



NWK HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration Number: 1998/007243/06
CTSE Share Code: 4ANWKH
ISIN: ZAE400000028

("NWK Holdings" or "Company")

ANNOUNCEMENT OF SPECIFIC SHARE REPURCHASE OFFER TO RETIRING SHAREHOLDERS

1. INTRODUCTION

- 1.1. Shareholders of NWK Holdings ("**Shareholders**") are advised that, pursuant to special resolution number C3 by the Shareholders at the annual general meeting of the Company held on 1 September 2022, the board of directors of the Company ("**Board**") has approved the repurchase of shares held by "**Retiring Shareholders**" (as defined below) in terms of which the Company will repurchase ordinary shares listed on the Cape Town Stock Exchange ("**CTSE**") ("**the Repurchase Shares**") in the Company from Retiring Shareholders ("**the Repurchase**").
- 1.2. In this announcement and in terms of the Repurchase, the term "**Retiring Shareholder**" shall mean a Shareholder (excluding a director or prescribed officer of the Company) who, as at **8 September 2023** ("**the Share Repurchase Record Date**"):
 - 1.2.1. is of the age 70 years and older; and
 - 1.2.2. is recorded in the securities register of NWK Holdings on the Share Repurchase Record Date; and
 - 1.2.3. have, elected to dispose of his Shares to the Company in terms of the Repurchase as herein described.
- 1.3 For clarification, only Shareholders who are natural persons will qualify as Retiring Shareholders.

2. RATIONALE FOR THE REPURCHASE

- 2.1. The Repurchase will provide Retiring Shareholders with an opportunity to realise their investment in the Company.
- 2.2. Through creating much needed liquidity in the market, Retiring Shareholders will be provided with the option and opportunity to dispose of their Shares at the Repurchase Consideration (defined below).
- 2.3. The Repurchase Shares will be delisted, whereby the net asset value of the shares in the Company will be marginally raised (as the Repurchase Shares will be cancelled after acquisition by the Company).

3. SALIENT TERMS OF THE REPURCHASE

- 3.1. The Repurchase will be open for acceptance by Retiring Shareholders **from Tuesday, 1 August 2023 until Monday, 11 September 2023 at 12:00**.
- 3.2. Retiring Shareholders wishing to dispose of their Repurchase Shares to the Company in terms of the Repurchase will have to:
 - 3.2.1. complete and sign the form of surrender, as can be downloaded from the NWK website at <https://www.nwk.co.za/uploads/2023/08/Final-Form-of-Surrender-2023-08-01.pdf>. A copy of the form of surrender is also available at the Company Secretary for NWK Holdings as indicated below in 3.2.2;
 - 3.2.2. return a copy of the completed and signed form of surrender to the Company Secretary or the Transfer Secretary by no later than **12:00 on Monday, 11 September 2023**, at any of the following addresses:

The Company Secretary for NWK Holdings:
 81 Scholtz Street, Lichtenburg, North West,
 South Africa, 2740
 (PO Box 107, Lichtenburg, 2740)
Email: legal@nwk.co.za
Tel: 018 633 1089

TRANSFER SECRETARY - CTSE Registry:
 Woodstock Exchange Building, Block B,
 5th Floor, 66-68 Albert Road,
 Woodstock,
 South Africa, 7925
 (PostNet Suite 5, Private Bag X4,
 Woodstock 7915)
Email: admin@ctseregistry.co.za

- 3.3. The Company reserves the right to accept or reject any form of surrender where the Retiring Shareholder has not completed all the required information or has not delivered all the required documents to the Transfer Secretary and/or Company Secretary.
- 3.4. **A Retiring Shareholder must on the form of surrender request to dispose of all of his/her Shares.**
- 3.5. **A Retiring Shareholder who has elected for his Shares to be repurchased by the Company in terms of the Repurchase will no longer qualify as a bona fide agricultural producer (“BFCAP”), and would therefore, in future, not be able acquire Shares in the Company.**
- 3.6. The Repurchase will at all times be in the sole discretion of the Board, and shall at all times be subject to the listing requirements of CTSE (“CTSE LR’s”).
- 3.7. The Repurchase will not be effected in a closed period as defined in the CTSE LR’s.

