



ANNOUNCEMENT TO THE SHAREHOLDERS OF GB HOLDINGS LIMITED REGARDING THE DISPOSAL AND ACQUISITION OF AN AGGREGATE 43.22% OF THE ISSUED SHARE CAPITAL OF GB HOLDINGS LIMITED (“GBHL” OR “THE COMPANY”)

1. Introduction

1.1 This announcement is being made to the shareholders of the Company, in terms of the provisions of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019, Statutory Instrument 134/209 (“*Listings Rules*”) and the Companies and Other Business Entities Act, Chapter 24:31 (“*COBE*”).

2. Notification of Offer

2.1. On 1 October 2020, the Company received notification (*the “Notification”*) from Jemaimah Synergies (Private) Limited (the “*Acquirer*”) of the fact that it had made an offer to purchase, an aggregate 43.22% of the issued share capital of the Company (“*Acquisition Shares*”), currently owned by SMM Holdings (Private) Limited (Under Reconstruction), (“*SMM*” or “*Vendor*”), (the “*Offer*” or “*Proposed Transaction*”).

2.2. The Notification was made in terms of section 236 (1) of the COBE, which requires a person who intends to acquire, thirty-five per centum or more of the total of the ordinary shares of a company (“*Control Block*”) to, no later than thirty days prior to the date of acquiring the Control Block, send a written notice to the Company stating the person’s intent to acquire a control block of shares.

3. The Vendor

3.1. The Vendor is SMM Holdings (Private) Limited (Under Reconstruction), a company registered in Zimbabwe, under registration number 358/190, in terms of the Companies and Other Business Entities Act (Chapter 24:31), of Corporate Office, Trevoze House, Bateman Drive, Chinda Heights, Zvishavane, Zimbabwe, represented by Afaras Mtausi Gwaradzimba, in his capacity as the Administrator, appointed in terms of the Reconstruction of State-Indebted Insolvent Companies Act [Chapter 24:27]), to administer the affairs of SMM Holdings (Private) Limited.

3.2. The core business of SMM is that of asbestos mining and marketing in the Mashava and Zvishavane areas.

3.3. The Company is an associate of SMM Holdings (Pvt) Limited (under reconstruction)

4. The Acquirer

4.1 The Acquirer is Jemaimah Synergies (Private) Limited, a company registered in Zimbabwe, under registration number 5655/2018, in terms of the Companies and Other Business Entities Act (Chapter 24:31).

5. Cautionary Statement

5.1. On 2 October 2020, the Company caused to be issued, a Cautionary Statement, advising its shareholders of its receipt of the Notification and the Proposed Transaction.

5.2. Further to the Cautionary Statement, the Company hereby furnishes its Shareholders with more information regarding the Proposed Transaction as provided for below.

6. Nature of the Offer

6.1 SMM intends to divest from ownership of the GBHL shareholding, which is non-core. The Offer is made on a willing seller, willing buyer and for value basis. It will be conducted on an arm's length commercial basis.

7. The Rationale for the Proposed Transaction

7.1. The proposed sale and purchase of the Acquisition Shares is intended to:

7.1.1. Give a fair value of the Acquisition Shares to the Vendor, which is a company under administration, to enable it to invest in its core business.

7.1.2. Engage with the other shareholders of the company in a resuscitation plan of the business of GBHL, through a variety of means to be agreed upon post this acquisition. In this regard, the Acquirer has made budgetary provisions to avail up-to the equivalent of US\$300,000.00, to finance phase one of the turnaround plan of GBHL

8. Mechanics of the Proposed Transaction

8.1. The Company is advised that the Proposed Transaction will be executed and implemented by way of a sale and purchase, subject to execution and becoming unconditional, of legally binding documentation.

8.2. The price for the Acquisition Shares has been settled at ZWL60,000,000.00 ("*Purchase Price*").

- 8.3. The Purchase Price has been determined taking into account the market price of the Acquisition Shares, the net asset value of the Company and the control premium.

