

York Timber Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1916/004890/06

JSE share code: YRK

ISIN: ZAE000133450

("York" or the "Company")

DECLARATION ANNOUNCEMENT IN RESPECT OF THE YORK RIGHTS OFFER AND DEALINGS BY AN ASSOCIATE OF DIRECTORS AND A DIRECTOR

1. INTRODUCTION

Shareholders of York ("**Shareholders**") are hereby advised of York's intention to raise R250 million by way of a partially underwritten renounceable rights offer ("**Rights Offer**"), of 142 857 142 ordinary shares with a par value of R0.05 per share ("**Rights Offer Shares**") in the authorised share capital of York ("**York Shares**" or "**Shares**"). The Rights Offer will be offered to qualifying Shareholders ("**Qualifying Shareholders**") in the ratio of 43.12791 Rights Offer Shares for every 100 York Shares ("**Ratio of Entitlement**") held as at Thursday, 15 December 2022 ("**Rights Offer Record Date**"), at a price of R1.75 per Rights Offer Share ("**Subscription Price**").

2. RATIONALE FOR THE RIGHTS OFFER

The proceeds of the Rights Offer will be utilised to preserve the timber volumes of York and its subsidiaries (the "**Group**") by procuring more timber externally and will be applied towards capital investment in manufacturing plants. The Rights Offer will:

- 2.1. provide the Company with an opportunity to raise equity capital in order to increase the clearfell harvesting age (i.e. the age at which trees are harvested) from 20 years to 23 years on York's Escarpment plantation assets which (when compared to the statistics, information and/or outlook as envisaged as at 26 September 2022), *inter alia*, is expected to:
 - 2.1.1. enhance Shareholder returns in the medium to long term (in order to achieve this, timber volumes required for York's Processing plants will have to be procured at higher levels for longer from external growers);
 - 2.1.2. increase sustainable annual clearfell volumes in the Escarpment by approximately 85 000m³ per annum;
 - 2.1.3. result in a reduction of approximately 3 000 hectares being harvested, replanted and maintained, over a 15 year period;
 - 2.1.4. increase the overall net standing value (being roadside log prices adjusted for harvesting costs) of the plantation as trees mature;
 - 2.1.5. result in the net standing value after 8 years to be at approximately 30% higher; and
 - 2.1.6. result in the net standing value being approximately 10% higher, after 15 years;
- 2.2. provide York with capital to finalise outstanding maintenance issues and replace critical or outdated components and machinery. Existing manufacturing plants are currently not performing at the acceptable availability and efficiency rates and the throughput capacity of the plants is not consistent;
- 2.3. increase the Group's working capital and liquidity to ensure sufficient headroom for the implementation of company strategy, and to continue to fund the Group's ongoing working capital requirements; and
- 2.4. provide Shareholders with an equitable opportunity to participate in the Rights Offer and subscribe for Shares at a discount to the prevailing market price.

3. TERMS OF THE RIGHTS OFFER

- 3.1. Qualifying Shareholders will be offered an aggregate of 142 857 142 Rights Offer Shares by way of a renounceable Rights Offer entitling Shareholders to Rights Offer Shares at the Subscription Price of R1.75 per Rights Offer Share, in the ratio of 43.12791 Rights Offer Shares for every 100 York Shares held by Qualifying Shareholders on the Rights Offer Record Date.

