAR1 766 million), which is the net asset value (the "NAV") of the Portfolio attributable to Tradehold. The annualised current monthly net profits after interest and tax attributable to the net assets that are the subject of the Transaction for the twelve months ended 28 February 2017 are GBP5.8 million.

The NAV has been calculated based on the annualised current monthly net income before interest and taxation for the twelve months ending 28 February 2017 of the Portfolio ("Annualised NOI"), being GBP27.3 million before accounting for minority interests in the Portfolio, capitalised at a rate of 9.45%, plus the cash received from any properties sold and the value of properties acquired in the interim, and after deducting third party debt. An estimated 6.9% of the NAV and 7.6% of Annualised NOI is attributable to minorities.

The Portfolio has been independently valued at a yield of 8.89%, as at the Effective Date, by Peter Parfitt from Quadrant Properties Proprietary Limited, who is registered as a professional valuer in terms of the Property Valuers Profession Act, No 47 of 2000, and who practices as such in terms of the JSE Listings Requirements.

The Collins Associates have provided Tradehold various warranties in respect of itself, the Properties, the Property Companies and their respective subsidiaries. The annualised financial information contained herein has been provided to Tradehold by the Collins Associates and the Property Companies and has not been reviewed or audited by the auditors of the Property Companies or Tradehold.

5. Issue of Tradehold Shares

The Consideration will be settled partly in cash (GBP2.45 million) and the balance through the issue of up to 59,644,607 Tradehold Shares at GBP1.34 (ZAR28.73 calculated at the Exchange Rate), being the 30 day volume-weighted average price at 18 February 2016, the signature date of the Amended MoU. Following the issue of the Tradehold Shares, the Company will have an estimated total number of up to 247,884,509 Tradehold Shares in issue.

6. Description of the Property Companies and Collins, and rationale for the Transaction

The Properties form part of the property portfolio 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 add a diversified portfolio of properties and an experienced property development and management team to Tradehold. The resultant increase in Tradehold's NAV and profitability will facilitate further growth both in South Africa, via Collins, and abroad with a particular focus on Tradehold's investments in the United Kingdom.

7. Property information

7.1. The Portfolio:

- consists of 136 properties located in South Africa;
- has a gross lettable area ("GLA") of 1,212,417 m², with 295 buildings and 374 tenants;
- on a per GLA basis, is 67% industrial, 20% distribution centres, 9% retail and 4% commercial;
- has a tenant profile of 70% national, 16% independent, 9% regional and 5% Government;

- has a vacancy rate of 5.3% of GLA;
- has an average lease term weighted by rental income of 6.4 years and weighted by GLA of 7 years; and
- has leases in respect of 65.4% of GLA and 63.6% of revenue that expire after 29 February 2020.

Details of each property forming part of the Portfolio appear at the end of this announcement and will be published in due course on the Company's website hosted at www.tradehold.co.za and will similarly be disclosed in the Circular.

7.2. Acquisition by Imbali

Tradehold Shareholders are referred to the announcement released by Nampak Limited ("Nampak") on SENS on 1 June 2016 pursuant to which Nampak announced the disposal of a portfolio of properties ("Disposal Properties") to Imbali. The terms of the Transaction (set out in paragraph 2) and details of the Portfolio (set out in paragraph 7.1) exclude the Disposal Properties. The settlement of the purchase price in respect of the Disposal Properties will be in cash and therefore does not affect the number of Tradehold Shares to be issued in terms of the Transaction.

8. Constitutional documents

Tradehold confirms that it will ensure that the provisions of the constitutional documents of Imbali, Saddle Path, Collins and their respective subsidiaries will not frustrate Tradehold in any way from compliance with its obligations in terms of the JSE Listings Requirements, and that nothing contained in such constitutional documents shall relieve Tradehold from compliance with the JSE Listings Requirements.

9. Categorisation

The Transaction is deemed to constitute a category 1 transaction in terms of the JSE Listings Requirements and accordingly requires the approval of Tradehold Shareholders.

