

REX TRUEFORM GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1937/009839/06)

JSE share code: RTO ISIN: ZAE000250387

JSE share code: RTN ISIN: ZAE000250395

JSE share code: RTOP ISIN: ZAE000250403

("Rex Trueform")



UPDATE ON INVESTMENT IN SA WATER WORKS HOLDING COMPANY PROPRIETARY LIMITED

1. INTRODUCTION

Shareholders are referred to the SENS announcement released by Rex Trueform on 28 September 2018 (the "**28 September announcement**"), wherein Rex Trueform advised that it had, through its wholly-owned subsidiary, Ombrecorp Trading (RF) Proprietary Limited ("**Ombrecorp**"), subscribed for 33.78% of the issued share capital of SA Water Works Holding Company Proprietary Limited ("**SAWW**"). All conditions precedent to the agreement as disclosed in the 28 September announcement have been fulfilled.

2. FURTHER FINANCIAL INFORMATION WITH REGARD TO THE 28 SEPTEMBER ANNOUNCEMENT

The 28 September announcement detailed the acquisition by SAWW, via its wholly-owned subsidiary SA Water Works Proprietary Limited (the "**SAWW subsidiary**"), of 73.425% of the ordinary issued shares of Sembcorp Siza Water (RF) Proprietary Limited ("**Sembcorp Siza**") (the "**Sembcorp Siza acquisition**") for a total acquisition price of R121 980 444.

The profit after tax, total assets and net asset value of the company acquired by SAWW (via the SAWW subsidiary) in terms of the Sembcorp Siza acquisition are R30 748 529, R177 851 080 and R111 980 067 respectively, based on the audited financial statements of Sembcorp Siza for the financial year ended 31 December 2017, which financial statements were prepared in accordance with International Financial Reporting Standards.

73.425% of the discounted free cash flow generated by the assets acquired by SAWW (via the SAWW subsidiary) was valued at R95 000 000, based on a valuation performed by SAWW during September 2017, which valuation was based on forecasts and the audited financial statements of Sembcorp Siza for the financial year ended 31 December 2016. The total purchase consideration of R 121 980 444 adjusts the valuation for the net cash as at 31 December 2017, an interest escalation amount and transaction costs.

24 January 2019

Sponsor

JAVACAPITAL