



**TWK INVESTMENTS LIMITED**  
(Incorporated in the Republic of South Africa)  
Registration Number: 1997/012251/06  
CTSE Share Code: 4ATWK  
ISIN: ZAE400000119

(**"TWK Investments"** or **"Company"**)

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## **ACQUISITION OF BUSINESS ASSETS AND SALE SHARES FROM MTO NORTH AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

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### **1. INTRODUCTION**

Shareholders of TWK Investments (**"Shareholders"**) are referred to the cautionary announcements released on the CTSE News Service, the last of which was dated 22 December 2025, which advised that TWK Investments was in negotiations to acquire the northern operations of MTO Forestry Proprietary Limited (**"MTO"** or **"the Seller"**).

The board of directors of TWK Investments is pleased to announce that TWK Investments and TWK Agri Proprietary Limited (**"TWK Agri"**), a subsidiary of TWK Investments, (collectively referred to as **"the Purchaser"**), have entered into a sale of business agreement (**"Agreement"**) on or about 31 December 2025 to acquire the Business Assets, as further detailed in paragraph 3.1 of this announcement, assumed liabilities of MTO Lowveld (a division of MTO Forestry Proprietary Limited (**"the Seller"**)) (**"MTO Lowveld"**) and acquire all the shareholding in Ramanas Farms Proprietary Limited (**"Ramanas"**), Imvelo Forests Proprietary Limited (**"Imvelo"**) and Pull Scar Estate Proprietary Limited (**"Pull Scar"**), a wholly owned subsidiary of Imvelo, (collectively referred to as the **"Sale Shares"**) from the Seller.

The Business Assets and Sale Shares are collectively referred to as the **"Proposed Transaction Assets"**, while the acquisition of the Proposed Transaction Assets will be referred to as the **"Proposed Transaction"**.

### **2. RATIONALE FOR THE PROPOSED TRANSACTION**

The Proposed Transaction is aligned with TWK's strategy of expanding and optimising its agricultural and forestry operations. The board of directors of TWK Investments (**"Board"**) believes that the Proposed Transaction is in the best interests of TWK Investments and is expected to:

- secure certified fibre supply by increasing the Company's access to FSC-certified plantations, bolstering its ESG profile;
- expand TWK Investments' raw material base, securing long-term fibre availability, expansion projects, and downstream integration;
- enable better supply chain resilience amid tightening global markets;
- provide operational synergies with existing forestry and agricultural activities;
- improve scale and operational efficiencies;
- bring alignment with investor and customer preferences for transparent, certified, and low-impact forestry practices; and
- diversification of Country risk with plantations in both South Africa and eSwatini.

The Proposed Transaction, in which TWK Agri is acquiring c. 20,000 ha of eucalyptus plantations, would materially expand TWK Agri's plantation base, strengthening its timber inputs and potentially improving economies of scale and operating leverage. The Proposed Transaction also provides TWK Agri with exposure beyond forestry, including value-added timber products through the pole treatment facility and horticulture via macadamia orchards, thereby enabling broader revenue streams.

The pole treatment facility further supports vertical integration of processing, which may enhance margins. This Proposed Transaction may unlock meaningful growth to enhance shareholder value rather than just incremental expansion.

### 3. DETAILS OF THE PROPOSED TRANSACTION:

#### 3.1. Background to the Proposed Transaction Assets being acquired:

The Proposed Transaction Assets acquired are currently in its seventh year of FSC certification (FSC-C109194). The portfolio includes a large portion of planted and temporarily unplanted forests in the Mpumalanga region.

These include 12 well-managed plantations, primarily cultivating eucalyptus trees which follow an average rotation cycle of 11 years. In addition to forestry, the assets include 366 hectares of macadamia orchards, of which 108 hectares are currently in production. The remaining orchards are expected to become productive in the near future. There are also 106 hectares available for future agricultural expansion.

The Pull Scar Pole Plant, which includes a central merchandising depot, plays a vital role in maximizing the value of harvested timber. It produces chromated copper arsenate utility poles used in telecommunications and fibre optic sectors. Its strategic location near South African Development Community countries presents strong export potential.

