

GOLD BRANDS INVESTMENTS LIMITED  
Incorporated in the Republic of South Africa  
Registration Number: 2015/168426/06  
Share code on the JSE: GBI  
ISIN: ZAE 000212791  
("Gold Brands" or "the Company")



## **GOLD BRANDS INVESTMENTS LIMITED ACQUIRES 50% OF HOT-HOT BURGER.**

The board, is pleased to advise shareholders that it has signed an agreement with the shareholders of Hot-Hot B Holdings Limited ("Hot-Hot"), Mr. V. Haritakis and Mrs. E. Merminga to acquire a 50% (fifty percent) Equity stake of Hot-Hot B Holdings Limited ("the Seller") which owns Hot Hot Burger Bar.

### **DESCRIPTION OF THE BUSINESS**

Hot-Hot Burger Bar is a modern American burger concept, which specialises in creating authentic American street food with an old-school, "Rock n Roll" music dining style and trading 24 hours a day, 7 days a week. It currently has 15 stores open in Greece and Crete including a central kitchen.

### **RATIONALE**

Hot-Hot Burger Bar compliments Gold Brands' vision of creating one-of-a-kind dining experiences as well as becoming a leading food services company, with both company-owned and franchise brands. The company has aspirations of doing so within the South African as well as international markets with a focus on offering its customers unique and authentic brands with unbeatable value - backed by cost-efficient and reliable service.

### **CONSIDERATION PAYABLE**

The purchase consideration is €800 000 (eight hundred thousand euro) in cash for the assets, consisting of intellectual property, 5 corporate owned stores, central kitchen and franchise agreements, less the value of any liabilities not in the ordinary course of the business and subject to, confirmation during the due diligence, the achievement of the following audited earnings before interest and tax:

- For the year ended January 2016 Euro 217 991; and
- For the year ended January 2017 Euro 916 753.

Gold Brands will hold as security and additional 15% of the equity in Hot-Hot as security for the confirmation of the warranties during the due diligence period, which if not achieved or if partially achieved will result in Gold Brands being allocated all or a pro-rata amount of additional shares in Hot-Hot.

### **EFFECTIVE DATE**

The agreement is effective 30 days after all conditions precedent have been completed.

### **CONDITIONS PRECEDENT**

The acquisition is subject to the fulfillment of the following conditions precedent:

- the completion of a successful due diligence investigation within the next 60 days.
- Gold Brands obtaining all regulatory approvals required, including but not limited to SARB approval; and
- the settlement of a shareholders agreement;

#### **CATEGORISATION OF THE ACQUISITION**

This transaction is a category 2 transaction as defined by the JSE Listings Requirements Sections 21.10 and 9.d

Johannesburg  
13 February 2017  
Sponsor and Corporate Advisor  
River Group