

Argent Industrial Limited
(Registration number 1993/002054/06)
(Incorporated in the Republic of South Africa)
Share Code: ART
ISIN: ZAE000019188
("Argent" or "the Company")

DISPOSAL OF PAINT BUSINESS

1. Introduction and rationale

Argent is pleased to announce that it has entered into agreements to dispose of the plant, equipment, finished and raw material, commercial vehicles as well as the property situated at Erf 1809 and Erf 1950, Silverton extension 12 ("the Property") ("the assets"), to Freecall Trading 7 Proprietary Limited and Promac Paints Proprietary Limited (collectively, "the Purchaser") for an estimated purchase consideration of R51 million ("the Transaction").

The rationale for the Transaction is to exit the paint manufacturing and retail industries.

2. The description of the Assets

The assets are used in the development, manufacture and distribution of paint through various national depots.

3. The consideration

The purchase consideration of approximately R51 million is to be settled in cash upon the fulfilment of the outstanding conditions precedent to the Transaction. The purchase consideration will be adjusted according to the value of the Assets as per the general ledger of the seller plus VAT payable on the Effective Date.

4. Conditions precedent

The Transaction is subject to the fulfilment of the following outstanding conditions precedent:

- 4.1 Approval by the Purchaser's bankers to provide partial funding for the Transaction;
- 4.2 The successful registration of the Property in the name of the Purchaser; and
- 4.3 Other conditions that are customary for a transaction of this nature.

5. Effective date

The effective date of the Transaction is the commencement of business on the first day of the month succeeding the month in which the conditions are fulfilled for all the Assets other than the effective date of the disposal of the Property which will be the date of registration of the Property in the name of the Purchaser.

6. Financial Information

6.1 The net value of the Assets amounts to R 48.5 million.

6.2 The profits attributable to the Assets amounts to R 1.8 million after taxation.

6.3 The financial information contained in this announcement has not been reviewed or reported on by Argent's auditors.

6.4 The proceeds of the Transaction will be used to settle existing banking facilities and to buy back Argents shares as per the shareholder approval at the Annual General Meeting on 30 August 2017.

7. Categorisation

7.1 As the Transaction amounts to more than 5% but less than 30% of the market capitalisation, the Transaction is classified as a category 2 transaction in terms of paragraph 9.5 of the JSE Listings Requirements.

7.2 This announcement is made for information purposes only and no action is required by Argent shareholders with regards to the Transaction.

Umhlanga

2 February 2018

Sponsor: PSG Capital Proprietary Limited