



NWK LIMITED

(Incorporated in the Republic of South Africa)

Registration Number: 1998/007577/06

4AX Share Code: 4ANWK

ISIN: ZAE400000010

(“NWK” or “the Company”)

DETAILED CAUTIONARY ANNOUNCEMENT

1. In compliance with requirement 11.7 of the 4 Africa Exchange Proprietary Limited (“4AX”) Listing Requirements, shareholders of NWK (“**NWK Shareholders**”) are hereby advised that the board of directors of NWK (“**NWK Board**”) is currently considering a transaction relating to the proposed sale by NWK as a going concern of its beneficial interest in Opti Agri Proprietary Limited (“**Opti Agri**”) (being NWK’s poultry and animal feed businesses) (“**Proposed Transaction**”).
2. NWK Shareholders are hereby advised that if the Proposed Transaction is successfully concluded, it may have a material effect on the price of the Company’s securities.
3. The NWK Board is considering the Proposed Transaction pursuant to receiving a fixed offer from Country Bird Holdings Limited (“**CBH**”) for the acquisition of Opti poultry and animal feed businesses for an aggregate purchase consideration of R290 million (excluding value-added tax) (“**CBH Offer**”). The NWK Board considers the Proposed Transaction to be aligned with the revised business strategy of the NWK group of companies, in terms of which emphasis is placed on greater customer focus around the core business of the Company.
4. NWK Shareholders are hereby advised that the NWK Board has indicated its willingness to CBH to conditionally accept the CBH Offer relating to the Proposed Transaction, it being recorded that such acceptance and the Proposed Transaction would be subject to the fulfilment and/or waiver (to the extent capable of being waived) of various suspensive conditions by no later than 4 June 2018, including but not limited to:
 - 4.1. that valid and binding transactional agreements and undertakings (which are standard for transactions such as the Proposed Transaction) be entered into by and between NWK and CBH;
 - 4.2. that NWK and CBH Board approvals be obtained;
 - 4.3. that NWK and CBH Shareholder approvals be obtained (to the extent required); and
 - 4.4. that any and all regulatory approvals which may be required and/or applicable in respect of the Proposed Transaction be obtained, including that of the South African competition authorities and 4AX.
5. Opti Agri and animal feed businesses are indeed profitable and contribute to the success of NWK thus far as historically disclosed in the financial statements up until the date of this letter. A possible sale of Opti Agri and animal feed as a going concern is being considered precisely because of the fact that the prospective buyer, CBH, also saw the business value and made an attractive offer for the company.
6. The sale proceeds of the Proposed Transaction will offer good value to NWK Shareholders and stakeholders. The Proposed Transaction can also contribute to the creation of a deeper focused environment where farmers and other clients benefit from their relationship with NWK as their dynamic business partner.
7. Furthermore, it is a material term of the Proposed Transaction is that all existing contracts with business partners and/or employees must be honoured and/or fulfilled by CBH. In this regard, NWK Shareholders should note that NWK is committed to ensuring that it fulfils all obligations to clients and staff in accordance with the laws of the Republic of South Africa, especially labour laws.
8. To the extent that valid and binding transactional agreements and undertakings are entered into by and between NWK and CBH, as contemplated in 4.1 above, NWK will, in accordance with the 4AX LRs, publish a further announcement to inform NWK Shareholders of the full details relating to the Proposed Transaction.
9. Accordingly, NWK Shareholders are hereby advised to exercise caution when dealing in the Company’s securities until a further announcement is made regarding the Proposed Transaction on the 4AX News Service.
10. NWK’s renewed strategic focus drives its business decisions, including decisions pertaining to this Proposed Transaction. NWK is effective, adaptable and innovative with the ability to constantly evolve. NWK is a dynamic business partner to whom trust in its transparent relationship with others and business according to a strict code of integrity and mutual respect is highly regarded.

Lichtenburg
07 May 2018

4AX ISSUER AGENT:
Pallidus Capital Proprietary Limited
