

TSGO SUN HOLDINGS LIMITED
(Incorporated in South Africa)
(Registration number 1989/002108/06)
JSE share code: TSH
ISIN: ZAE000156238
("Tsogo")

FULFILLMENT OF THE CONDITIONS PRECEDENT IN RESPECT OF THE PROPOSED ACQUISITION OF CERTAIN GAMING BUSINESSES FROM NIVEUS INVESTMENTS LIMITED ("NIVEUS")

1. Introduction

Shareholders are referred to the last SENS announcement released by Tsogo on 29 September 2017 in respect of, *inter alia*, Tsogo's proposed acquisition of the shares in Niveus Invest 19 Limited ("**Gameco**") the holding company of certain gaming businesses in the Niveus group ("**Proposed Transaction**").

In terms of the agreement ("**Agreement**") entered into between Tsogo, Hosken Consolidated Investments Limited ("**HCI**") and Niveus ("**Parties**"), it is a condition precedent to the transaction that the Parties obtain the waiver from the Northern Cape Gambling Board ("**NCGB**") of the requirement that Tsogo's indirect acquisition of Niveus Invest Proprietary 1 Limited ("**Niveus Invest**"), which houses the Grand Oasis Casino, Kuruman, be approved by it, by 30 October 2017 ("**Long Stop Date**").

Up until 25 October 2017 there was no NCGB in place and as a result the Parties have not been able to obtain the waiver required in terms of the Agreement.

2. Addendum to the Agreement

In order to prevent the Proposed Transaction from lapsing due to the failure to obtain the waiver the Parties have entered into a further addendum to the Agreement ("**Addendum**") and Niveus, Niveus Invest and Gameco have entered into a sale agreement in terms of which:

- Gameco will sell to Niveus the entire issued share capital of Niveus Invest ("**Sale Share**") as well as Gameco's claims on loan account against Niveus ("**Sale Claims**") for a consideration of R94,963,327.76 in the aggregate ("**Purchase Consideration**"). The Purchase Consideration will constitute an interest free loan by Gameco to Niveus.
- Gameco will grant to Niveus a put option ("**Put Option**") in terms of which Niveus would be entitled to require Gameco to purchase the Sale Share and the Sale Claims from Niveus for a purchase consideration equal to the Purchase Consideration, which will be discharged by way of a set-off against the amount owing by Niveus to Gameco in respect of the Purchase Consideration.

The exercise of the Put Option is conditional upon, *inter alia*, the requisite approval or waiver, for the sale and purchase of the Sale Share and Sale Claims being obtained from the NCGB.

The Put Option must be exercised before 31 March 2018, failing which Niveus will be obliged to pay the entire Purchase Consideration to Gameco.

3. Fulfilment of conditions precedent

Following the conclusion of the Addendum all conditions precedent to the Proposed Transaction have been fulfilled and/or waived and the transaction is now unconditional and proceeding to implementation.

30 October 2017

Corporate advisor and transaction sponsor to Tsogo
Investec Bank Limited

Corporate law advisor to Tsogo
Tabacks