10. Related party transaction

The Collins Associates are deemed for the purpose of this Transaction to constitute related parties (as defined under the JSE Listings Requirements), to Tradehold. Consequently, the Transaction will constitute a related party transaction, as contemplated in section 10 of the JSE Listings Requirements. The Circular convening a general meeting of Tradehold Shareholders to seek the required approval under the JSE Listings Requirements and the Companies Act will be posted to Tradehold Shareholders in due course.

11. Withdrawal of Cautionary Announcement

Further to the Cautionary Announcements, Tradehold Shareholders are advised that following the release of this announcement setting out the information in respect of the Transaction, caution is no longer required to be exercised by Tradehold Shareholders when dealing in the Company's securities.

Cape Town

3 June 2016

JSE Sponsor

Bravura Capital Proprietary Limited

Corporate Advisor

Mettle Corporate Finance Proprietary Limited

Attorneys

Cliffe Dekker Hofmeyr Inc.

Property information:

					Monthly weighted average rental per m ² (1)	Rentable area	Purchase price (2)	Valuation (3)
Property name	Notes	Sector	Town	Province	(£/m ²)	(m ²)	(£'m)	(£'m)
Property 1		Distribution centre	Durban	KwaZulu-Natal	2,7	69 866	25,90	24,03
Property 2		Distribution centre	Durban	KwaZulu-Natal	3,3	35 193	13,55	13,91
Property 3		Distribution centre	Johannesburg	Gauteng	3,4	70 273	32,33	37,26
Property 4		Distribution centre	Johannesburg	Gauteng	2,5	18 907	6,49	7,29
Property 5		Distribution centre	Pietermaritzburg	KwaZulu-Natal	2,2	59 071	17,80	16,95
Property 6		Industrial	Bloemfontein	Free State	0,6	2 547	0,17	0,18
Property 7		Industrial	Cape Town	Western Cape	1,8	3 385	0,65	0,68
Property 8		Industrial	Cape Town	Western Cape	1,4	12 430	1,98	2,11
Property 9		Industrial	Cape Town	Western Cape	1,2	6 922	1,02	1,16
Property 10	4	Industrial	Cape Town	Western Cape	2,6	1 410	0,36	0,36
Property 11		Industrial	De Aar	Eastern Cape	0,6	4 408	0,29	0,30
Property 12		Industrial	Durban	KwaZulu-Natal	3,0	2 799	0,99	1,08
Property 13		Industrial	Durban	KwaZulu-Natal	2,8	8 420	2,50	2,64
Property 14		Industrial	Durban	KwaZulu-Natal	1,9	3 606	0,79	2,52
Property 15		Industrial	Durban	KwaZulu-Natal	1,9	9 767	2,30	2,44
Property 16		Industrial	Durban	KwaZulu-Natal	0,8	8 221	0,32	0,21
Property 17		Industrial	Durban	KwaZulu-Natal	0,4	24 432	1,15	0,94
Property 18		Industrial	Durban	KwaZulu-Natal	2,2	7 407	1,69	1,69
Property 19		Industrial	Durban	KwaZulu-Natal	3,3	4 203	1,33	1,38
