

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



CAVMONT CAPITAL HOLDINGS ZAMBIA PLC ["CAVMONT"]
[Incorporated in the Republic of Zambia]

Company registration number: 41902
Share Code: CCHZ
ISIN: ZM0000000227
Authorised by Rita Mapara - Ndhlovu – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 2 September 2020



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["Cavmont" or "the Company"]

BINDING CONDITIONAL OFFER AND PROPOSED DELISTING AND DEREGISTRATION

1. Introduction

Further to the cautionary announcement released on the Stock Exchange News Service ("**SENS**") of the LUSE on 8 July 2020, the transaction announcement and the announcement relating to the non-binding expression of interest received from Capricorn Group Limited ("**CGP**"), the majority shareholder of CCHZ, in terms of which CGP intended to make an offer to acquire all of the outstanding ordinary shares in CCHZ not currently held by CGP ("**Offer Shares**") released on SENS on 6 August 2020, shareholders of CCHZ are hereby advised that the Board of CCHZ received a binding conditional offer from CGP on 28 August 2020, in terms of which CGP offers to acquire all of the Offer Shares, subject to the successful passing of the Delisting Resolution as set out in paragraph 2 below ("**Conditional Offer**").

The amount offered in terms of the Conditional Offer is a cash only consideration of ZMW2 per Offer Share ("**Offer Price**").

CCHZ has established an Independent Committee of the Board of directors ("**ICB**") for purposes of analysing the Conditional Offer and related matters, including, evaluating the terms and conditions of the Conditional Offer and advising shareholders thereon as required in terms of the Listings Requirements of the LuSE.

2. The Delisting Resolution

The Conditional Offer is conditional pursuant to the Delisting Resolution being passed.

For the Delisting Resolution to be passed:

- the Board of CCHZ will invite shareholders to a general meeting to vote on the delisting of CCHZ in terms of section 1.14 (a) of the Listing Requirements of LuSE;
- CCHZ and CGP will issue a combined circular communicating the delisting and the Conditional Offer ("**Circular**"); and
- CCHZ's minority shareholders must pass such ordinary resolution by the requisite majority (more than 50% of all shareholders present or represented by proxy at the general meeting, excluding CGP as the controlling shareholder, its associates, and any party acting in concert, and/or any other party which the LuSE deems appropriate, all of whom may not be counted) to delist CCHZ in terms of the Listings Requirements of LUSE at a duly constituted general meeting (as is provided for in the Companies Act No. 10 of 2017 of the laws of Zambia and the Articles of Association of CCHZ).

("Delisting Resolution")

The Conditional Offer will be open for acceptance provided that the Delisting Resolution is passed successfully by shareholders at the general meeting and the Conditional Offer is declared unconditional by CGP.

If the Delisting Resolution fails, the Conditional Offer will not be made to shareholders.

3. Deregistration

In addition to the Delisting Resolution, shareholders will be required to vote on an ordinary shareholders resolution to be considered at the general meeting to approve the intended deregistration of CCHZ by the the Securities and Exchange Commission Zambia, in terms of the Securities Act, to disallow the trading of CCHZ on any licensed stock exchange in Zambia ("**Deregistration Resolution**"). The Deregistration Resolution will be included in the Circular.

4. Independent Expert and Fair and Reasonable Opinion

The, ICB acting on behalf the Board, has appointed an Independent Expert, as required in terms of section 1.14 (d) of the Listings Requirements of LuSE, to express an opinion on whether the Conditional Offer and the Offer Price are fair and reasonable to shareholders ("**Independent Expert Fairness Opinion**"). The Independent Expert's Fairness Opinion will be included in the Circular.

5. Circular and Shareholder approval

A Circular, as required in terms of section 1.14 of the Listings Requirements of the LUSE, containing the full details of the proposal to delist and accompanying the offer, the Deregistration Resolution, incorporating a notice convening the required CCHZ general meeting, the Independent Expert's Fairness Opinion, will be distributed to shareholders at least 21 days before the date of the general meeting. The salient dates and times of the Conditional Offer, including the date of the general meeting, will be announced on SENS when the circular is issued.

By Order of the Board

Rita Mapara- Ndhlovu
Company Secretary

Issued in Lusaka, Zambia on 2 September 2020

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