



A F R I C A N S U N

L I M I T E D

(Incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71)

Notice relating to the acquisition of the entire issued ordinary shares of Dawn Properties Limited (“Dawn”) in exchange for an issuance of African Sun Limited (“African Sun”) ordinary shares

Following the notice to shareholders published on the 24th of November 2021, the Board of African Sun wishes to advise that it has clarified and confirmed the Capital Gains Tax implications relating to the disposal of Dawn shares by the Dawn shareholders who accepted African Sun Offer to acquire their Dawn shares subsequent to the delisting of Dawn from the Zimbabwe Stock Exchange (“the ZSE”). By way of reminder, the Dawn shares are being acquired on the basis of 1 African Sun ordinary share for every 3.988075946 Dawn ordinary shares held, via the Drag-Along and Tag-Along (Squeeze Out) in terms of the provisions of the Companies and Other Business Entities Act [Chapter 24:31].

As Dawn was de-listed from the ZSE in February 2021, the remaining Dawn shares that are to be disposed to African Sun will attract Capital Gains Tax levied on unlisted shares.

The Capital Gains Tax applicable to the disposal of these shares is guided by the Capital Gains Tax Act [Chapter 23:01] and the Finance Act [Chapter 23:04] (“the Finance Act”). According to section 39 of the Finance Act:

- i. Disposal of Dawn shares acquired **before** 22 February 2019 will attract a 5% withholding tax on the gross proceeds realised from the disposal of such shares; and
- ii. Disposal of Dawn shares acquired **after** 22 February 2019 will attract 20% Capital Gains Tax on the capital gain realised from the disposal of such shares.

Shareholders are encouraged to confirm the Capital Gains Tax guidance in this notice with their tax advisors, should the need arise.

We wish to thank all the shareholders and the investing public for their patience as we conclude this transaction.

By order of the Board,

V.T. Musimbe
Company Secretary

29 April 2022

CORPORATE HEAD OFFICE

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