9. The Acquirer's Future Plans about the Company

- 9.1. The Acquirer intends to, immediately after the acquisition of the shares, engage with the rest of the shareholders in the recapitalization of the Company and turnaround its financial prospects, through undertaking the following initiatives;
- 9.1.1. Consolidation of the current product range, to enhance competitiveness, thereby increasing market share,
- 9.1.2. Expanding the product range, with deliberate bias towards the mining sector, which is demonstrating phenomenal growth prospects in the medium-term horizon,
- 9.1.3. Introducing equipment and consumables products offering, targeted at capacitation of small-scale chrome and gold mining operations,
- 9.1.4. Introducing relevant environmentally friendly chemical solutions for mineral recovery, particularly for the SME gold mining sector,
- 9.1.5. Introducing new product lines in the FMCG space, under technical agreements, in support of the country's import substitution initiatives,
- 9.1.6. Undertaking a phased capital injection to finance the CAPEX requirements for item 9.1.3 above, as well as to strengthen the GBL Group's working capital position, in order to support its capacity to sustain profitability,
- 9.1.7. Introducing structured finance solutions to provide better technically efficient solutions to the production processes and distribution network,
- 9.1.8. Rejuvenating the General Beltings (Private) Limited ("GB") brand, as well as the underlining product brands in both local and export markets and
- 9.1.9. Introducing training programmes to ensure production consistency and general technical competency.

10. The Board's Opinion of the Proposed Transaction

- 10.1 In terms of section 236 (2) of the COBE, a public company in which a control block of shares is sought to be acquired may stop the acquisition of the control block, by a decision of a shareholder meeting within the thirty-day notice period, adopted by majority vote of the holders of ordinary shares participating in the meeting.

- 10.2 The board of directors of the Company (*“the Board”*) has considered the Proposed Transaction, the Acquirer’s stated strategy, its benefits to the Company and is confident that it can work with Acquirer to realise the benefits. The Board is of the opinion that the rationale for the Proposed Transaction is fair, and is in the best interests of the Company and its shareholders. The Company does not therefore intend to stop the acquisition of the control block by the Acquirer.
- 10.3 Due to the major shareholder SMM having been placed under administration and experiencing challenges with funding its core business activities, GBHL has been orphaned and not been able to receive much shareholder support for its operations over an extended period of time.
- 10.4 Accordingly, GBHL has not been able to recapitalise, update its technology, develop its products and explore new markets and opportunities. It has lost ground and market share. This divestiture will usher in a white knight investor with demonstrable capacity to revamp its business leading to growth, productivity, employment generation and social development of its stakeholders, especially the employees.
- 10.5 In the circumstances, the Company sought an exemption from the Zimbabwe Stock Exchange not to call an extra ordinary general meeting and it was granted.
- 10.6 The Company has been advised that the transaction will be consummated on the Zimbabwe Stock Exchange within seven (7) days of publication of this notice.

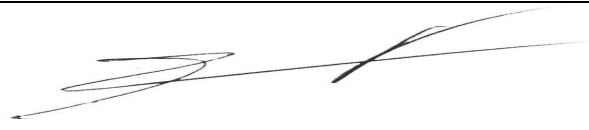





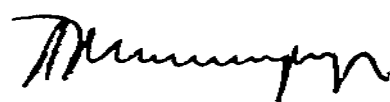
11. Director Interest

- 11.1 As at the 22nd of October 2020, the following Directors of the Company, held the below indicated interest in Jemaimah Synergies (Private) Limited.

Director’s Name	Percentage Holding
Tichaona Mabeza	4.00%
Israel Murefu	2.00%

12. Directors Responsibility Statement

- 12.1 The Board of Directors of the Company, whose names appear below, individually and collectively, accept full responsibility for the accuracy of the information pertaining to General Beltings Holdings Limited contained in this announcement and certifies that to the best of its knowledge and belief, the information contained in this announcement is true, correct and not misleading.

FULL NAME	POSITION	SIGNATURE
Godfrey G. Nhemachena	Non-Executive Chairman	
Chirandu Dhlembeu	Non-Executive Director	
Tichavona K. Mabeza	Non-Executive Director	
Israel Murefu	Non-Executive Director	
Chamas Dzumbunu	Non-Executive Director	
Wilbroad Tsuruh	Managing Director	
Patrick Munyanyi	Finance Director	

13. Approval of Notice Publication

13.1 The company sought and was granted approval by the Zimbabwe Stock Exchange on the 21st of October 2020, to publish this notice to its shareholders and the investing public.

By Order of the Board

Mr. P. Munyanyi
Company Secretary
GB Holdings Limited
111 Dagenham Road
Willowvale
Harare
2 October 2020