

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")

VOLUNTARY ANNOUNCEMENT - JOINT VENTURE

1. INTRODUCTION

The board of directors of KaaP Agri is pleased to advise shareholders that the Company, through its wholly-owned subsidiary, KaaP Agri Bedryf Limited ("KaaP Agri Bedryf") has entered into a joint venture agreement ("Agreement") with Pupkewitz Holdings Proprietary Limited ("Pupkewitz") dated 1 August 2017.

In terms of the Agreement, Pupkewitz will acquire 50% of the shareholding in KaaP Agri Namibia Proprietary Limited ("KaaP Agri Namibia") (a wholly-owned subsidiary of KaaP Agri Bedryf) ("Joint Venture").

2. RATIONALE

The rationale behind the Joint Venture is to provide the Company with a more comprehensive footprint. The combined, inclusive offering of Pupkewitz Megabuild and KaaP Agri Namibia will service retail, agriculture and contractor customers in Namibia by combining and enhancing the product and service offerings at competitive prices.

The strategies and values of the businesses are closely aligned and the Joint Venture will further provide clear benefits to KaaP Agri shareholders in terms of synergies it will create.

The combined focus on people development will greatly enhance the management and leadership potential of the people of KaaP Agri.

3. CATEGORISATION

The disposal in terms of the Joint Venture is uncategorised in terms of the JSE Listings Requirements, and the information contained in this announcement has been voluntarily disclosed by the Company.

Malmesbury
3 August 2017

PSG Capital Proprietary Limited
Transaction Adviser and Sponsor