

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Abridged Circular is important and should be read in conjunction with the full circular to the shareholders of African Sun Limited dated 2 April 2015 and the definitions set out therein. This Abridged Circular does not purport to be a prospectus or an offer to sell, or the solicitation of an offer to buy shares in any country other than Zimbabwe. The distribution of this Abridged Circular outside Zimbabwe may constitute the violation of the laws of other countries.

This Abridged Circular contains details of the Mandatory Offer by Lengrah Investments (Private) Limited to African Sun Limited minority shareholders.

## Action Required:

- If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant or other professional advisor.
- If you have disposed of all of your shares as at the date of opening of the Mandatory Offer, you should send the Abridged Circular and the Form of Acceptance to the purchaser of such shares or to the agent, broker or banker through whom, you disposed of such shares.



A Hotel & Real Estate Investment Company registered as  
**Lengrah Investments (Private) Limited**

(Incorporated in Zimbabwe)  
(Registration number 1317/2010)

## Directors of BCM Hotels

### Non-Executive:

W Kambwanji  
G Manyere



African Sun Limited  
(Incorporated in Zimbabwe)  
(Registration number 643/1971)  
Ordinary share code: ASUN  
ISIN ZW 000 901 208 0

## Directors of African Sun Limited

### Executive:

ET Shangwa (Acting Group Chief Executive)  
N Mangwiro (Group Finance Director)

### Non Executive

H Nkala (Chairman) EA Fundira, WT Kambwanji,  
A Makamure, NR Ramikosi, NG Maphosa, T Nuy,  
G Manyere, T Ndebele

## ABRIDGED CIRCULAR TO AFRICAN SUN LIMITED SHAREHOLDERS

### Financial Advisor to BCM Hotels and Real Estate



KPMG Advisory (Private) Limited

### Sponsoring Broker



Lynton Edwards Stockbrokers  
(Members of the Zimbabwe Stock Exchange)

### Independent Financial Advisor



Ernst & Young Associates  
(Private) Limited

### Transfer Secretary



Corpserve Share Transfer Secretaries  
(Private) Limited

## IMPORTANT DATES AND TIMES

2015

Mandatory Offer document posted to African Sun Limited minority shareholders on	Thursday 2 April
Abridged Circular published in the press	Thursday 2 April
Last date to trade in African Sun Limited shares	Friday 17 April
Record date and closing of register	Friday 17 April
Mandatory Offer opens at 09:00 on	Monday 20 April
Shares trade "ex" the Mandatory Offer	Monday 20 April
Mandatory Offer closes at 12:00 on	Monday 11 May
Last day for receiving postal forms of acceptance	Tuesday 12 May
Results of the Mandatory Offer released on the Zimbabwe Stock Exchange news services	Wednesday 13 May
Results of the Mandatory Offer to be published in the press on	Thursday 14 May
Offer consideration credited to the offer participant's accounts at his stockbroker in cases where the shares surrendered in terms hereof are held by such stockbroker as nominee for the participant on	Friday 15 May
Cheques posted to or credited to the bank accounts of the offer participants who hold their shares in their own names) at the offer participant's own risk, in settlement of the offer consideration (subject to receipt by the transfer secretaries of the relevant share certificates) on	Friday 15 May

Shareholders are advised to consult their professional advisor or banker regarding their individual taxation position in relation to their participation in the offer.

### 3.3 Remaining shareholders

It is the intention of BCM Hotels and Real Estate and the Independent Board of African Sun Limited to retain the listing of African Sun Limited on the ZSE should African Sun Limited still meet the minimum shareholding spread requirement. African Sun Limited shareholders who elect not to accept the Mandatory Offer, or elect to accept the Mandatory Offer in part, will remain shareholders of African Sun Limited.

### 3.4 Offer period

The Mandatory Offer opens for acceptance at 09:00 on Monday 20 April 2015 and will close at 12:00 on Friday Monday 11 May 2015. In terms of the ZSE Listings Requirements and the Companies Act the offer must remain open for at least 15 business days after the date on which it is announced that the Mandatory Offer is wholly unconditional.

### 3.5 Funding and cash confirmation

BCM Hotels and Real Estate will be funding the Mandatory Offer from its own resources.

Ecobank Zimbabwe Limited has provided confirmation to the Zimbabwe Stock Exchange that BCM Hotels and Real Estate has sufficient funds available to acquire the ordinary issued share capital of African Sun not already owned by BCM Hotels and Real Estate from the African Sun minority shareholders who accept the Mandatory Offer.

