

KAAP AGRI LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2011/113185/06)

Share code: KAL, ISIN: ZAE000244711

("KaaP Agri" or "the Company")



LISTING OF KAAP AGRI ON THE MAIN BOARD OF THE JSE LIMITED ("JSE") AND ABRIDGED PRE-LISTING STATEMENT

1. INTRODUCTION

- 1.1. Kaap Agri, a group specialising in retail and trade in agricultural, fuel and related markets in Southern Africa, has now been granted a listing on the JSE main board from Monday, 26 June 2017 onwards ("**Listing**"). With its strategic footprint, infrastructure, facilities and client network, Kaap Agri follows a differentiated market approach and also offers financial, grain handling and agency services to customers, in support of its core retail business.
- 1.2. Kaap Agri will today, 7 June 2017 distribute a pre-listing statement to its shareholders regarding the Listing and containing detailed information regarding the Company ("**Pre-listing Statement**"). The Pre-Listing Statement will also be available on the Company's website at www.kaapagri.co.za.
- 1.3. Terms appearing in title case in this announcement and that are not otherwise defined herein, shall bear the meanings ascribed to them in the Pre-listing Statement.
- 1.4. This will be a new listing by way of introduction of the Company's entire issued share capital. Kaap Agri does not intend to raise capital leading up to the Listing.

2. SALIENT DATES AND TIMES

The salient dates relating to the Listing are set out below:

	2017
Record date for Shareholders to receive the Pre-listing Statement	Friday, 2 June
Pre-listing Statement distributed to Shareholders	Wednesday, 7 June
Abridged Pre-listing Statement published on SENS on	Wednesday, 7 June
Abridged Pre-listing Statement published in the press on	Thursday, 8 June
Listing of Shares on the JSE expected at commencement of trade on	Monday, 26 June
Accounts at CSDPs/Brokers updated in respect of Dematerialised Shareholders on	Monday, 26 June
Bulk Dematerialisation to occur on	Monday, 26 June
Share certificates posted (if requested) to Certificated Shareholders by registered post on or about	Monday, 26 June

Note: The above dates are subject to change. Any such change will be announced on SENS.

3. **ABRIDGED PRE-LISTING STATEMENT OF KAAP AGRİ**

The Abridged Pre-Listing Statement appearing below, is not an invitation to the public to subscribe for Shares in Kaap Agri, but is issued in compliance with the JSE Listings Requirements for the purpose of providing information to the public and investors in respect of Kaap Agri.

3.1. **OVERVIEW OF THE KAAP AGRİ GROUP**

While the Kaap Agri group has its origin in 1912, the Company was registered on 8 September 2011. The group trades under different brands with the core businesses currently being those of Agrimark, Pakmark and The Fuel Company, from which approximately 80% of the group's income is generated.

3.1.1. **Agrimark**

Agrimark branches represent the core business of the group. There are over 70 outlets countrywide. Agrimarks are essentially general retail offerings including retail shop areas, bulk stores areas and yards for bulk items. There are also fuel filling stations at most Agrimarks. The retail product offerings in these branches are targeted at farmers, professionals, building contractors, DIY enthusiasts and the public generally, with a garden centre theme where applicable. There are various formats of the outlets tailored for urban, semi-urban and rural demographics.

3.1.2. **Pakmark**

Pakmark branches service the fruit and vegetable farming sector with packaging materials. There are 14 stand-alone centres with an additional 8 facilities managed in conjunction with Agrimark's stores. These branches support the group's drive into the water intensive areas of the country, where fruit and vegetable production is the core farming operation. Pakmarks are essentially redistribution centres for products like cartons, carton inner packaging, plastic bags, labels, pallet strapping, pallets and anything else a farmer would require to market his products in South Africa or in the export markets of the world.

3.1.3. **The Fuel Company including Expressmark and Fego Caffé**

The Fuel Company brand represents Kaap Agri's retail fuel interests and falls within two subsidiaries of the group created to house the retail fuel expansions and growth drive. Expressmarks represent the Kaap Agri's convenience offering at those service stations which are not oil company owned but owned and operated by Kaap Agri (i.e. Kaap Agri can choose the brand of fuel). Expressmark is a home grown convenience store brand which offers The Fuel Company an alternative to other convenience offerings like Caltex Fresh Stop, Engen One Plus or TOTAL La Boutique. The Fego Caffé "To Go" brand is an exclusive coffee shop brand which is operated under licence from Famous Brands. There are 25 retail fuel and convenience service stations in The Fuel Company. The Fuel Company is not limited to only utilising Expressmark and / or Fego Caffé brands and is further not limited to a single oil company brand. The group has a further 14 service stations.

3.1.4. **Liquormark**

The Liquormarks are small standalone liquor retail offerings additional to the Agrimark offerings and are located mainly in semi-urban and rural areas. There are currently 9 stores in the group.

3.1.5. **Agrilog**

The Agrilog brand represents the group's distribution centres and logistics function, which service the whole group and are internally focussed on optimising these elements of the group supply chain.

3.1.6. **Wesgraan**

Wesgraan represents Kaap Agri's silo storage, grain handling and grain trading services. It currently has a 350 000 ton silo capacity. These services are focused in the Swartland area of the

Western Cape. Wesgraan also offers seed processing and related services to the farmers in the Western Cape area.

3.1.7. **Agriplas**

Agriplas is the group's irrigation subsidiary, which manufactures dripline (under licence) and sprinkler (own patents) irrigation products and offers agency services for imported irrigation products in water intensive agricultural areas of Southern Africa.