Property 20		Industrial	George	Western Cape	1,2	1 518	0,19	0,22
Property 21		Industrial	Johannesburg	Gauteng	3,2	3 179	0,97	0,80
Property 22		Industrial	Johannesburg	Gauteng	1,9	11 484	2,25	2,43
Property 23		Industrial	Johannesburg	Gauteng	0,0	13 017	0,05	0,05
Property 24		Industrial	Johannesburg	Gauteng	1,0	18 551	2,28	2,39
Property 25		Industrial	Johannesburg	Gauteng	1,4	5 376	0,83	1,02
Property 26		Industrial	Johannesburg	Gauteng	1,0	13 012	1,56	1,62
Property 27		Industrial	Johannesburg	Gauteng	1,2	6 687	0,97	0,99
Property 28		Industrial	Johannesburg	Gauteng	1,0	13 702	1,70	1,77
Property 29		Industrial	Johannesburg	Gauteng	1,1	15 526	2,03	2,26
Property 30		Industrial	Johannesburg	Gauteng	1,5	18 757	3,44	3,93
Property 31		Industrial	Johannesburg	Gauteng	1,2	68 498	9,13	9,55
Property 32		Industrial	Johannesburg	Gauteng	5,2	5 992	3,74	3,97
Property 33		Industrial	Johannesburg	Gauteng	1,3	33 787	5,12	5,37
Property 34		Industrial	Johannesburg	Gauteng	1,1	12 598	1,69	2,36
Property 35		Industrial	Johannesburg	Gauteng	1,3	2 296	0,34	0,36
Property 36	4	Industrial	Johannesburg	Gauteng	1,4	10 765	1,41	1,41
Property 37		Industrial	Johannesburg	Gauteng	1,4	15 544	2,62	3,58
Property 38		Industrial	Johannesburg	Gauteng	1,2	51 680	7,57	7,90
Property 39		Industrial	Johannesburg	Gauteng	1,2	7 877	1,10	1,16
Property 40		Industrial	Johannesburg	Gauteng	1,0	9 138	1,11	1,23
Property 41		Industrial	Johannesburg	Gauteng	0,7	13 020	1,02	1,05
Property 42		Industrial	Johannesburg	Gauteng	1,3	8 384	0,63	1,02
Property 43	5	Industrial	Johannesburg	Gauteng	0,0	19 208	-	0,15
Property 44		Industrial	Johannesburg	Gauteng	0,8	19 198	1,64	1,72
Property 45		Industrial	Johannesburg	Gauteng	3,1	11 094	4,25	4,56
Property 46		Industrial	Johannesburg	Gauteng	2,7	3 428	0,90	0,97
Property 47		Industrial	Johannesburg	Gauteng	4,7	6 046	3,30	3,55
Property 48		Industrial	Kimberley	Free State	0,3	2 290	0,08	0,13
Property 49		Industrial	Pietermaritzburg	KwaZulu-Natal	0,8	12 713	1,15	1,30
Property 50		Industrial	Pietermaritzburg	KwaZulu-Natal	1,8	1 631	0,27	0,28
Property 51		Industrial	Pietermaritzburg	KwaZulu-Natal	1,8	1 100	0,17	0,18
Property 52		Industrial	Pietermaritzburg	KwaZulu-Natal	2,8	1 548	0,34	0,42
Property 53		Industrial	Pietermaritzburg	KwaZulu-Natal	2,1	1 053	0,20	0,21
Property 54		Industrial	Pinetown	KwaZulu-Natal	1,8	2 977	0,42	0,45
Property 55		Industrial	Pinetown	KwaZulu-Natal	3,9	2 275	0,94	0,96
Property 56		Industrial	Pinetown	KwaZulu-Natal	2,5	8 466	2,11	2,28
Property 57		Industrial	Pinetown	KwaZulu-Natal	1,1	7 841	1,01	1,10
Property 58	4	Industrial	Pinetown	KwaZulu-Natal	2,0	6 377	1,79	1,79