- 3.2. The Subscription Price represents a 33.87% discount to the 30 Day volume weighted average price of R2.65 per York Share as at 1 December 2022, being the date immediately preceding the day on which the Rights Offer was approved by the Board.
- 3.3. York has sufficient authorised but unissued York Shares for purposes of implementing the Rights Offer and is authorised in terms of its memorandum of incorporation and the authority granted by Shareholders at the annual general meeting held on 9 November 2022.
- 3.4. The Rights Offer Shares to be issued will rank *pari passu* with the existing issued York Shares.
- 3.5. The renounceable (nil paid) letters of allocation ("**Letters of Allocation**") to be issued to Shareholders in electronic form conferring the renounceable right or entitlement to subscribe for the Rights Offer Shares in terms of the Rights Offer determined with reference to the Ratio of Entitlement ("**Right**" or "**Entitlement**"), are transferrable and can be renounced or sold on the exchange operated by the JSE Limited ("**JSE**").
- 3.6. Application will be made to the JSE for the listing on the securities exchange operated by the JSE of:
 - 3.6.1. the Letters of Allocation in respect of the Rights Offer which will be listed on the JSE from the commencement of trade on Tuesday, 13 December 2022 until the close of trade on Tuesday, 3 January 2023, both days inclusive, under the JSE code YRKN and ISIN ZAE000316451; and
 - 3.6.2. the Rights Offer Shares which will be listed with effect from the commencement of trade on Wednesday, 4 January 2023.
- 3.7. All Rights Offer Shares not subscribed for by other Qualifying Shareholders in terms of the Rights Offer will be available for subscription by Qualifying Shareholders who wish to apply for a greater number of Rights Offer Shares than the respective Rights Offer Shares allocated to them in terms of the Letters of Allocation. Accordingly, Qualifying Shareholders may also apply for Rights Offer Shares in excess of the Rights allocated to them in terms of the Letters of Allocation, on the same terms and conditions as those applicable to the Rights Offer.
- 3.8. The right to apply for excess Rights Offer Shares is transferable on renunciation.
- 3.9. The pool of Rights Offer Shares available to meet excess applications (if any) will be allocated equitably, taking cognisance of the number of York Shares held by the Qualifying Shareholders prior to such allocation (including those subscribed for as a result of the Rights Offer) and the number of Rights Offer Shares for which excess application is made. Non-equitable allocations of excess Rights Offer Shares will only be allowed in instances where they are used to round holdings down or up to the nearest multiple of 100 Shares.
- 3.10. An announcement will be released on SENS following the closing of the Rights Offer, stating the results of the Rights Offer and the basis of allocation of any additional Rights Offer Shares for which application is made.

4. UNDERWRITING AGREEMENT

- 4.1. Pursuant to the Rights Offer, York intends to raise R250 million, of which a minimum of approximately R111 million and up to approximately R160 million will be underwritten by A2 Investment Partners Proprietary Limited ("**A2 Investment**" or the "**Underwriter**"), subject to A2 Investment (including the York Shares held by Persec Prime Brokers Proprietary Limited which are controlled by A2 Investment), not acquiring (or having the ability to control) 35% or more of the voting rights attached to the York Shares, following implementation of the Rights Offer ("**Underwriting Agreement**").
- 4.2. The underwriting fee was determined at arm's length basis and is not greater than the current market rate payable to independent underwriters. The aggregate underwriting fee payable to the Underwriter amounts to R4.78 million.

5. FRACTIONAL ENTITLEMENT

- 5.1. The number of Rights to which Qualifying Shareholders will become entitled will be determined by the Ratio of Entitlement. Only whole numbers of Rights Offer Shares will be issued and Qualifying Shareholders will

therefore only be entitled to subscribe for rounded numbers of Rights Offer Shares, which will be determined once the Ratio of Entitlement has been applied.

- 5.2. The allocation of Rights Offer Shares will be such that Qualifying Shareholders will not be allocated a fraction of a Rights Offer Share and, as such, any Entitlement to receive a fraction of a Rights Offer Share which:
- 5.2.1. is less than 0.5, will be rounded down to the nearest whole number; and
- 5.2.2. is equal to or greater than 0.5 but less than 1, will be rounded up to the nearest whole number.

