ANNOUNCEMENT REGARDING THE DISPOSAL OF IMMOVABLE PROPERTY

1. INTRODUCTION

Shareholders are advised that on 15 November 2017 BSI’s wholly-owned property owning subsidiary Red Chip Investments (Proprietary) Limited (“Seller”) entered into a sale agreement (“Agreement”) with an entity trading as Rock Solid Properties (Proprietary) Limited (“Purchaser”).

In terms of the Agreement, the Purchaser will acquire the property known as Erf 2229 Shorts Retreat situated at 46 Eden Park Drive, Murrayfield Park, Shorts Retreat, Pietermaritzburg (“Property”) and all the furniture, fittings and equipment (“Furniture and Fittings”) situated thereat from the Seller (“Disposal”). The parties have also agreed that the Seller will lease a portion of the administration building for a period of 24 months from the date of transfer of the Property.

2. THE DISPOSAL

2.1 The nature of the Seller’s business

The Seller owns the Property from which the Company’s Pietermaritzburg operations are conducted.

2.2 Rationale for the Disposal

The Disposal has been effected in line with BSI’s strategy of relocating the Company’s administration function to the BSI Kliprivier office in Gauteng.

2.3 Consideration for the Disposal

The total purchase price for the Disposal is R28 million (“Purchase Consideration”) comprising R26 million for the Property and R2 million for the Furniture and Fittings.

The Purchase Consideration will be settled in cash upon transfer of the Property to the Seller.

The proceeds of the Disposal will be used to reduce the BSI group’s borrowings and will also be applied to fund the BSI group’s working capital requirements.

2.4 Conditions precedent and effective date

The Disposal was not subject to any conditions precedent and will be effective upon the transfer of the Property from the Seller to the Purchaser.

3. THE NET ASSETS AND PROFITS ATTRIBUTABLE TO THE PROPERTY AND FURNITURE AND FITTINGS
As set out in the Seller’s most recently reviewed annual financial statements for the year ended 31 March 2017 which were prepared in accordance with International Financial Reporting Standards:

- the value of the Property as at 31 March 2017 was R23 171 379;
- the value of the Furniture and Fittings was R454 761; and
- the costs attributable to the Property and Furniture and Fittings (“Disposal Assets”) for the year ended 31 March 2017 were R1 027 093. There was no income attributable to the Disposal Assets for the period under review as the Property was owner occupied.

4. CATEGORISATION OF THE DISPOSAL

The Disposal is a Category 2 transaction as contemplated in Section 9 of the JSE Limited Listings Requirements.

Johannesburg
17 November 2017

Designated Adviser and Corporate Advisor
Sasfin Capital (a member of the Sasfin Group)