3.1.8. **New Holland Agency**

The group hosts the New Holland agency and is one of the largest agents for New Holland in Southern Africa. This service entails marketing of mechanical equipment into the farming and related sectors, parts branch network and workshops.

3.2. **RATIONALE FOR LISTING**

The Company's rationale for the Listing is:

- 3.2.1. to provide access to capital in order to grow its business both organically and by way of future acquisitions;
- 3.2.2. to provide shareholders with a liquid, tradable asset within a regulated environment and at a market-determined share price;
- 3.2.3. to increase the public profile of the Company, thereby assisting in unlocking new business opportunities; and
- 3.2.4. to enable the retention and attraction of exceptional talent and to align the interests of management more closely with those of shareholders via an appropriate share incentive scheme.

3.3. **PROSPECTS**

The directors believe that the group is well-positioned for growth into the future with the business development division focusing on new projects across all channels, as well as acquisitions, mergers and strategic alliances. Efforts will continue on improving the offering at existing branches and increasing direct business contributions. Focus has also been placed on expanding the fuel and convenience offering, where new sites are constantly being investigated.

3.4. **DIVIDEND POLICY**

The Company has steadily increased its dividend payment and aims to maintain a similar dividend cover. The Company will continue paying interim and final dividends as profitability allows.

3.5. **LISTING ON THE JSE**

- 3.5.1. The JSE has granted Kaap Agri a listing by way of introduction of all its issued ordinary shares on the JSE main board under the abbreviated name "Kaap Agri", share code "KAL" and ISIN ZAE000244711 in the "Specialty Retailer" sector with effect from the commencement of trade on Monday, 26 June 2017.
- 3.5.2. The Shares in Kaap Agri can only be traded on the JSE in dematerialised (electronic) form after the Listing. As previously communicated to Shareholders and as detailed in the Pre-listing Statement, Shareholders have a number of options available to them regarding their Shares:
 - 3.5.2.1. Shareholders wishing to trade their Shares after Listing, will have to open a share trading account with a broker/CSDP, if they do not already have one;
 - 3.5.2.2. Shareholders wishing to keep their Shares in certificated form, can elect to receive a new share certificate on Listing;

3.5.2.3. Shareholders who do not make an election in terms of paragraphs 3.5.2.1 or 3.5.2.2 above, will have their Shares dematerialised in terms of a bulk dematerialisation. This will result in all certificated Shares held by such Shareholders being converted into dematerialised form and being transferred in a nominee account controlled by Kaap Agri's transfer secretaries, Computershare, on Listing. Computershare will hold such dematerialised Shares for and on behalf of each such Shareholder, who will remain the beneficial owner of such Shares. These Shareholders will receive a statement from Computershare post the Listing, which will confirm the number of Shares so held. Shareholders will have the option to move their Shares to their own brokerage/CSDP account at any stage after the Listing.

3.5.3. The Pre-listing Statement includes a form of instruction, which should be completed by Shareholders wishing to make an election in terms of paragraphs 3.5.2.1 or 3.5.2.2 above and which should be returned to Kaap Agri in accordance with the instructions contained therein, by no later than Thursday, 15 June 2017.

3.6. SHARE CAPITAL

The authorised and issued share capital of the Company, as at the Listing Date, will be as set out below:

	Number of Shares	R
Authorised share capital		
Ordinary Shares of no par value	1 000 000 000	-
Issued share capital		
Stated capital – ordinary Shares of no par value	74 170 277	456 653 043
Shares held in treasury	-	-

3.7. KAAP AGRICULTURE DIRECTORS

The full names, ages, business addresses and capacities of the directors of Kaap Agri are provided below:

Full name	Age	Capacity	Business Address
George Murray Steyn	58	Independent non-executive chairman	1 st Floor, Devonshire House, Corner of Church and Ryneveld Street, Stellenbosch
Sean Walsh	51	Managing director	65 Voortrekker Road, Malmesbury, 7299
Graeme Wayne Sim	47	Financial director	65 Voortrekker Road, Malmesbury, 7299
Bernhardt Seyfferdt du Toit	60	Independent non-executive director	Langrivier boerdery, Langrivier, Koue Bokkeveld
Johannes Hendrik le Roux	42	Non-executive director	2 nd Floor, Ou Kollege, 35 Kerk Street Stellenbosch, 7600
Chris Adriaan Otto	67	Independent non-executive director	1 st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600

Helgard Muller Smit	54	Independent non-executive director	Kruisrivier, Eendekuil, 7335
Jakobus Hendrik van Niekerk	60	Independent non-executive director	Vorentoe, Saron, 6812
Danell du Toit	40	Independent non-executive director	Boerneef Street, Schoonvlei Industria, Ceres
Dr Ernest Allen Messina	59	Independent non-executive director	1 st Floor, Lynwood Galleries, Rosemary Way 354, Lynwood, Pretoria, 0081

3.8. COPIES OF THE PRE-LISTING STATEMENT

Copies of the Pre-listing Statement are available in English and may be obtained and are available for inspection during normal office hours from 7 June 2017 until 26 June 2017 at the registered office of Kaap Agri at 65 Voortrekker Road, Malmesbury, 7300 and at the offices of Kaap Agri's sponsor, PSG Capital Proprietary Limited, at 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600 and 2nd Floor, 11 Alice Lane, Sandhurst, Sandton, 2196. The Pre-listing Statement will also be available on the Company's website at www.kaapagri.co.za from 7 June 2017.

Malmesbury
7 June 2017



Transaction Advisor and Sponsor



Attorneys



**Auditor and Independent Reporting
Accountant**