6. FOREIGN SHAREHOLDERS

- 6.1. The Rights Offer does not constitute an offer in any jurisdiction in which such offer would be unlawful (i) prior to registration or qualification under the securities laws of such jurisdiction, or (ii) without an exemption from the registration or qualification requirements under the securities laws of such jurisdiction (“**Restricted Jurisdictions**”).
- 6.2. The legal implications of the Rights Offer on persons resident, located in jurisdictions outside of South Africa or located in Restricted Jurisdictions may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors to determine whether any applicable governmental and/or other legal requirements or consent, need to be observed in order to allow such persons to take up or transfer Entitlements or acquire Rights Offer Shares. It is the responsibility of any such persons wishing to participate in the Rights Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction.
- 6.3. Subject to certain exceptions, the Letters of Allocation and the Rights Offer Shares may not be transferred or sold, or renounced or delivered, in the Restricted Jurisdictions. No offer of Rights Offer Shares is being made by virtue of this Circular into the Restricted Jurisdictions. No person may forward or otherwise transmit this Circular to any jurisdiction other than where it is lawful to make the Rights Offer contemplated in this Circular.
- 6.4. Although Letters of Allocation may be credited to the broker or Central Securities Depository Participant (“**CSDP**”) accounts of Shareholders:
- 6.4.1. with a registered address, or resident, in one of the Restricted Jurisdictions;
- 6.4.2. in the United States of America (“**United States**”) or any state of the United States or other jurisdiction; or
- 6.4.3. with a registered address, or who hold York Shares on behalf of persons located in the United States, or who hold Shares on behalf of any person on a non-discretionary basis who is in the United States or any state of the United States,

such crediting of Letters of Allocation does not constitute an offer to restricted foreign Shareholders and such restricted foreign Shareholders will not be entitled to take up or transfer Entitlements or acquire Rights Offer Shares unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

- 6.5. Subject to certain exceptions, Shareholders with a registered address in Restricted Jurisdictions will be treated as restricted foreign Shareholders and should instruct their broker or CSDP to sell their Entitlements on their behalf. The cash proceeds therefrom will be distributed to such Shareholders (net of applicable fees, expenses, taxes and charges) in proportion to such Shareholder’s Rights. There can be no assurances as to what price such Shareholders will receive for such disposal or the timing or exchange rate conversion of such receipt to the extent applicable.

7. POSTING OF THE CIRCULAR

A circular setting out the full terms of the Rights Offer (“**Circular**”) and including the form of instruction in respect of the Letters of Allocation (“**Form of Instruction**”), for use by certificated Qualifying Shareholders, will be made available on York’s website (www.york.co.za) on or about Friday, 9 December 2022 and distributed to certificated

Shareholders and dematerialised Shareholders on or about Wednesday, 14 December 2022 and Monday, 19 December 2022, respectively.

8. TAX CONSEQUENCES

Shareholders are advised to consult their professional advisors regarding the tax implications of the Rights Offer.

9. SALIENT DATES AND TIMES

Event ^{1,2}	2022
Record date to determine which Shareholders are entitled to receive the Circular, on or about	Friday, 2 December
Finalisation announcement published on SENS by 11:00, on or about	Wednesday, 7 December
Publication of the Circular on York's website, on or about	Friday, 9 December
Last day to trade in Shares in order to participate in the Rights Offer (<i>cum</i> Entitlement), on or about	Monday, 12 December
Listing and trading of Letters of Allocation under JSE Code YRKN and ISIN: ZAE000316451 commences at 09:00, on or about	Tuesday, 13 December
Shares commence trading <i>ex-Entitlement</i> at 09:00, on or about ³	Tuesday, 13 December
Circular and Form of Instruction posted to Qualifying Shareholders holding certificated Shares (" Qualifying Certificated Shareholders "), on or about	Wednesday, 14 December
Rights Offer Record Date, being the date on which a Shareholder must be recorded on the register of Certificated Shareholders maintained by Computershare Investor Services Proprietary Limited (" Transfer Secretaries ") and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs to be eligible to participate in the Rights Offer, for purposes of determining a Shareholder's Entitlement, at 17:00, on or about	Thursday, 15 December
Rights Offer opens at 09:00, on or about	Monday, 19 December
Qualifying Shareholders holding dematerialised Shares (" Qualifying Dematerialised Shareholders ") will have their broker or CSDP accounts automatically credited with their Letters of Allocation at 09:00, on or about ⁴	Monday, 19 December
Qualifying Certificated Shareholders will have their Letters of Allocation credited to an electronic account held with the Transfer Secretaries at 09:00, on or about	Monday, 19 December
Circular emailed to Qualifying Dematerialised Shareholders, on or about	Monday, 19 December
	2023
Last day for Qualifying Certificated Shareholders (or the person in whose favour a Qualifying Shareholder has renounced their Rights (" Renouncee ")) wishing to sell all or some of their Letters of Allocation to deliver a Form of Instruction to the Transfer Secretaries by 12:00, on or about	Tuesday, 3 January
Last day to trade in Letters of Allocation on the JSE, on or about	Tuesday, 3 January
Listing and trading of the Rights Offer Shares at 09:00, on or about	Wednesday, 4 January
Rights Offer closes at 12:00, on or about	Friday, 6 January
Last day for Qualifying Certificated Shareholders (or their Renouncees) to make payment of the aggregate Subscription Price into the bank account into which the relevant Qualifying Certificated Shareholders (or their Renouncees) are required to pay the Subscription Price by electronic fund transfer in terms of the Rights Offer and lodge the Form of Instruction with the Transfer Secretaries by 12:00, on or about	Friday, 6 January

