

SENS ANNOUNCEMENT

(the "Announcement")

ISSUER



Real Estate Investment Zambia PLC.

Incorporated in the Republic of Zambia

Company Registration Number: 10951

SHARE CODE: REIZ

ISIN: ZM0000000045

BROKER



Pangaea Securities Limited

[a member of the Lusaka Securities Exchange]

Regulated and Licensed by the Securities and Exchange Commission Zambia

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AUTHORISATION

Approval for this Announcement has been granted by:

- The Lusaka Securities Exchange
- The Securities and Exchange Commission Zambia
- Real Estate Investment Zambia PLC.

DISCLAIMER AND RISK WARNING

The 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.

ISSUE DATE: 1 August 2023



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TRANSACTION ANNOUNCEMENT

Further to the Cautionary Announcement made on 22 May 2023, the Board of Directors (the "Board") of Real Estate Investments Zambia Plc ("REIZ" or the "Company") wishes to inform its shareholders ("Shareholders"), and the market that the Company intends on applying and subsequently attaining Real Estate Investment Trust ("REIT") status ("the Transaction").

Further, the Board intends to publish a Circular to REIZ Shareholders, in line with the Listing Requirements (the "Listing Rules") of the Lusaka Securities Exchange (the "LuSE") on or after 31st August, 2023. The Circular will provide details of the REIT status outlined in this announcement. Below is a summary of this Transaction.

1. Salient features of the Transaction

REIZ is a listed company, incorporated in the Republic of Zambia which is primarily involved in investment, development and restructuring of commercial and non-commercial property for letting. REIZ wishes to announce its intention of converting and/or attain REIT status by filing an application with the Securities Exchange Commission ("SEC") and complying with the requirements set out in Sections 3 and 13 of the Listing Rules.

1. Brief overview on REITs in Zambia

A REIT is a form of collective investment scheme that owns, operates, or finances income-generating real estate properties. It is a unique investment vehicle that allows individuals to invest in a diversified portfolio of income-generating real estate assets. In Zambia, REITs are provided for under the Securities (Real Estate Investment Trust) Guidelines of 2020 and the Securities (Collective Investment Schemes) Rules, Statutory Instrument No. 161 of 1993.

2. Rationale and benefits of attaining REIT status

REITs by nature, will allow REIZ to access a wider pool of potential investors, including institutional funds, pension funds, foreign, and individual investors seeking exposure to real estate assets. This expanded investor base will provide REIZ with increased liquidity and the ability to raise capital at a more competitive cost, thus supporting the Company's growth and facilitating for future acquisitions.

Additionally, converting to a REIT status aligns with the Company's commitment to transparency and corporate governance. REITs are subject to stringent regulatory requirements, including financial reporting standards and independent audits. This will enhance the trust and confidence that shareholders and potential investors will place in the Company's operations.

In terms of benefits, as a REIT, REIZ will be required to distribute at least 75% of its distributed income as dividends to shareholders. This will result the Company into offering regular and consistent income streams, making it an attractive option for investors seeking passive income. Further, It is the intention of the Company to have the REIT listed and traded in United States Dollars over the LuSE. This will in turn attract foreign investments and gaining access to international capital. The increased attractiveness of the Stock is expected to lead to capital gains that will further enhance value for the shareholders.

Further, by attaining REIT status, REIZ will enjoy preferential tax treatment since REITs are exempted from corporate taxes. This will further enhance the potential returns for all REIZ shareholders.

At an Extraordinary General Meeting to be announced at a later date, Shareholders will have an opportunity to vote on this Transaction.

Shareholders are advised to continue to exercise caution when dealing in the Company's securities until the completion of the Transaction.

By order of the Board,
Louis Chilufya Pulu
Company Secretary and Finance Manager

Sponsoring Broker:



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