Property 59		Industrial	Pinetown	KwaZulu-Natal	2,0	7 145	1,60	1,69
Property 60		Industrial	Pinetown	KwaZulu-Natal	1,5	59 393	8,54	10,26
Property 61		Industrial	Pinetown	KwaZulu-Natal	2,6	4 100	1,02	1,05
Property 62		Industrial	Pinetown	KwaZulu-Natal	2,1	9 200	1,70	1,83
Property 63		Industrial	Pinetown	KwaZulu-Natal	2,9	15 904	4,52	4,76
Property 64		Industrial	Pinetown	KwaZulu-Natal	2,2	11 767	2,38	2,46
Property 65		Industrial	Pinetown	KwaZulu-Natal	3,3	6 072	1,97	2,09
Property 66		Industrial	Port Elizabeth	Eastern Cape	1,1	30 193	4,17	4,40
Property 67		Industrial	Pretoria	Gauteng	1,0	7 054	0,86	0,89
Property 68		Industrial	Richards Bay	KwaZulu-Natal	1,3	2 062	0,31	0,33
Property 69		Industrial	Richards Bay	KwaZulu-Natal	0,4	17 110	0,71	0,76
Property 70		Industrial	Tongaat	KwaZulu-Natal	1,8	7 262	0,94	1,47
Property 71		Industrial	Tongaat	KwaZulu-Natal	1,6	10 159	2,04	2,12
Property 72		Industrial	Tongaat	KwaZulu-Natal	1,9	52 361	7,44	5,68
Property 73		Industrial	Vryheid	KwaZulu-Natal	4,1	1 372	0,57	0,62
Property 74		Industrial	White River	Mpumalanga	0,9	1 614	0,17	0,17
Property 75		Office	Cape Town	Western Cape	6,0	4 231	2,57	2,64
Property 76		Office	Durban	KwaZulu-Natal	10,9	4 024	5,33	5,30
Property 77		Office	Fort Beaufort	Eastern Cape	5,0	863	0,43	0,49
Property 78		Office	Grahamstown	Eastern Cape	9,6	1 022	0,78	1,08
Property 79		Office	Hilton	KwaZulu-Natal	8,4	1 998	1,83	1,95
Property 80		Office	Hilton	KwaZulu-Natal	4,5	2 498	1,08	1,29
Property 81		Office	Hilton	KwaZulu-Natal	6,9	1 311	0,79	0,90
Property 82		Office	Hilton	KwaZulu-Natal	6,0	332	0,21	0,20
Property 83		Office	Hilton	KwaZulu-Natal	2,9	5 949	1,69	2,33
Property 84		Office	Hilton	KwaZulu-Natal	8,6	2 587	2,67	2,81
Property 85		Office	Jeffreys Bay	Eastern Cape	7,6	533	0,43	0,46
Property 86		Office	Johannesburg	Gauteng	2,9	6 888	2,44	2,90
Property 87		Office	Ladysmith	KwaZulu-Natal	5,1	732	0,34	0,45
Property 88		Office	Pietermaritzburg	KwaZulu-Natal	5,5	2 226	1,20	1,49
Property 89		Office	Pietermaritzburg	KwaZulu-Natal	1,9	2 352	0,42	0,89
Property 90		Office	Pietermaritzburg	KwaZulu-Natal	5,0	1 878	0,93	0,98
Property 91		Office	Pietermaritzburg	KwaZulu-Natal	5,1	1 399	0,72	0,84
Property 92		Office	Pietermaritzburg	KwaZulu-Natal	9,0	1 000	0,94	1,19
Property 93		Office	Pinetown	KwaZulu-Natal	4,3	3 960	1,39	1,66
Property 94		Retail	Butterworth	Eastern Cape	4,1	997	0,40	0,43
Property 95		Retail	Cradock	Eastern Cape	2,8	647	0,14	0,15
Property 96		Retail	Durban	KwaZulu-Natal	14,8	955	1,42	1,46
Property 97		Retail	Durban	KwaZulu-Natal	7,5	1 570	1,20	1,18
Property 98		Retail	Durban	KwaZulu-Natal	7,7	852	0,68	0,73
Property 99		Retail	Durban	KwaZulu-Natal	5,5	2 489	1,73	1,86
Property 100		Retail	Durban	KwaZulu-Natal	9,3	1 485	1,54	1,64
Property 101		Retail	Durban	KwaZulu-Natal	7,0	3 235	2,41	2,46
Property 102		Retail	Eshowe	KwaZulu-Natal	5,1	1 173	0,65	0,67
Property 103		Retail	Graaff Reinet	Eastern Cape	2,1	1 856	0,37	0,42
Property 104		Retail	Johannesburg	Gauteng	1,4	6 222	1,05	1,10