Record date for Letters of Allocation, being the date on which Letters of Allocation must be held for purposes of receiving the Rights Offer Shares, on or about	Friday, 6 January
Rights Offer Shares issued, on or about	Monday, 9 January
Broker, CSDP, nominee, agent or trustee accounts of Qualifying Dematerialised Shareholders (or their Renounees or the purchasers of their Letters of Allocation) will be debited with the aggregate Subscription Price and credited with the Rights Offer Shares at 09:00, on or about ⁵	Monday, 9 January
Accounts of Qualifying Certificated Shareholders (or their Renounees or the purchasers of their Letters of Allocation) will be credited with the Rights Offer Shares at 09:00, on or about ⁶	Monday, 9 January
Results of Rights Offer and basis of allocation of excess Rights Offer Shares published on SENS, on or about	Monday, 9 January
In respect of successful excess applications, if applicable, broker or CSDP accounts of Qualifying Dematerialised Shareholders will be debited with the aggregate Subscription Price and credited with Rights Offer Shares at 09:00, on or about ⁵	Wednesday, 11 January
In respect of successful excess applications, if applicable, accounts of Qualifying Certificated Shareholders will be credited with the Rights Offer Shares at 09:00, on or about ⁶	Wednesday, 11 January
In respect of unsuccessful applications for the Rights Offer Shares and/or excess applications for Rights Offer Shares, if applicable, refunds made to Qualifying Certificated Shareholders, on or about	Wednesday, 11 January

Notes:

1. The dates and times set out in this announcement are subject to change with the approval of the JSE, if required. Any such change will be published on SENS.
2. All times given in this announcement are in South African Standard Time, unless otherwise stated.
3. Shares may not be dematerialised or rematerialised between Tuesday, 13 December 2022 and Thursday, 15 December 2022, both days inclusive.
4. Qualifying Dematerialised Shareholders are required to notify their duly appointed broker or CSDP of their acceptance of the Rights Offer in the manner and within the time stipulated in the custody agreement governing the relationship between the Qualifying Dematerialised Shareholders and his/her broker or CSDP.
5. The broker or CSDP accounts of Qualifying Dematerialised Shareholders (or their Renounees or the purchasers of their Letters of Allocation) will be automatically credited with new Shares to the extent to which they have accepted the Rights Offer. CSDPs effect payment in respect of Qualifying Dematerialised Shareholders (or their Renounees or the purchasers of their Letters of Allocation) on a "*delivery versus payment basis*".
6. The Rights Offer Shares may only be issued in Dematerialised form. Accordingly, Qualifying Certificated Shareholders (or their Renounees or the purchasers of their Letters of Allocation) will be required to open an account with a broker or CSDP (if they do not already have one). Alternatively, Qualifying Certificated Shareholders (or their Renounees or the purchasers of their Letters of Allocation) will be afforded the option to "rematerialise" their Rights Offer Shares and replace them with a physical Document of Title, provided that such persons have elected as such on their Form of Instruction and lodged same with the Transfer Secretaries on or before 12:00 on Friday, 6 January 2023. The Documents of Title in respect of the Rights Offer Shares (if applicable) will be posted to such persons, at their own risk, as soon as possible following implementation of the Rights Offer.

