

WG Wearne Limited
(Registration number: 1994/005983/06)
JSE Share code: WEA ISIN: ZAE000078002
("Wearne" or "the Company" or "the Group")

UPDATE ON THE POTENTIAL TRANSACTION TO DISPOSE OF THE BUSINESS OF WEARNE PRECAST (PTY) LTD TO JADE INDUSTRIAL HOLDINGS (PTY) LTD

1. INTRODUCTION

Further to the announcement on 10 May 2016 shareholders are advised that Wearne has reached final agreement in regards to the proposed disposal of the business of Wearne Precast (Pty) Ltd ("Precast") as a going concern to Jade Industrial Holdings (Pty) Ltd ("JIH") ("the transaction").

2. FINAL TERMS AND CONDITIONS OF THE TRANSACTION

In terms of the signed transactional agreements the parties have reached agreement with regard to the following:

- 2.1 JIH will acquire the business as a going concern.
- 2.2 The salient terms of the transaction include:
 - Consideration of R19.6 million for various assets including Plant and Equipment;
 - In addition to the above, stock will be acquired at the lower of cost or net realisable value on 60 day terms after the deduction of advanced payments received up to the effective date;
 - All other assets not specifically listed in the transaction agreements and all liabilities will be excluded from the transaction; and
 - The immovable property owned by Wearne, on which Precast operates, is to be acquired by JIH for R1 200 000 upon the relevant rezoning and subdivision being approved. The parties shall enter into a lease agreement for the period prior to such rezoning and subdivision.
- 2.3 The transaction is subject to the fulfilment of, among others, the following suspensive conditions:
 - The Lease Agreement and Sale of Property Agreement are entered into by the parties thereto;
 - The conclusion of funding arrangements between JIH and its funders; and
 - Obtaining shareholders' approval for the transaction in a general meeting of Wearne shareholders.
- 2.4 The effective date proposed for the transaction is anticipated to be 1 September 2016.

3. CIRCULAR TO SHAREHOLDERS

Shareholders will be advised as soon as the circular has been posted to shareholders and the suspensive conditions to the transaction have been fulfilled.

Designated Advisor
Exchange Sponsors

14 July 2016
Johannesburg