Property 105		Retail	King Williams Town	Eastern Cape	3,5	1 511	0,54	0,57
Property 106		Retail	Kokstad	KwaZulu-Natal	3,3	1 797	0,53	0,58
Property 107		Retail	Matatiele	Eastern Cape	2,1	2 626	0,33	0,35
Property 108		Retail	Matatiele	Eastern Cape	4,7	6 743	3,62	3,71
Property 109		Retail	Matatiele	Eastern Cape	4,5	3 165	1,59	1,65
Property 110		Retail	Mkuze	KwaZulu-Natal	2,4	3 026	0,82	0,85
Property 111		Retail	Nongoma	KwaZulu-Natal	2,6	3 729	1,15	1,20
Property 112		Retail	Nqutu	KwaZulu-Natal	4,3	4 895	2,11	2,24
Property 113		Retail	Pietermaritzburg	KwaZulu-Natal	1,7	1 256	0,20	0,30
Property 114		Retail	Pietermaritzburg	KwaZulu-Natal	4,7	398	0,18	0,24
Property 115		Retail	Pietermaritzburg	KwaZulu-Natal	6,2	887	0,54	0,53
Property 116		Retail	Pietermaritzburg	KwaZulu-Natal	2,3	973	0,21	0,22
Property 117		Retail	Pietermaritzburg	KwaZulu-Natal	6,1	623	0,39	0,40
Property 118		Retail	Pietermaritzburg	KwaZulu-Natal	2,6	3 553	0,94	1,00
Property 119		Retail	Pietermaritzburg	KwaZulu-Natal	4,3	678	0,27	0,27
Property 120		Retail	Pietermaritzburg	KwaZulu-Natal	2,1	1 316	0,24	0,28
Property 121		Retail	Pietermaritzburg	KwaZulu-Natal	2,8	857	0,23	0,25
Property 122		Retail	Pietermaritzburg	KwaZulu-Natal	2,6	3 688	0,93	1,00
Property 123		Retail	Pietermaritzburg	KwaZulu-Natal	2,9	485	0,11	0,14
Property 124		Retail	Pietermaritzburg	KwaZulu-Natal	2,7	2 210	0,54	0,55
Property 125		Retail	Pietermaritzburg	KwaZulu-Natal	3,6	1 108	0,38	0,42
Property 126		Retail	Pietermaritzburg	KwaZulu-Natal	4,7	605	0,23	0,28
Property 127		Retail	Pietermaritzburg	KwaZulu-Natal	5,1	773	0,38	0,41
Property 128		Retail	Pietermaritzburg	KwaZulu-Natal	2,8	2 560	0,72	1,02
Property 129		Retail	Pietermaritzburg	KwaZulu-Natal	6,3	1 200	0,75	0,80
Property 130		Retail	Pietermaritzburg	KwaZulu-Natal	11,1	496	0,56	0,63
Property 131		Retail	Pietermaritzburg	KwaZulu-Natal	2,7	10 665	3,00	3,26
Property 132		Retail	Pinetown	KwaZulu-Natal	3,6	2 467	0,84	0,99
Property 133		Retail	Rustenburg	North West	4,3	6 171	3,21	3,39
Property 134		Retail	Ulundi	KwaZulu-Natal	4,4	2 772	1,36	1,40

Property 135		Retail	Ulundi	KwaZulu-Natal	4,7	3 779	1,76	2,15
Property 136		Retail	Ulundi	KwaZulu-Natal	3,6	4 476	1,51	1,70
Total					2,1	1 212 417	288,83	308,96

Notes:

1. The rental income value applied excludes any cost recoveries from tenants.
2. The purchase price is the value attributed to the property before the deduction of debt required to calculate the consideration paid.
3. An independent property valuation was conducted by Peter Parfitt from Quadrant Properties Proprietary Limited, as at the Effective Date.
4. Where a property was acquired or sold, and is awaiting transfer, prior to the Effective Date of the Transaction, the value of the property shown in the valuation column is the cost or income, excluding debt and transaction costs, that accrues to Tradehold as part of the consideration paid.
5. This is a parcel of vacant land that currently generates no income and was acquired at no cost as part of the Portfolio.