10. DIRECTORS' DEALINGS

In compliance with paragraphs 3.63 to 3.74 of the JSE Limited Listings Requirements ("**Listings Requirements**"), Shareholders are hereby advised of the following dealings by an associate of directors and a director of the Company:

Names of directors:

André van der Veen and Adrian Zetler

Associate:

A2 Investment, a company of which Mr van der Veen and Mr Zetler are directors and shareholders

Nature of transaction:

Underwriting commitment pursuant to the Underwriting Agreement and commitment to follow its rights and apply for excess rights pursuant to the Rights Offer, in its capacity as a

	Shareholder or controller (by way of binding mandate) of, in aggregate, 70 682 916 York Shares
Class of securities:	Ordinary shares
Date of transaction:	2 December 2022
Number of York Shares:	A minimum of 63 273 500 and maximum of 91 048 390
Price per York Share:	R1.75
Total value of transaction:	A minimum of approximately R110 728 627 and maximum of approximately R159 334 683
Transaction completed:	Off-market
Nature and extent of interest:	Indirect beneficial
Clearance received in terms of paragraph 3.66 of the Listings Requirements:	Yes

Name of Chief Executive Officer and interim Chief Financial Officer:	Gabriël Stoltz
Nature of transaction:	Commitment to follow his rights as a Shareholder of 609 866 York Shares
Class of securities:	Ordinary shares
Date of transaction:	2 December 2022
Number of York Shares:	A maximum of 342 857
Price per York Share:	R1.75
Total value of transaction:	A maximum of approximately R600 000
Transaction completed:	Off-market
Nature and extent of interest:	Direct beneficial
Clearance received in terms of paragraph 3.66 of the Listings Requirements:	Yes

Sabie
5 December 2022

Sponsor
One Capital

Attorneys
Webber Wentzel

DISCLAIMER

The Rights Offer does not constitute an “offer to the public”, as envisaged in Chapter 4 of the Companies Act and accordingly this announcement does not, nor does it intend to, constitute a “registered prospectus” as contemplated in Chapter 4 of the Companies Act.

This announcement is not intended to, and does not constitute or form part of, an offer to sell or an invitation or solicitation to purchase or subscribe for any securities (including Letters of Allocation and Rights Offer Shares) in any jurisdiction in which it is unlawful to make such an offer. No action has been taken by York to obtain any approval, authorisation or exemption to permit the issue of Letters of Allocation or Rights Offer Shares or the possession or distribution of this announcement in any jurisdiction other than South Africa. In the circumstances, if the distribution of this announcement in jurisdictions outside of South Africa is restricted or prohibited by the laws of such jurisdiction, this announcement and are deemed to have been sent for information purposes only and should not be copied or redistributed.

FORWARD-LOOKING STATEMENTS

The statements contained in this announcement that are not historical facts are, or may be deemed to be, “*forward-looking*” statements. Without limitation, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “*targets*”, “*aims*”, “*anticipates*”, “*believes*”, “*estimates*”, “*expects*”, “*intends*”, “*may*”, “*plans*”, “*projects*”, “*should*” or “*will*”, or, in each case, their negative, other variations or comparable terminology of similar substance, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements include all statements in relation to matters that are not historical facts. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company’s and the Group’s control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company’s and the Group’s current intentions, beliefs and expectations about, *inter alia*, the Company’s and the Group’s results of operations, financial condition, prospects, growth, strategies and the industry in which the Company and the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the actual results of the Company and the Group’s operations, financial condition or liquidity, and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, suggested by, or implied in any forward-looking statements contained in this announcement. Many of these risks and uncertainties relate to factors that are beyond the Company’s and the Group’s ability to control or estimate precisely, such as changes in taxation, future market conditions, commodity prices, currency fluctuations, the actions of governmental regulators and other risk factors. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. The Company undertakes no duty to update any of the forward-looking statements publicly in light of new information or future events, except to the extent required by applicable law and the Listings Requirements.

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that earnings per York Share for the current or future financial years would necessarily match or exceed the historical published earnings per York Share. Prices and values of, and income from, York Shares may decrease or increase, and an investor may not receive the amount initially invested. It should be noted that past performance is no guide to future performance. Persons requiring advice should consult an independent financial advisor. Any forward-looking statements contained in this announcement have not been reviewed or reported on by an external auditor.