The assets have an integrated fire management system that encompasses all aspects of estate management, including conservation, silviculture, and harvesting.

#### 3.2. Particulars of the Proposed Transaction Assets being acquired:

In terms of the Proposed Transaction, the Purchaser intends to acquire the Seller's MTO North forestry business as an indivisible transaction and as a going concern, including all assets necessary for the continued operation of the business ("**Business Assets**"), comprising, *inter alia*:

- 3.2.1. fixed assets, plant, machinery, equipment and vehicles;
- 3.2.2. inventory and stock-in-trade (excluding standing timber);
- 3.2.3. goodwill associated with the business;
- 3.2.4. material contracts relating to the business;
- 3.2.5. employees engaged in the business, who will transfer to the Purchaser;
- 3.2.6. sale claims;
- 3.2.7. licences (to the extent that such are assignable); and
- 3.2.8. immovable properties utilised in the business, consisting of 16 072,56 hectares of farms in the areas of Hazyview, White River and De Kaap in the Mpumalanga province ("**Immovable Properties**"),

but exclude the business names and the claims of MTO Lowveld against Ramanas, Imvelo and Pull Scar.

Furthermore, the Purchaser intends to acquire 100% of the Seller's shareholding in Ramanas and Imvelo (which includes 100% of the shareholding in Pull Scar).

Shareholders are advised that MTO has a financial year-end of 31 December. As the financial statements for the year ended 31 December 2025 have not yet been audited, the most recent audited financial information available in respect of the two financial years immediately preceding the Proposed Transaction relates to the financial years ended 31 December 2023 and 31 December 2024.

The following table represents the financial information of the Business Assets for years ended 2023 and 2024.

	2023	2024
Net profits/(loss) before tax	(R78 074 797)	R12,3 million
Net profits/(loss) after tax	(R78 074 797)	R12,3 million

The following table represents the financial information of Ramanas, Imvelo and Pull Scar for the years ended 2023 and 2024:

	Ramanas		Imvelo <sup>1</sup>		Pull Scar	
	2023	2024	2023	2024	2023	2024
Net profits/(loss) before tax	(43 579 395)	(9 978 038)	(34 357 514)	1 133 206	(41 166 955)	3 133 224
Net profits/(loss) after tax	(32 002 198)	(7 496 821)	(34 357 514)	1 133 206	(30 071 221)	2 287 254

**Note:**

1. No provision has been made for 2023 and 2024 tax as the company has no taxable income.

### 3.3. Purchase consideration for the Proposed Transaction:

- 3.3.1 The total purchase consideration in respect of the Proposed Transaction amounts to R408 722 654.81 ("**Purchase Consideration**"), which amount is subject to adjustment in accordance with the provisions of the Agreement and is structured as follows:

	Amount (in ZAR)
Business Assets consideration	227 356 221.81
Sale Shares consideration	181 366 433.00
<b>Purchase Consideration</b>	<b>408 722 654.81</b>
Adjustment: Total liabilities assumed	(36 388 480.03)
<b>Total cash consideration</b>	<b>372 334 174.78</b>
<b>Payment on Closing Date</b>	<b>299 210 981.62</b>
<b>Deferred payment</b>	<b>73 123 193.16</b>

- 3.3.2 The total cash consideration for the Proposed Transaction is an amount of R372,334,174.78 ("**Cash Consideration**") which is equal to the sum of the Purchase Consideration and the liabilities assumed at face value.

- 3.3.3 The Proposed Transaction will be funded through a combination of existing cash resources and third-party debt funding, including a committed loan facility granted by The Standard Bank of South Africa, which remains subject to the fulfilment of customary conditions.