4. REPURCHASE CONSIDERATION AND SETTLEMENT

- 4.1. The offer price per Repurchase Share shall be **R5.4972 (“the Repurchase Consideration”)** which is confirmed to be the weighted moving average of the market value for the Shares for the 30 (thirty) trading days immediately preceding **Tuesday, 1 August 2023** (being the last practicable date) plus a premium of 2.5% (2 point five percent).
- 4.2. The maximum aggregate amount (including transaction expenses and securities transfer tax) that may be utilised for the aggregate Repurchase Consideration in terms of the Repurchase will be R30,813,305 (thirty million eight hundred and thirteen thousand three hundred and five rand) (“**the Repurchase Consideration Cap**”) and the maximum aggregate number of Repurchase Shares shall be 5 602 419 (five million six hundred and two thousand four hundred and nineteen) (“**the Repurchase Share Cap**”).
- 4.3. Should the aggregate Repurchase Consideration of all the offered Repurchase Shares amount to more than the Repurchase Consideration Cap, or should the aggregate number of all the offered Repurchase Shares be more than the Repurchase Share Cap, the Repurchase Shares shall be repurchased by the Company in a pro-rata manner from the Retiring Shareholders who have elected for their Shares to be repurchased by the Company.
- 4.4. The Repurchase Consideration of the Repurchase Shares will be paid on or about **Tuesday, 12 September 2023**.
- 4.5. Payment of the Repurchase Consideration of the Repurchase Shares will be processed by way of crediting the Retiring Shareholders’ share trading accounts with their equity Authorised User (broker).
- 4.6. To the extent that such Retiring Shareholder wish for their proceeds to be transferred to their personal bank accounts, such Retiring Shareholder would have to specifically instruct their equity Authorised User to that effect.
- 4.7. Retiring Shareholders who have not yet opened a share trading account with an equity Authorised User are encouraged to do so as soon as possible as same is required for Retiring Shareholders to withdraw their proceeds. Shareholders may contact the Company Secretary for NWK Holdings or the CTSE for more information on how to open a share trading account.
- 4.8. Further information regarding an equity Authorised User can also be obtained at the following link: <https://ctexchange.co.za/trade>.
- 4.9. Settlement of the Repurchase Consideration shall be and remain subject to any applicable exchange control regulations.

5. IMPORTANT DATES AND TIMES APPLICABLE TO THE REPURCHASE

5.1. The important dates and times relating to the Repurchase is contained in the timetable below:

ACTION / EVENT	2023
Announcement relating to the Repurchase published on the CTSE News Service and the Repurchase opens on	Tuesday, 1 August
Last day to trade for Retiring Shareholders to participate in the Repurchase	Friday, 8 September
Share Repurchase Record Date for Retiring Shareholders to participate in the Repurchase	Friday, 8 September
Forms of surrender to be received by the Company or the CTSE Registry by 12:00 on	Monday, 11 September
Share Repurchase Closing Date for the Repurchase at 12:00 on	Monday, 11 September
Settlement of the Repurchase Consideration to Retiring Shareholders who have sold their Repurchase Shares to the Company on	Tuesday, 12 September
Results of the Repurchase on the CTSE News Service on or about	Tuesday, 12 September
Delisting of Repurchase Shares on or about	Wednesday, 13 September

Notes:

1. The above salient dates and times are subject to amendment. Any amendment will be communicated to Shareholders via the CTSE News Service.

2. All dates and times quoted in this announcement are local dates and times in South Africa, on a 24 hour basis, unless specified otherwise.

6. TAX IMPLICATIONS

6.1. The summary below is only applicable to Retiring Shareholders that are subject to South African tax legislation whose receipts and accruals are not otherwise exempt from income tax. It is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Repurchase in terms of South African tax law.

6.2. This summary neither purports to constitute tax advice in any form whatsoever, nor does it intend to deal with the tax position of any specific Retiring Shareholder. This summary is therefore intended solely to draw the Retiring Shareholders' attention to certain key aspects of the tax legislation that may be relevant to them pursuant to the Repurchase. Neither NWK Holdings, Pallidus Exchange Services Proprietary Limited and/or CTSE and their directors, employees, advisers and/or associates can be held liable and/or responsible for the tax consequences of the Repurchase.

6.3. Retiring Shareholders should seek advice from their professional advisors if they are in any doubt about their tax position. They should also confirm how the general comments below apply to their specific personal circumstances and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them.

