

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

**ISSUER**



**CHILANGA CEMENT PLC ["CHILANGA"]**  
**[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]

Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://www.sbz.com.zm)

**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: March 4, 2022**



## **CHILANGA CEMENT PLC (“CHILANGA”)**

**[Formerly Known as Lafarge Zambia Plc]**

Incorporated in the Republic of Zambia  
Company registration number: 120080000304  
Share Code: CHILANGA  
ISIN: ZM0000000011  
[“CHILANGA CEMENT”]

### **SALIENT DATES AND TERMS OF THE MANDATORY OFFER BY HUAXIN (HAINAN) INVESTEMENT CO., LTD TO THE MINORITY SHAREHOLDERS OF CHILANGA CEMENT PLC**

#### **1. Background**

In the Cautionary announcement dated 11 June 2021 and in compliance with the Listings Requirements of the Lusaka Securities Exchange (“LuSE”), the shareholders of Chilanga Cement Plc (“Chilanga Cement” or the “Company”) were advised that an agreement for the sale and purchase of 75% of shares in the Company was executed between the Majority shareholders Financière Lafarge SAS (“Financière Lafarge”), Pan African Cement Ltd (“Pan African”) and Huaxin (Hainan) Investment Co., Ltd. (“Huaxin”) whereby Financière Lafarge and Pan African agreed to sell their shares to Huaxin (the “Transaction”).

On 30 November 2021, the company announced to the market that Huaxin has acquired 75.00% shareholding via trades conducted on the LuSE at ZMW13.16 per share and the purchase consideration was subject to a post-completion price adjustment. After the adjustment exercise, the final price stands at ZMW13.38 per share.

Accordingly, Chilanga Cement hereby announces that the price adjustment exercise has been completed and that Huaxin is proceeding to make a Mandatory Offer (the “Offer”) to acquire the shares in Chilanga Cement not already owned by Huaxin from the minority shareholders of Chilanga Cement.

#### **2. Terms of the Offer**

Huaxin has informed the Board of Chilanga Cement of its intention to undertake the Offer being a cash offer to all minority shareholders of Chilanga Cement, representing a 25.00% shareholding in the Company, at a price per share of ZMW 13.38 (the “Offer Price”) to be settled at the close of the Offer period. The Offer Price is the same price at which Huaxin acquired its majority interest in Chilanga Cement post the price adjustments afore mentioned..

Accordingly, as stated in Section 3 below, Huaxin and Chilanga Cement will send to each shareholder of the Company an Offer Document and Circular setting out details of the Offer, actions to be taken by those minority shareholders of Chilanga Cement who may wish to participate in the Offer and the recommendations by the Independent Financial Adviser (“IFA”) to shareholders as to whether to accept the Offer or not.

At their sole discretion, shareholders of Chilanga Cement registered as members of the Company as at the Record Date of the Offer may choose to sell to Huaxin, some, all or none of the shares they own in Chilanga Cement.

#### **3. Offer Document and Circular**

The Offer Document and Circular will be posted on or about Friday, 25<sup>th</sup> March 2022 and will include:

- A description of the Offer;
- A detailed timetable of the Offer;
- Actions that should be taken by minority shareholders who wish to participate in the Offer by selling some or all of the eligible shares they own in the company;
- The opinion of the IFA contracted by the Board of the Company as to whether the Offer is, or is not, fair and reasonable;
- The recommendation of the IFA in relation to the acceptance or rejection of the Offer; and
- Any other information to enable the minority shareholders to reach a properly informed decision as to whether to accept or reject the Offer.

#### **4. Conditions of the Offer**

The full terms of the Offer will be contained in the Offer Document and Circular to minority shareholders of Chilanga Cement and will be sent to each minority shareholder registered as at the Record Date of the Offer. The Offer is being made subject to the provisions of the Takeovers Rules, the Securities Act No. 41 of 2016 and the Companies Act No. 10 of 2017 of the laws of Zambia.

#### **5. Financial Assurance**

Huaxin, the Offeror in this Offer Document, is a wholly-owned subsidiary of Huaxin Cement and the bankers of Huaxin Cement, Bank of China Huangshi Shengyanggang Branch, confirm that adequate resources are available to satisfy full acceptance of the Offer to acquire the minority shares in Chilanga Cement under the Offer.

#### **6. Offer Timetable**

The Offer shall remain open for twenty-one (21) days after the posting of the Offer Document and Circular to the eligible minority shareholders.

Shareholders wishing to sell some or all of their shares in the Company must tender their shares as prescribed in the Offer Document and Circular, before the close of the Offer period which runs from Friday 25<sup>th</sup> March 2022 to Friday, 15<sup>th</sup> April 2022.

The indicative timetable is summarized below:

<b>ACTION ITEM</b>	<b>DATE</b>
Announcement of acquisition of beneficial ownership of shares by Huaxin	Tuesday, 30 November 2021
Offer tabled to Chilanga Cement Board	Thursday, 03 March 2022
Record Date	Friday, 18 March 2022
Announcement of the terms of the Offer	Friday, 4 March 2022
Offer Document posted to minority shareholders	Thursday, 24 March 2022
Circular posted to Minority Shareholders	Thursday, 24 March 2022
Opening date of the Offer Period	Thursday, 24 March 2022
Closing date of the Offer Period	Wednesday, 13 April 2022

Last date for receipt of postal acceptances	Tuesday, 19 April 2022
Trade date	Wednesday, 20 April 2022
Settlement date	Monday, 25 April 2022
Payment made to shareholders via their respective LuSE member brokers	Monday, 25 April 2022
Inform LuSE and SEC results of the Offer	Tuesday, 26 April 2022
Announcement of results of the Offer published on	Wednesday, 27 April 2022
Uncollected cheques posted to minority shareholders on	Friday, 29 April 2022

## 7. Action by Shareholders and Important Notice

The minority shareholders of the company are not obligated to sell their shares to Huaxin pursuant to the Offer. The Offer gives the minority shareholders the opportunity, following the change in control of the company as defined in the Takeovers Rules, to decide whether to keep all their shares or sell some and keep part or sell all.

Shareholders who wish to respond to the Offer by selling some or all of the shares they own in the Company should complete the Acceptance Form enclosed with the Offer Document and Shareholders who prefer not to sell any of their shares do not need to respond to the Offer in any way and will simply retain their existing shares in the Company.

## 8. Withdrawal of Cautionary Announcement

Shareholders are referred to the cautionary announcement first issued on 11 June 2021 and are advised that following the release of this announcement of the salient dates and terms of the Offer, caution is no longer required to be exercised by shareholders when dealing in the Company's securities and the cautionary announcements in force since 11 June 2021 are hereby withdrawn.

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

**Issued in Lusaka, Zambia on March 4, 2022**

### Lusaka Securities Exchange Sponsoring Broker



**STOCKBROKERS ZAMBIA LIMITED**

**T** | +260-211-232456

**E** | [advisory@sbz.com.zm](mailto:advisory@sbz.com.zm)

**W** | [www.sbz.com.zm](http://www.sbz.com.zm)

**Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia**

**First Issued on 8 June 2021**