- 3.3.4 On the Closing Date (as defined below) of the Agreement, the Purchaser shall discharge its obligations as follows:

- 3.3.4.1 by assuming with effect from the Closing Date and discharging the assumed liabilities as and when they fall due;
- 3.3.4.2 by the payment of the Cash Consideration to the Seller less the amount equal to the bank guarantee as detailed in paragraph 3.3.4.3 below; as agreed on in the Agreement; and
- 3.3.4.3 by furnishing the elected conveyancers with a bank guarantee(s) for the amount of R73 123 193.16 ("**Immovable Property Consideration**"), plus interest at the prime rate from the Closing Date of the Proposed Transaction up to and including the date the Immovable Property is registered in the name of the Purchaser in the relevant deeds registry office ("**Transfer Date**").

- 3.3.5 On the Transfer Date, the Purchaser shall discharge the Immovable Property Consideration.

- 3.3.6 Shareholders are advised that the value of the Proposed Transaction Assets is subject to a formal valuation currently being performed by the Company which will be published in due course.

### 3.4. Effective Date of the Proposed Transaction:

The Proposed Transaction shall close when all of the conditions precedent, as set out in paragraph 5 below, have been fulfilled or waived (with the latest of the date on which any condition precedent is fulfilled or waived being the "**Fulfilment Date**"). The effective date of the Proposed Transaction shall be

the first business day of the month immediately preceding the Fulfilment Date, or any such other date agreed to between the Seller and Purchaser in writing.

#### **4. PRO-FORMA FINANCIAL EFFECT OF THE ACQUISITION:**

Shareholders are advised that the pro forma financial information applicable to the Proposed Transaction are still in the process of being finalised and will be published in due course.

#### **5. CONDITIONS PRECEDENT AND APPROVALS REQUIRED**

The Proposed Transaction is subject to the fulfilment, or waiver, where capable of waiver, of the following Conditions Precedent:

- 5.1. the approval and ratification by the boards of directors of the Purchaser and the Seller for the entering and implementation of the Agreement;
- 5.2. consent from counterparties to the material contracts disclosed in the Agreement (where required) to the assignment to the Purchaser of the Seller's rights and obligations under such material contracts;
- 5.3. the Seller being required to obtain all other third-party and/or regulatory consents, approvals, exemptions and/or waivers necessary to implement the Proposed Transaction;
- 5.4. unconditional approval of the Proposed Transaction by the competition authorities in terms of the Competition Act, No. 89 of 1998 (save for such conditions as the Purchaser and Seller may agree in writing, acting reasonably);
- 5.5. the loan facility to be granted by Standard Bank of South Africa Limited to the Purchaser, for purposes of funding the Purchase Consideration, becoming unconditional, save only for any condition requiring the Proposed Transaction agreement itself to become unconditional;
- 5.6. approval of the Proposed Transaction by TWK Investments Shareholders by way of special resolution as a substantial transaction in terms of the CTSE Listing Requirements,

Upon such fulfilment of the Conditions Precedent, the associated cash flows are expected to occur, whereafter the Proposed Transaction will be regarded as concluded.

#### **6. CLASSIFICATION OF THE ACQUISITION AND SHAREHOLDER APPROVAL**

The Proposed Transaction constitutes a substantial transaction for TWK Investments in terms of chapter 13 of the CTSE Listings Requirements and requires Shareholders approval by way of special resolution.

#### **7. CIRCULAR TO TWK INVESTMENTS SHAREHOLDERS**

A circular setting out the full details of the terms of the Proposed Transaction ("**Circular**") will be distributed to TWK Investments Shareholders in due course. The Circular will, *inter alia*, incorporate a notice convening the TWK Investments Shareholders Meeting at which Shareholders will be requested to consider, and if deemed fit, to pass, with or without modification the relevant resolutions required to approve the Proposed Transaction.

#### **8. RENEWAL OF CAUTIONARY ANNOUNCEMENT**

Shareholders are hereby advised to continue to exercise caution when dealing in the Company's securities until a full announcement regarding the updated pro forma financial effects in relation to the Proposed Transaction is made.

**Piet Retief**

**30 January 2026**

**CTSE EXTERNAL ISSUER AGENT:**

**Pallidus**