

DENEB INVESTMENTS LIMITED
Registration number: 2013/091290/06
(Incorporated in the Republic of South Africa)
JSE share code: DNB
ISIN: ZAE000197398
(“Deneb” or the “Company”)



CATEGORY 2 DISPOSAL ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that the Company, through its wholly-owned subsidiary, Sargas Proprietary Limited has entered into an agreement (“**Agreement**”) with The Lansdowne Trust (IT479/03) (“**Purchaser**”), in terms of which the Company will dispose of the industrial properties situated at (i) Erf 3812 Mobeni Registration Division FT Province of Kwazulu Natal, in extent, 1,9486 hectares and (ii) Erf 485 Mobeni Registration Division FT Province of Kwazulu Natal, in extent, 4 222 square meters, in Nottingham Road, Mobeni, KwaZulu Natal together with existing lease, to the Purchaser, as a going concern, for a disposal consideration of R55 000 000 (“**Disposal Consideration**”) (“**Disposal**”).

2. RATIONALE FOR THE DISPOSAL

The Properties are no longer required by the Company or any of its subsidiaries (“**Group**”), as the Group no longer conducts the manufacturing operations at the Properties.

3. DISPOSAL CONSIDERATION

The Disposal Consideration of R55 000 000 will be paid in cash by the Purchaser on the Transfer Date (as defined below).

4. APPLICATION OF THE DISPOSAL CONSIDERATION

The Disposal Consideration will be used to settle outstanding debt.

5. CONDITIONS PRECEDENT

There are no outstanding conditions precedent to the Disposal.

6. EFFECTIVE DATE OF THE DISPOSAL

The effective date of the Disposal will be the date of registration of transfer of the Properties into the name of the Purchaser (“**Transfer Date**”), which is anticipated as being on or about 30 September 2021.

7. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

The Agreement contains warranties, representations and undertakings by the Company in favour of the Purchaser and by the Purchaser in favour of the Company, which are standard for a transaction of this nature.

The Properties are sold “*voetstoots*”.

8. FINANCIAL INFORMATION

The value of the net assets comprising the Properties as at 31 March 2021, being the date of the last reviewed condensed consolidated financial results, was R54 900 000.

The profits after tax attributable to the Properties for the year ended 31 March 2021, was R5 002 411, based on the management accounts of the property division of Sargas Proprietary Limited for the year ended 31 March 2021 (“the management accounts”).

The Company is satisfied with the quality of the management accounts; however, shareholders are cautioned that they are unaudited.

9. CLASSIFICATION OF THE DISPOSAL

The Disposal constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

2 June 2021

Sponsor and Corporate Advisor

PSG Capital



PSG CAPITAL