## 4. Disclosures for purposes of the Mandatory Offer

### 4.1 Information on BCM Hotels and Real Estate

Lengrah Investments (Private) Limited trading as BCM Hotels & Real Estate, (Registration Number 1317/2010) is registered under the Zimbabwean law. The company is 100% owned by Brainworks Capital Management (Private) Limited and is its vehicle for investments in hotels and real estate.

The directors of BCM Hotels & Real Estate are:

- G Manyere
- WT Kambwanji

As at 28 February 2015 Lengrah's assets included 358,666,923 shares (43.18% shareholding) in African Sun Limited and 719,856,249 shares (29.30% shareholding) in Dawn Properties Limited, a public listed company, trading its shares on the ZSE.

### 4.2 Information on African Sun Limited

African Sun Limited was incorporated on 2 July 1971 under the Zimbabwe law. The company's head office is located at 6 Seagrave Road, Mount Pleasant, Harare, Zimbabwe. African Sun Limited is a public listed company, trading its shares on the ZSE.

Established in 1971, the Company was part of what is now Delta Corporation, Zimbabwe's leading beverage manufacturer. Under its then name, Zimbabwe Sun Limited, and with a significant change in the ownership structure, it was unbundled from Delta Corporation and listed separately on the Zimbabwe Stock Exchange.

In 2003, Zimbabwe Sun Limited restructured its business and unbundled its properties by transferring title to a newly created company Dawn Properties Limited.

To reflect its pan-African ambitions, the company changed its name from Zimbabwe Sun Limited to African Sun Limited in May 2008.

### 4.3 Major Shareholders of African Sun Limited

Insofar as it is known to the Independent Board, African Sun Limited is controlled by BCM Hotels and Real Estate, as defined in the Companies Act. As at 28 February 2015 the following shareholders held more than 5% of the issued shares of African Sun Limited:

Shareholder	Number of Shares	% Shareholding
BCM Hotels and Real Estate	358,666,923	43.18%
Old Mutual Life Assurance Company of Zimbabwe (Ltd)	198,453,725	23.87%
Old Mutual Zimbabwe Limited	66,212,575	7.96%
Total	623,333,223	75.01%

### 4.4 Material Agreements

No agreements which can be considered to be material to a decision by African Sun Limited shareholders regarding the Mandatory Offer were entered into between African Sun Limited and BCM Hotels and Real Estate, or between African Sun Limited and any of the directors of BCM Hotels and Real Estate, or any persons who were directors of BCM Hotels and Real Estate in the 12 months preceding the Mandatory Offer, or between African Sun Limited and any other Company shareholders who hold any beneficial interests in African Sun Limited, or any person who were African Sun Limited shareholders or beneficially interested in African Sun Limited shares, in the 12 months preceding the Mandatory Offer.

### 4.5 Irrevocable undertakings

No African Sun Limited shareholders eligible to accept the Mandatory Offer have irrevocably undertaken to accept the Mandatory Offer by BCM Hotels and Real Estate.

### 5. Conditions precedent

The Mandatory Offer is subject to the approval and consent from all relevant authorities required to implement the Mandatory Offer.

### 6. Directors interest and dealings in shares

#### BCM Hotels and Real Estate's interests and dealing in African Sun shares

As at 28 February 2015, BCM Hotels and Real Estate held 358,666,923 African Sun shares representing 43.18% of the issued share capital of the Company. BCM Hotels and Real Estate directors have not dealt in African Sun shares during the period beginning three months prior to the opening of the mandatory offer and ending on the last practicable date.

As at 28 February 2015, the directors of BCM Hotels and Real Estate held the following interest in the issued ordinary share capital of BCM Hotels and Real Estate:

Name	Beneficial		Non-beneficial		Total number of shares	
	Direct	Indirect	Direct	Indirect	Number	%
Non-Executive G Manyere	-	-	-	-	-	-
W Kambwanji	-	-	-	-	-	-
	-	-	-	-	-	-

BCM Hotels and Real Estate directors' interest and dealing in African Sun shares  
As at the last practicable date, none of the BCM Hotels and Real Estate directors held any shares in African Sun, other than those held indirectly by their shareholding in BCM Hotels and Real Estate. No BCM Hotels and Real Estate directors have dealt in African Sun shares during the period beginning six months prior to the opening of the mandatory offer and ending on the last practicable date.

