



**KAP INDUSTRIAL HOLDINGS LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1978/000181/06)*

***jointly and severally, unconditionally and irrevocably guaranteed by***

**KAP AUTOMOTIVE PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1957/001891/07)*

and

**KAP BEDDING PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1988/070308/07)*

and

**KAP DIVERSIFIED INDUSTRIAL PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1965/003787/07)*

and

**PG BISON SOUTHERN CAPE PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1957/001327/07)*

and

**UNITRANS PASSENGER PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1968/008699/07)*

and

**MVELATRANS PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 2002/026281/07)*

and

**UNITRANS SUPPLY CHAIN SOLUTIONS PROPRIETARY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1967/010920/07)*

**Issue of ZAR420,000,000 Senior Unsecured 10.228% Fixed Rate Notes due 26 October 2021**

**Under its ZAR5,000,000,000 Domestic Medium Term Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 5 June 2014, prepared by KAP Industrial Holdings Limited in connection with the KAP Industrial Holdings Limited ZAR5,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

## **PARTIES**

1.	Issuer	KAP Industrial Holdings Limited
2.	Guarantors	KAP Automotive Proprietary Limited; KAP Bedding Proprietary Limited; KAP Diversified Industrial Proprietary Limited; PG Bison Southern Cape Proprietary Limited; Unitrans Passenger Proprietary Limited; Mvelatrans Proprietary Limited; Unitrans Supply Chain Solutions Proprietary Limited
3.	Dealer(s)	N/A
4.	Managers	N/A
5.	Debt Sponsor	Nedbank Limited, acting through its Corporate and Investment Banking division
6.	Paying Agent	Nedbank Investor Services, a division of Nedbank Limited
	Specified Address	16 Constantia Boulevard, Constantia Kloof, Roodepoort 1709
7.	Calculation Agent	Nedbank Limited, acting through its Corporate and Investment Banking division
	Specified Address	135 Rivonia Road, Sandown, 2196
8.	Transfer Agent	Computershare Investor Services Proprietary Limited
	Specified Address	70 Marshall Street, Johannesburg, 2001

## **PROVISIONS RELATING TO THE NOTES**

9.	Status of Notes	Senior Unsecured
10.	Form of Notes	listed Notes
11.	Series Number	7
12.	Tranche Number	1
13.	Aggregate Nominal Amount:	
	(a) Series	ZAR420,000,000
	(b) Tranche	ZAR420,000,000
14.	Interest	Interest-bearing
15.	Interest Payment Basis	Fixed Rate
16.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
17.	Form of Notes	The Notes in this Tranche will be listed and are issued in uncertificated form and held by the CSD
18.	Issue Date	26 October 2016
19.	Nominal Amount per Note	ZAR1,000,000

20.	Specified Denomination	ZAR1,000,000
21.	Specified Currency	ZAR
22.	Issue Price	100 percent
23.	Interest Commencement Date	26 October 2016
24.	Maturity Date	26 October 2021
25.	Applicable Business Day Convention	Following Business Day
26.	Final Redemption Amount	100% of Nominal Amount
27.	Last Day to Register	By 17h00 on 15 April and 15 October of each year until the Maturity Date.
28.	Books Closed Period(s)	The Register will be closed from 16 April to 25 April and from 16 October to 25 October (all dates inclusive) of each year until the Maturity Date.
29.	Default Rate	N/A

**FIXED RATE NOTES**

30.	(a) Fixed Rate of Interest	10.228 percent per annum (nominal annual compounded semi-annually) payable semi-annually in arrears
	(b) Fixed Interest Payment Date(s)	26 April and 26 October of each year until the Maturity Date with the first Interest Payment Date being 26 April 2017.
	(c) Initial Broken Amount	N/A
	(d) Final Broken Amount	N/A
	(e) Day Count Fraction	Actual/365
	(f) Any other terms relating to the particular method of calculating interest	N/A

**FLOATING RATE NOTES** N/A

**ZERO COUPON NOTES** N/A

**PARTLY PAID NOTES** N/A

**INSTALMENT NOTES** N/A

**MIXED RATE NOTES** N/A

**INDEX-LINKED NOTES** N/A

**DUAL CURRENCY NOTES** N/A

**EXCHANGEABLE NOTES** N/A

**OTHER NOTES** N/A

**PROVISIONS REGARDING REDEMPTION/MATURITY**

31.	Redemption at the Option of the Issuer:	No
32.	Redemption at the Option of the Senior Noteholders	No
33.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition	Yes

	11.5 ( <i>Redemption in the event of a Change of Control</i> ) or any other terms applicable to a Change of Control	
34.	Redemption in the event of a failure to maintain JSE Listing or Rating at the election of Noteholders pursuant to Condition 11.6 ( <i>Redemption in the event of a failure to maintain JSE Listing or Rating</i> )	Yes
35.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	No

**GENERAL**

36.	Financial Exchange	N/A
37.	Additional selling restrictions	N/A
38.	ISIN No.	ZAG000140120
39.	Stock Code	KAP007
40.	Stabilising manager	N/A
41.	Provisions relating to stabilisation	N/A
42.	Method of distribution	Private Placement
43.	Credit Rating assigned to the Issuer	<b>A<sub>(ZA)</sub></b> , as at November 2015, rating reviewed annually
44.	Applicable Rating Agency	Global Credit Rating Co (Pty) Ltd
45.	Governing law (if the laws of South Africa are not applicable)	N/A
46.	Other provisions	N/A

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES**

47. Paragraph 3(5)(a)  
The “*ultimate borrower*” (as defined in the Commercial Paper Regulations) is the Issuer.
48. Paragraph 3(5)(b)  
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
49. Paragraph 3(5)(c)  
The auditor of the Issuer is Deloitte & Touche.
50. Paragraph 3(5)(d)  
As at the date of this issue:
- (i) the Issuer has issued ZAR3,080,000,000 (exclusive of this issue) Commercial Paper (as defined in the Commercial Paper Regulations); and
  - (ii) the Issuer estimates that it may issue ZAR1,000,000,000 of Commercial Paper during the current financial year, ending 30 June 2017.
51. Paragraph 3(5)(e)  
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the

Programme Memorandum and the Applicable Pricing Supplement.

52. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

53. Paragraph 3(5)(g)

The Notes issued will be listed

54. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for the Issuer's general corporate purposes.

55. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are guaranteed in terms of the Guarantee provided by the Guarantors but are otherwise unsecured.

56. Paragraph 3(5)(j)

Deloitte & Touche, the statutory Auditor of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement and the Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement and the Programme Memorandum is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement and the Programme Memorandum contains all information required by law and the debt listings requirements of the JSE.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR5,000,000,000 has not been exceeded.

Application is hereby made to list this issue of Notes on 26 October 2016.

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2016

For and on behalf of

**KAP INDUSTRIAL HOLDINGS LIMITED**

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto