CMH GROUP

COMBINED MOTOR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1965/000270/06)
Share code: CMH ISIN: ZAE000088050
("CMH" or "the Company" or "the CMH Group")
Main Board: General Segment

TRANSACTION WHEREBY CMH MANAGEMENT (PROPRIETARY) LIMITED ("CMH MANAGEMENT"), A SUBSIDIARY OF CMH, WILL ACQUIRE CERTAIN RENTAL ENTERPRISES FROM RELATED DIRECTORS OF CMH, FOR A TOTAL CASH PURCHASE CONSIDERATION OF R745 000 000, SUCH TRANSACTION BEING A CATEGORY 2, RELATED PARTY TRANSACTION IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JOHANNESBURG STOCK EXCHANGE ("JSE")

1. Introduction

Further to the cautionary announcements issued by the Company, the most recent of which was dated 2 July 2026, CMH shareholders are advised that on Monday, 17 August 2026 ("Signature Date") CMH Management (the "Purchaser"), concluded an agreement (the "Agreement") to purchase various rental enterprises and related properties which are presently leased by the CMH Group on an arm's-length basis ("Rental Enterprises"). The Rental Enterprises will be purchased for the cash purchase consideration of R745 000 000 (the "Purchase Consideration") from BWJ Barritt, SK Jackson and JD McIntosh (the "Related Directors") and all associated entities which are owned or controlled directly or indirectly by their respective family trusts (the "Sellers") (the "Transaction").

2. Classification of the Transaction

The Transaction constitutes a Category 2 Related Party transaction in terms of the Listings Requirements of the JSE due to the size of the Purchase Consideration and the involvement of the Related Parties and accordingly requires the approval in general meeting of CMH shareholders.

3. Rationale for the Transaction

The CMH Group currently holds and has consistently held over several years cash and near-cash reserves that exceed its present and reasonably foreseeable operational requirements. The directors of CMH ("the Board") have considered various options for the utilisation of this surplus cash, one of which was the voluntary pro rata share buyback concluded in December 2025 which, although under-subscribed, returned R192 000 000 to CMH shareholders. The buyback, if fully subscribed, would have returned R400 000 000 to CMH shareholders. Consequently, the CMH Group still holds cash that is surplus to its needs.

The Sellers are desirous of selling and CMH Management is desirous of buying the properties. Given that the Sellers are related parties and wish to sell the Rental Enterprises, CMH was given the right of first refusal to acquire them.

The acquisition of the Rental Enterprises would result in the properties being recognised on CMH Group's balance sheet. Based on current interest rates, the impact on earnings will be favourable and rentals would no longer be payable. Interest earned will reduce and interest payable will increase as existing resources are deployed to part-fund the acquisition, and the cost of borrowing the balance is recognised. Given that the properties are currently leased on a triple-net basis, no additional operating costs are anticipated. CMH Group's balance sheet has the capacity to support the envisaged borrowings, as detailed in paragraph 4.1 below, and it is expected that the repayment of the borrowings will be made in full within four years. Ownership will give the CMH Group control over strategic locations and the flexibility to manoeuvre should operational changes be required.

4. Salient terms of the Transaction

In terms of the Transaction, thirteen distinct Rental Enterprises, which each comprise one or more distinct properties, will all be purchased as one indivisible transaction by the Purchaser from the Sellers.

4.1 Funding and effective date

The Purchase Consideration will be funded as follows:

- The Purchaser will obtain a bank loan ("Bank Loan") in the sum of approximately R350 000 000, being 47% of the Purchase Consideration within 45 business days from Signature Date. In this regard the Directors confirm that an acceptable funding proposal has been received from the Transaction Advisor, being a senior term loan facility of R350 000 000. The proposed facility is to be provided at commercial interest rates, and with an indicative repayment period of four years; and
- the balance of the Purchase Consideration will be payable using CMH's existing cash reserves.

For practical purposes, a component cost value will be allocated to each property comprising the Rental Enterprises. It is expected that the properties comprising each of the Rental Enterprises will be transferred to the Purchaser as and when the required municipal, South African Revenue Services and Deeds Office requirements are met for each transfer. Consequently, the Transaction will become effective when the various properties comprising each of the thirteen Rental Enterprises, as identified in paragraph 5 below, are transferred in the relevant Deeds Office. Transfer of the properties will be effected as soon as reasonably possible after the last of the conditions precedent, referred to in paragraph 4.2 below, is fulfilled.

4.2 Conditions Precedent

As at the date of this announcement, implementation of the Transaction remains subject to the following outstanding conditions precedent as recorded in the Agreement:

4.2.1 the required resolutions of CMH shareholders (excluding the votes of the Related Directors) being approved at a general meeting to be convened in due course as referred to in paragraph 9 below;

4.2.2 the Purchaser obtaining the Bank Loan, as described in paragraph 4.1 above; and

4.2.3 the Transaction being unconditionally approved by the Competition Authorities in terms of the Competition Act or conditionally approved on terms and conditions acceptable to the Sellers and Purchaser.

None of the above Conditions Precedent may be waived by the Sellers or Purchaser.