African Sun directors' interest and dealing in African Sun shares  
At 28 February 2015 date the directors of African Sun held the following interests in the issued ordinary share capital of African Sun:

Name	Beneficial		Non-beneficial		Total number of shares	
	Direct	Indirect	Direct	Indirect	Number	%
<b>Executive</b>						
S Munyeza	-	-	-	-	-	-
N Mangwiro	-	-	-	-	-	-
<b>Non Executive</b>						
BL Nkomo	-	-	-	-	-	-
EA Fundira	-	-	-	-	-	-
A Makamure	-	-	-	-	-	-
NG Maphosa	-	-	-	-	-	-
NR Ramikosi	-	-	-	-	-	-
W Kambwanji	-	-	-	-	-	-
T Nuy	-	-	-	-	-	-
T Ndebele	-	-	-	-	-	-
G Manyere	-	-	-	-	-	-
H Nkala	-	-	-	-	-	-
	-	-	-	-	-	-

#### African Sun directors' dealing in African Sun shares

Name Date Transaction type Price (US\$) Volume Value (US\$)

S Munyeza	6-Nov-2013	Cash and Shares	0.03	267,645,944	8,029,378
-----------	------------	-----------------	------	-------------	-----------

#### African Sun directors' interest in BCM Hotels and Real Estate shares

As at 28 February 2015, Mr Shingi Munyeza, held 13.73% shares in Brainworks Capital through Nhaka Trusts. Mr Munyeza held no shares directly in BCM Hotels and Real Estate – only indirectly through Brainworks Capital. The other directors of African Sun held no shares in Brainworks Capital or BCM Hotels and Real Estate.

## 7. Directors responsibility statement

The Directors of BCM Hotels and Real Estate whose names appear hereunder, collectively and individually accept full responsibility for the accuracy of the information contained in this Abridged Circular and further confirm that they have made all reasonable enquiries and declare that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement in this Abridged Circular false or misleading.

Such Directors also confirm that this Abridged Circular includes all such information within their knowledge (or which it would appear to be reasonable for them to obtain by making enquiries) that investors and their professional advisors would require and reasonably expect to find for the purposes of making informed assessment of African Sun Limited in order make an informed decision whether or not to accept the offer.

Name	Designate	Signatures
G Manyere	Non-Executive Director	Signed on original
W Kambwanji	Non-Executive Director	Signed on original

The Independent Board of African Sun Limited whose names appear hereunder, collectively and individually accept full responsibility for the accuracy of the information contained in this Abridged Circular and further confirm that they have made all reasonable enquiries and declare that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement in this Abridged Circular false or misleading.

Such Directors also confirm that this Abridged Circular includes all such information within their knowledge (or which it would appear to be reasonable for them to obtain by making enquiries) that investors and their professional advisors would require and reasonably expect to find for the purposes of making informed assessment of African Sun Limited in order make an informed decision whether or not to accept the offer.

Name	Designate	Signatures
ET Shangwa	Acting Group Chief Executive	Signed on original
N Mangwiro	Group Finance Director	Signed on original
H Nkala	Chairman	Signed on original
EA Fundira	Non-Executive Director	Signed on original
WT Kambwanji	Non-Executive Director	Signed on original
A Makamure	Non-Executive Director	Signed on original
NR Ramikosi	Non-Executive Director	Signed on original
NG Maphosa	Non-Executive Director	Signed on original
T Nuy	Non-Executive Director	Signed on original
G Manyere	Non-Executive Director	Signed on original
T Ndebele	Non-Executive Director	Signed on original

## 8. Opinions and recommendations

In accordance with the ZSE Listing Requirements, the Independent Board has appointed Ernst & Young Associates (Private) Limited as the independent advisor to provide the Independent Board with its opinion as to whether the terms of the Mandatory Offer are fair and reasonable to African Sun Limited minority shareholders. Taking into consideration the terms and conditions of the Mandatory Offer, the independent expert is of the opinion that such terms and conditions are fair and reasonable to African Sun Limited minority shareholders.

An independent committee of the African Sun Limited board was convened to make a recommendation on the fairness and reasonableness of the BCM Hotels and Real Estate offer to minority shareholders. The independent board members obtained an opinion on the valuation of the African Sun Limited shares from the independent expert to assist them in making their recommendation to shareholders.

The independent directors, having had regard to the valuation opinion of independent expert, have concluded that the offer is fair and reasonable given the future prospects of the group.

## 9. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on business days at the registered office of African Sun Limited at 6 Seagrave Road, Mount Pleasant, Harare, Zimbabwe from 2 April 2015 to 20 April 2015:

- the audited financial statements of African Sun Limited for the years ended 30 September 2014, 30 September 2013, 30 September 2012, 30 September 2011 and 30 September 2010;
- the Memorandum of Incorporation of African Sun Limited and its subsidiaries;
- report of the independent expert opinion;
- the consent letters of the advisors to BCM Hotels and Real Estate and African Sun Limited; and signed copy of this Abridged Circular.

## 10. Form of Acceptance, Surrender and Transfer ('form')

The form of acceptance, surrender and transfer is obtained in the circular to be posted to shareholders on or about the 2nd of April 2015 or from the Transfer Secretaries whose details are contained in the circular.