

AFRICAN AND OVERSEAS ENTERPRISES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1947/027461/06)

JSE share code: AOO ISIN: ZAE000000485

JSE share code: AON ISIN: ZAE000009718

JSE share code: AOVP ISIN: ZAE000000493

("AOE" or the "Company")



ACQUISITION OF A FURTHER STAKE IN BELPER INVESTMENTS PROPRIETARY LIMITED

1. Introduction and rationale

- 1.1. Shareholders are advised that Rex Trueform Group Limited ("**Rex Trueform**"), a 55.92% subsidiary of AOE, has entered into a subscription agreement with the remaining shareholders of Belper Investments Proprietary Limited ("**Belper**"), being Wayne van der Vent and Karen Miller (collectively, the "**minority shareholders**"), in terms of which Rex Trueform will subscribe for additional shares in the issued share capital of Belper pursuant to which Rex Trueform will increase its stake to 72.03% by acquiring a further 18.35% of Belper (the "**Transaction**").
- 1.2. Belper, a 53.68% held subsidiary of Rex Trueform, is an unlisted property fund focused on the acquisition, ownership and management of industrial properties within the Western Cape. Belper's portfolio comprises a number of industrial properties located in Epping 1 and Epping 2.
- 1.3. Rex Trueform acquired its initial investment in Belper in April 2022 through the subscription of a 51% interest ("**2022 Transaction**"). This initial investment provided Rex Trueform with an opportunity to diversify its existing property portfolio while leveraging the opportunity to acquire commercial property with a high tenant demand at the right value.
- 1.4. In terms of the 2022 Transaction, Rex Trueform advanced a loan in the amount of R19,700,000.00 (the "**Initial Loan**") to part fund the acquisition of a portfolio of industrial properties located in Epping, Cape Town. Since the 2022 Transaction, Rex Trueform made available to Belper an additional loan facility in the amount of R1,000,000.00 in December 2023 (the "**Second Loan**") to enable Belper to repurchase shares from one its shareholders. As a result of this repurchase, Rex Trueform's interest in Belper increased from 51% to 53.68%. Collectively, the Initial Loan and the Second Loan are hereinafter referred to as the "**Combined Loans**".
- 1.5. Rex Trueform and the minority shareholders of Belper have reached an agreement to convert the entire outstanding debt, comprising the Combined Loans and the accumulated interest, due by Belper to Rex Trueform to additional equity in Belper. The Transaction aims to strengthen the balance sheet of Belper, thereby improving its financial stability and positioning Belper for future growth.

2. Salient terms of the Transaction

- 2.1. Rex Trueform will subscribe for an additional 187 shares in the ordinary share capital of Belper.
- 2.2. The consideration for the subscription will be the extinguishment of the debt owed by Belper to Rex Trueform, which amounts to R27,368,015.52.
- 2.3. The subscription agreement is subject to the fulfilment or waiver of the condition that the minority shareholders waive any pre-emptive rights that they might have to their respective interest in Belper.
- 2.4. The effective date of the Transaction is the first business day following the date on which the last of the conditions precedent to the subscription agreement is fulfilled or waived (as the case may be).

3. Financial information

The net liability value and losses attributable to 100% of Belper is R6.8 million and R3.4 million respectively.

This information has been extracted from the unpublished unaudited management accounts of Belper for the 11 months ended 31 May 2024 which has been prepared in terms International Financial Reporting Standards. The Company confirms that it is satisfied with the quality of such management accounts.

4. JSE categorisation

The Transaction is classified as a category 2 transaction in terms of the JSE Listings Requirements and is, accordingly, not subject to approval by shareholders.

29 July 2024

Sponsor

JAVACAPITAL