6.3.1. The first R2.2488 per share repurchased by the Company will be distributed as a "return of capital" by NWK Holdings and is accordingly paid out of the Company's contributed tax capital ("**CTC**") as defined in section 1 of the Income Tax Act, No.58 of 1962 as amended from time to time ("**Income Tax Act**"). The cash consideration paid from CTC will not be regarded as a "dividend" for South African tax purposes but as proceeds on the disposal of Retiring Shareholdings.

6.3.2. The cash consideration received from CTC will constitute "income" or "proceeds" on the disposal of the Retiring Shareholding and the difference between such amount and the expenditure attributable to the Retiring Shareholding, will either be subject to normal tax or capital gains tax depending on the personal circumstances of the Retiring Shareholder.

6.3.3. The balance of the cash consideration not payable from CTC to Retiring Shareholders, being R3.2484 will constitute a "dividend" as defined in section 1 of the Income Tax Act ("**the dividend**").

Income Tax

6.4. The dividend received by South African Retiring Shareholders would be included in their gross income by virtue of paragraph (k) of the “gross income” definition set out in section 1 of the Income Tax Act, but would be exempt from income tax in terms of section 10(1)(k) of the Income Tax Act provided that the exclusions provided in section 10(1)(k) of the Income Tax Act are not applicable. No income tax should therefore arise in the hands of South African Retiring Shareholders upon the receipt/accrual of the dividend.

Capital Gains Tax

6.5. In so far as the Repurchase would constitute a “disposal” by the Retiring Shareholder for South African Capital Gains Tax purposes, it may result in either a gain or a loss for the Retiring Shareholder.

6.6. Retiring Shareholders who are South African tax residents will be liable for Capital Gains Tax where the amount of the Repurchase Consideration (i.e. the proceeds) received by the Retiring Shareholder exceeds the amount incurred by that Retiring Shareholder to acquire the Repurchase Shares (i.e. the base cost of the Repurchase Shares). Capital Gains Tax will be levied on the amount by which the Repurchase Consideration exceeds the base cost of the Repurchase Shares.

6.7. The Repurchase Consideration, received in the form of a dividend, would constitute “gross income” and the proceeds received upon the disposal would be reduced to nil in terms of paragraph 35(3) of the Eighth Schedule to the Income Tax Act. No taxable capital gains would therefore arise in the hands of South African Retiring Shareholders who are subject to South African Capital Gains Tax. Any capital loss realised by the South African Retiring Shareholders and the non-South African Shareholders who are subject to South African Capital Gains Tax upon the disposal of the Repurchase Shares would be disregarded in terms of paragraph 19(1)(a) of the Eighth Schedule to the Income Tax Act.

Dividend withholding tax

6.8. Dividends withholding tax is levied at a rate of 20% on dividends paid by a South African company to its shareholders. In the case of listed shares, the dividends withholding tax must be withheld by the regulated intermediary (in this case, the CSDP) and paid over to the South African Revenue Service.

6.9. The gross dividend amount to be used in determining the dividend tax is R3.2484 per Repurchase Share. The dividend tax to be withheld by the Company is equal to R0.64968 per Repurchase Share. The net local dividend amount is R2.59872 per Repurchase Share for shareholders not exempt from dividends tax.

7. STATEMENTS

7.1. A resolution has been passed by the Board approving the Repurchase and the Board has considered the solvency and liquidity test as contemplated in section 4 of the Companies Act No 71 of 2008 (“**the Act**”) and is satisfied that after the distribution in pursuance of the implementation of the Repurchase:

- 7.1.1. the assets of the Company, as fairly valued, equal or exceed the liabilities of the Company, as fairly valued; and
- 7.1.2. it appears that the Company will be able to pay its debts as they become due in the ordinary course of business for a period of at least 12 months after settlement by the Company of the Repurchase Consideration to Retiring Shareholders who have sold their Repurchase Shares to the Company, to be settled on or about **Tuesday, 12 September 2023.**

7.2. The Company confirms that since the solvency and liquidity test was applied there have been no material changes to the financial position of the Company and its subsidiaries.

7.3. The Repurchase shall at all times meet the requirements of section 46 and 48 of the Companies Act No 71 of 2008 (to the extent applicable).

7.4. The Board is satisfied that following the Repurchase, the Company shall continue to comply with Requirement 6.26 of the CTSE LR's.

CTSE EXTERNAL ISSUER AGENT:

Pallidus