

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

**ISSUER**



**CHILANGA CEMENT PLC**  
**[Formerly Known as Lafarge Zambia Plc]**  
[Incorporated in the Republic of Zambia]

Company registration number: 120080000304  
Share Code: CHILANGA  
ISIN: ZM0000000011  
Authorised by: Chibuye Mbesuma Ngulube – Company Secretary

**SPONSOR**



**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: 20 July 2022**



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["CHILANGA CEMENT"]

## MARKET ANNOUNCEMENT

### RESULTS OF THE MANDATORY OFFER

#### 1. Background

Shareholders of Chilanga Cement Plc ("**Chilanga Cement**" or the "**Company**") are referred to the announcement published on the Securities Exchange News Service ("**SENS**") of the Lusaka Securities Exchange ("**LuSE**") on 4 March 2022 and 6 May 2022 in compliance with the provisions of the Third Schedule of the Securities (Takeovers and Mergers) Rules, Statutory Instrument No 170 of 1993 (the "**Takeovers Rules**") and issued pursuant to the Securities Act, No.41 of 2016 (the "**Act**"), outlining the salient terms and dates of the Mandatory Offer by Huaxin (Hainan) Investment Co., Ltd. ("**Huaxin**") to the minority shareholders of the Company.

As at 12 May 2022, Huaxin was the majority shareholder in Chilanga Cement with 75% shareholding, while the balance of 25% was held by various institutional and retail investors. Huaxin, based in China, is a wholly owned subsidiary of Huaxin Cement Co. Limited ("**Huaxin Cement**"), an entity listed on the Shanghai Stock Exchange in China.

The Mandatory Offer by Huaxin to the minority shareholders of Chilanga Cement opened on 12 May 2022 and closed on 13 June 2022.

#### 2. Results of the Mandatory Offer by Huaxin

Huaxin submitted a cash offer to the Board of directors of Chilanga Cement to purchase from the minority shareholders, all the remaining 50,013,468 shares of Chilanga Cement that it did not already own representing 25% shareholding in the Company (the "**Offer**"), at a price per share of ZMW13.38 (the "**Offer price**").

Huaxin at the close of the Mandatory Offer, on 13 June 2022, acquired a total of 12,375,420 shares tendered for sale to Huaxin via the Form of Acceptance. This level of acceptance represents 24.74 % of the 50,013,468 target shares that were the subject of the mandatory offer or 6.19% of the total shareholding in the Company.

As summarised in the table below, there were a total of 160 individual acceptances out of a shareholder base of **3,676** investors.

	CHILANGA CEMENT SHAREHOLDING BEFORE MANDATORY OFFER			CHILANGA CEMENT SHAREHOLDING AFTER MANDATORY OFFER		
SHAREHOLDER	No of SHAREHOLDERS	SHARES	% SHAREHOLDING	No of SHAREHOLDERS	SHARES	% SHAREHOLDING
HUAXIN	1	150,026,436	75	1	162,401,856	81.19
MINORITIES	3,676	50,013,468	25	3,516	37,638,048	18.81
<b>Total</b>	<b>3,677</b>	<b>200,039,904</b>	<b>100</b>	<b>3,517</b>	<b>200,039,904</b>	<b>100</b>

The net result is that after the conclusion of the mandatory offer process, the shareholding of Huaxin in Chilanga Cement has increased from 75% to 81.19% shareholding whilst the balance of 18.81% is still held by various institutional and retail investors numbering approximately **3,516** in total.

**By Order of the Board**  
**Chibuye Mbesuma Ngulube**  
**Company Secretary**

**Issued in Lusaka, Zambia on Wednesday, July 20, 2022**

**Lusaka Securities Exchange Sponsoring Broker**



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