4.3 Warranties and indemnities which are standard in an agreement of this nature are contained in the Agreement.

5. The Rental Enterprises

	Sellers	Rentable area by sector (m²)	Weighted average rental (R per m²)	Purchase consideration (VAT at 0%) (R'000)
Rental Enterprise 1	**Mount Edgecombe Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust	5 138	172.61	75 000
Rental Enterprise 2	**Mount Edgecombe Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	7 411	154.43	90 000
Rental Enterprise 3	**The Gateway Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	5 663	140.90	72 000
Rental Enterprise 4	**The Gateway Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust	10 540	56.54	57 000
Rental Enterprise 5	**Buoyant (Pty) Ltd** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust	8 492	114.82	82 000
Rental Enterprise 6	**6 Prospecton Road (Pty) Ltd** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust	6 294	88.00	47 000
Rental Enterprise 7**	**Kempton Park Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust, and the minority partners* – BWJ Barritt – on behalf of the Bruce Barritt Family Trust	3 755	65.00	36 000
Rental Enterprise 8	**Boksburg Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	4 585	150.65	65 000
Rental Enterprise 9	**Fernrand Properties (Pty) Ltd** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust	4 545	113.97	49 000
Rental Enterprise 10	**Menlyn Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	7 653	115.44	85 000
Rental Enterprise 11	**Bostru Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	4 487	78.01	15 000
Rental Enterprise 12	**Pretoria Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	3 404	103.47	30 000
Rental Enterprise 13	**Hatfield Property Partnership** – JD McIntosh – on behalf of The Jebb McIntosh Children Trust – SK Jackson – on behalf of The SKJ Family Trust and the minority partners*	3 925	138.70	42 000
				745 000

* *The minority partners are not Related Directors. The minority partners have disposed of portions of their partnership interests to the other partners and now each hold only a 0.1% interest in the relevant partnerships, with their entitlement to profits capped at R100. The minority partners have no claim to any income, capital, or other benefit beyond their limited R100 profit share. Each minority partner has irrevocably authorised SK Jackson to sign all documents necessary to give effect to any sale of property owned by the relevant partnership.*

** *Additionally, Rental Enterprise 7 includes 430 bays at a monthly rental of R300 per bay.*

Rental Enterprises 1–6 are located in KwaZulu-Natal and 7–13 in Gauteng.

6. Financial Information

The properties were independently valued at R780 000 000 as at April 2026 ("Valuation Date"), by the personnel of Spectrum Valuations and Asset Solutions (Pty) Limited. Each valuation has been signed off by a Professional Valuer, and by the chief executive officer, Patrick O'Connell, FIVSA, MRICS, Professional Valuer/Chartered Surveyor.

During the 12 months preceding the Valuation Date the properties generated gross rental income of approximately R87 000 000. The CMH tenants and the other tenants were responsible for rates, insurance and repair expenses.

7. Independent Board

7.1 CMH constituted an Independent Board comprising JS Dixon, ME Jones and RT Komane to consider the terms and conditions of the Transaction and to advise the Board regarding its approval.

7.2 The following actions and corporate governance processes were followed by the Independent Board in reaching its decision:

7.2.1 the appointment of an independent specialist property valuer with the relevant experience in retail property;

7.2.2 the consideration of the valuation report in respect of each property and the aggregate valuation of the properties in the sum of R780 000 000;

7.2.3 evaluation of the valuer's inputs and assumptions utilised in the valuation model, and resolution by the valuer of the queries raised;

7.2.4 discussion of the valuation with both the Related Directors and the other executive Directors, and resolution by the valuer of queries raised; and

7.2.5 consideration of the negotiated agreement by the Related Directors and other executive Directors that the sum of R745 000 000, being the Purchase Consideration, represents a fair market-related price for the properties. This value represents a discount of 4.5% off the aggregate valuation as confirmed by the valuer.

On the basis of the above, the Independent Board satisfied itself that, notwithstanding the related party nature of the Transaction, the Related Directors being executive directors of CMH having a direct or indirect interest in the Sellers of the properties, the Purchase Consideration was negotiated and agreed on terms consistent with those that would reasonably be expected to apply in an arm's-length transaction between willing buyers and willing sellers as informed parties. As such, the Independent Board has unanimously concluded that the terms and conditions of the Transaction as contained in the Agreement are fair to CMH shareholders.

8. The Board

The Board of CMH, excluding the Related Directors, having regard to the rationale for the Transaction, outlined in paragraph 3 above, the corporate governance processes undertaken and the recommendation of the Independent Board, unanimously resolved that the Transaction is in the best interests of the CMH Group and CMH shareholders and approved the execution of the Agreement, which was signed on 17 August 2026.

The Board accordingly recommends that CMH shareholders vote in favour of the Transaction at the general meeting to be convened in terms of the Circular referred to in paragraph 9 below.

9. Circular and notice of general meeting

The information contained in this announcement should be read in conjunction with the circular to CMH shareholders, which will provide the full terms and conditions of the proposed Transaction and effects thereof and will incorporate a notice convening a general meeting of CMH shareholders in order to consider and, if deemed fit, adopt, with or without modification, the resolutions necessary to approve the Transaction as will be set out therein (the "Circular").

The salient dates and times pertaining to the Transaction, including the date of the posting of the Circular to CMH shareholders, will be announced on SENS as soon as practically possible.

10. Withdrawal of Cautionary

Pursuant to the release of this announcement, CMH shareholders are no longer required to exercise caution in this regard when dealing in CMH shares.

19 August 2026

Sponsor and Corporate Advisor

pwc

Attorneys and Conveyancers

Shepstone & Wylie Attorneys

Transaction Advisor

RMB

Ince