

**Argent Industrial Limited**

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



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**ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF PARTINGTON  
ENGINEERING LIMITED**

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1. Introduction and rationale

Argent is pleased to announce that it has concluded an agreement to acquire the entire issued share capital of Partington Engineering Limited ("Partington") from Mr B. P. Jones, Viper Holdings Limited and Green Star Properties Limited (collectively, the "Sellers") for a maximum cash purchase consideration of GBP 3,1 million ("the Transaction").

The Transaction will be affected through Argent Industrial UK Limited, a 100% held subsidiary of Argent.

The rationale for the Transaction is an opportunity for Argent to grow its business by further diversifying its portfolio of companies and to continue expanding internationally into the United Kingdom.

2. The nature of business

Partington is a major supplier of bespoke trolleys to both the traditional and e-commerce retail industries in the United Kingdom.

3. The consideration and conditions precedent

The initial purchase consideration of GBP 2 500 000 was settled in cash in the buyer's solicitor's account on 16 June 2020.

Two additional purchase considerations of GBP 300 000 each will be settled in cash on 29 January 2021 and 28 January 2022, respectively, if sales to its major customer have grown cumulatively by 15% for each 12-month period. The first period is 1 January 2020 to 31 December 2020 and the second period is 1 January 2021 to 31 December 2021.

A clawback payment of GBP 150 000 is payable from the Sellers if sales to its major customer have decreased by 15% for each 12-month period mentioned above when compared to the actual for the 12-month period ended December 2019.

There are no outstanding conditions precedent.

4. Effective date

The effective date of the Transaction is the commencement of business on 1 June 2020.

## 5. Financial Information

5.1 The net value of the assets attributable to Partington amounts to GBP 987 047.

5.2 The profits attributable to Partington amount to GBP 554 850 after taxation.

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

## 6. Categorisation

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

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

7. The Memorandum of Association of Partington does not conflict with Argent's obligations in terms of compliance with the JSE Listing Requirements.

Umhlanga  
17 June 2020

Sponsor  
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