



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

NSX Share Code: TUC

JSE Share Code: TTO

ISIN Number: NA000AORF067

("Trustco", or "the Company")

ANNOUNCEMENT REGARDING THE DISPOSAL BY TRUSTCO OF 20% (TWENTY PERCENT) OF LEGAL SHIELD HOLDINGS (PROPRIETARY) LIMITED ("LEGAL SHIELD HOLDINGS") AND WITHDRAWAL OF CAUTIONARY

1. INTRODUCTION

Trustco shareholders ("**Trustco Shareholders**") are advised that Trustco and Riskowitz Value Fund LP ("**Purchaser**") have entered into a sale of shares agreement ("**Agreement**") in terms of which Trustco will dispose of 20% (twenty percent) of the issued share capital of Legal Shield Holdings, a wholly-owned subsidiary of Trustco for R1.2 billion ("**Consideration**") ("**Transaction**").

2. NATURE OF THE BUSINESS OF LEGAL SHIELD HOLDINGS

Legal Shield Holdings is a wholly owned subsidiary of Trustco and acts as the holding company for the Namibian insurance segment and a portion of the Investment segment of Trustco's operations.

Legal Shield Holdings, owns Trustco Life Limited and Trustco Insurance Limited which house the Namibian long term and short term insurance licenses respectively. The Investment segment comprises *inter alia*, Trustco's property, air services and the strategic media services segments. It specifically excludes the Banking and Finance, Educational business and Resources segments.



3. RATIONALE

The sale of a 20% (twenty percent) shareholding in Legal Shield Holdings would not change the control of Legal Shield Holdings or Trustco.

In line with Trustco's strategy, this Transaction will provide future investors the opportunity to invest directly into asset classes that are geared to their specific portfolio's. This Transaction would significantly increase the available liquidity in Namibia. The Consideration would be deployed across the Trustco group to accelerate growth in the other group segments.

4. CONSIDERATION

The Consideration for the Transaction will amount to R1.2 billion and will be paid as follows:

- On the signature date of the Agreement, Trustco will apply an amount received from the Purchaser of R600 million as a deposit towards the Consideration ("Deposit"); and
- The balance of the Consideration will be paid by the Purchaser to Trustco within 12 (twelve) months after the successful conclusion of the due diligence which will be completed by no later than 31 January 2018.

The Consideration will be held as cash reserves and utilised in the normal course of business.

5. CONDITIONS

5.1 The Transaction is subject to the following suspensive conditions ("**Suspensive Conditions**"):

- 5.1.1 obtaining all regulatory approvals (including but not limited to all necessary approvals required in terms of the JSE Limited Listings Requirements for a transaction of this nature) which are necessary for the implementation of this Agreement on or before 31 March 2018;



5.1.2 the Seller obtaining all necessary approvals from its board; and

5.1.3 Trustco and the Purchaser entering into a comprehensive shareholders agreement on or before 31 March 2018;

5.2 The Transaction is further subject to the following resolute conditions (“**Resolutive Conditions**”):

5.2.1 The Purchaser will conduct a due diligence between 8th of January 2018 until 31 January 2018. The Purchaser will provide the Seller with a notice not later than on 31 January 2018, confirming the outcome of the due diligence. Should the Purchaser conclude that the due diligence is not to its satisfaction, the Purchaser may elect to acquire 10% of Legal Shield Holdings *in lieu* of the Deposit or demand from Trustco to repay the Deposit on or before 31 October 2018; and

5.2.2 If so required, Trustco and the Purchaser shall execute new agreements as may be necessary to record the provisions of 5.2.1.

5.3 The effective date of the Transaction will be the day on which the last of the Suspensive Conditions have been fulfilled (“**Effective Date**”).

6. NET ASSETS AND PROFITS ATTRIBUTABLE TO LEGAL SHIELD HOLDINGS

The value of the net assets and profits attributable to Legal Shield Holdings (“Net Assets”) as at 31 March 2017, being Legal Shield Holdings’s most recent year end was NAD2 160 431 000 and NAD 621 597 000 respectively.

This financial information has been extracted from the annual financial statements for the year ended 31 March 2017.

It is further agreed by Trustco and the Purchaser that Legal Shield Holdings will have the right to declare a dividend of up to R1.1 billion, prior to the Effective Date.



7. CATEGORISATION AND FAIRNESS OPINION

Based on the Consideration for the Transaction, and the fact that the Purchaser is a related party to the Company, the Transaction is a Category 2, related party, transaction requiring the approval of Shareholders.

Accordingly, Paragraph 10.7(b) of the LR's requires that the Company obtain a fairness opinion from an independent professional expert acceptable to the JSE, confirming that the terms of the Transaction are fair as far as Shareholders are concerned. The Company has therefore appointed Effortless Corporate Finance (Proprietary) Limited as the independent professional expert to advise the Company in this regard. Shareholders will be advised of the outcome of this process once same has been concluded.

A circular providing further information and a notice of general meeting is expected to be posted to Shareholders in due course and a general meeting of Shareholders will be held to approve the resolutions proposed.

8. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the announcement published on 26 October 2016 wherein they advised to exercise caution when dealing in the Company's securities. Shareholders are hereby advised that further to the information set out in this announcement regarding the Transaction, caution is no longer required to be exercised by Shareholders when dealing in their Trustco securities.

Windhoek, Namibia

24 November 2017

Amanda Bruyns

Company Secretary: Trustco Group Holdings Limited



JSE Sponsor

Sasfin Capital Proprietary Limited (a member of the Sasfin group)

NSX Sponsor

Simonis Storm Securities Proprietary Limited

Independent Expert

Effortless Corporate Finance (Proprietary) Limited