



AFRICAN SUN

African Sun Limited
(A company incorporated and registered in Zimbabwe with limited liability)

ANNOUNCEMENT TO SHAREHOLDERS OF AFRICAN SUN LIMITED

Regarding the disposal of the Great Zimbabwe Hotel and associated Hotel Business for a gross consideration of US\$4,200,000 (Four Million Two Hundred Thousand United States Dollars only) to Mewame Family Trust.



Date: 12 February 2025

This Announcement Statement ("The Announcement") is neither a prospectus nor an invitation to the public to subscribe for shares in AFRICAN SUN LIMITED ("ASUN" or "the Company") but is issued in compliance with the requirements of the Victoria Falls Stock Exchange ("VFEX"), to give information to the public regarding the disposal of the Great Zimbabwe Hotel and associated Hotel Business, located in Masvingo, for a gross consideration of US\$4,200,000 (Four Million Two Hundred Thousand United States Dollars only) to Mewame Family Trust. The Announcement is only available in English. Printed copies of this Announcement may be obtained from the Company Secretary at the Registered Offices of ASUN.

Action required:

- If you are in any doubt as to the action you should take in relation to this Announcement, please consult your stockbroker, banker, accountant, lawyer or other professional advisor immediately.
- If you have disposed of all your ordinary shares in African Sun Limited, this Announcement should be sent to the stockbroker, banker or agent through whom you have disposed of such shares, for onward delivery to the purchaser of your shares.

1. BACKGROUND TO THE TRANSACTION

On the 22nd of March 2024 the board of ASUN resolved to dispose of certain assets of the Company, one of the assets identified was the Great Zimbabwe Hotel (GZH). Following the Notice to Shareholders dated 10 October 2024, the Mewame Family Trust approached ASUN and opened negotiations for the outright purchase of the Business and Assets relating to the Great Zimbabwe Hotel culminating in an Agreement of Sale being executed on the 28th of January 2025.

2. INFORMATION ON AFRICAN SUN LIMITED

African Sun Limited (ASUN) is a leading hotel asset management firm that trades on the Victoria Falls Stock Exchange (VFEX). At present, African Sun manages ten hotels strategically located throughout Zimbabwe. A Real Estate arm complements its core business. Of the ten, the Group owns seven properties (Holiday Inn Mutare, Monomotapa Hotel, Troutbeck Resort, Elephant Hills Resort and Conference Centre, Hwange Safari Lodge, Great Zimbabwe Hotel and Caribbea Bay Resort) and leases three properties (Holiday Inn Harare, Holiday Inn Bulawayo and The Victoria Falls Hotel).

3. INFORMATION ON THE MEWAME FAMILY TRUST

The Mewame Family Trust ("the Trust"), a player in Zimbabwe's tourism and property development sectors, headquartered in Harare, seeks to bolster its tourism portfolio. To achieve this goal, the Trust has set its sights on acquiring the Great Zimbabwe Hotel, with plans to enhance and expand its existing tourism assets.

Notably, there are no existing relationships or affiliations between ASUN and the trustees or promoters of the Mewame Family Trust.

4. RATIONALE FOR THE PROPOSED TRANSACTION

ASUN has enjoyed a considerable turnaround in fortunes over the past 4 years post the COVID-19 pandemic, with several changes at executive level over the same period. To expedite the refurbishment of several of the portfolio's primary hotels, the Board deemed it necessary to complement capital raising initiatives by selling selected assets, including The Great Zimbabwe Hotel, which has been a marginal contributor to the profitability of the Group over the review period.

5. TERMS OF THE TRANSACTION

5.1. Mewame Family Trust offered to purchase the Great Zimbabwe Hotel, being a certain piece of land known as Mundells Plot A, measuring 20.4272 hectares situated in the District of Victoria, held under title deed 1747/2010, for a gross consideration of US\$3,200,000 (Three million Two hundred thousand United States Dollars only) and also offered to purchase the Hotel Business and associated Hotel Assets housed at the Great Zimbabwe Hotel for a consideration of US\$1,000,000 (One million United States Dollars) as a going concern.

5.2. The material conditions precedent relate to payment of the full consideration within the agreed periods, completion of a Due Diligence exercise and in the event required by the purchaser, Exchange Control approval and approval from the Competition and Tariff Commission by 01 April 2025.

5.3. The Purchaser shall pay the purchase price in full into ASUN's nominated account on or before the agreed payment dates.

5.4. The Effective Date of the Transactions contemplated above is 01 April 2025.

6. FINANCIAL EFFECTS OF THE TRANSACTION

The audited pro forma Statement of Financial Position has been prepared for illustrative purposes only, and because of its nature, may not give a fair reflection of ASUN's financial position after the Transaction. The audited pro forma statement of Consolidated Statement of Comprehensive Income has been provided to illustrate how the Transaction might have affected the financial position of ASUN had it been effected on the 30th of June 2024.

**AFRICAN SUN LIMITED
ABRIDGED AUDITED PRO-FORMA CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
As at 30 June 2024**

	Audited 30 June 2024 Note 1 USD	Effects of Great Zimbabwe Hotel Disposal Note 2 USD	Unaudited Pro-forma 30 June 2024 Note 3 USD
ASSETS			
Non-current assets			
Property and equipment	81,918,939	-	81,918,939
Investment property	10,380,900	-	10,380,900
Right of use assets	17,027,373	-	17,027,373
Financial assets	1,387,480	-	1,387,480
Biological assets	334,581	-	334,581
Total non-current assets	111,049,273	-	111,049,273
Current assets			
Assets classified as held for sale	6,489,667	(3,656,328)	2,833,339
Inventories	6,423,136	-	6,423,136
Trade receivables	3,210,056	-	3,210,056
Other financial assets	3,106,264	-	3,106,264
Cash and cash equivalents	10,563,626	4,105,292	14,668,918
Total current assets	29,792,749	448,964	30,241,713
Total assets	140,842,022	448,964	141,290,986
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	2,484,229	-	2,484,229
Share premium	14,029,390	-	14,029,390
Foreign currency translation reserve	8,327,729	-	8,327,729
Revaluation reserve	32,596,404	-	32,596,404
Retained earnings	40,001,977	680,986	40,682,963
Total equity	97,439,729	680,986	98,120,715
Liabilities			
Non-current liabilities			
Deferred tax liabilities	12,861,789	(140,000)	12,721,789
Lease liabilities	14,356,555	-	14,356,555
Total non-current liabilities	27,218,344	(140,000)	27,078,344
Current liabilities			
Liabilities associated with assets classified as held for sale	212,110	(94,708)	117,402
Trade and other payables	12,740,973	(141,419)	12,599,554
Current income tax liabilities	761,857	144,105	905,962
Provisions	2,301,101	-	2,301,101
Lease liabilities	167,908	-	167,908
Total current liabilities	16,183,949	(92,022)	16,091,927
Total liabilities	43,402,293	(232,022)	43,170,271
Total equity and liabilities	140,842,022	448,964	141,290,986

* Under Note 2, the USD 4,105,292 represents the net cash inflow from the total sale proceeds, after adjusting for GZH's cash and cash equivalent balance before the disposal.

Notes:

- Represents the reviewed Consolidated Statements of Financial Position of African Sun Limited as at 30 June 2024.
- Represents the effects of disposing the Great Zimbabwe Hotel business unit.
- Represents the reviewed Consolidated pro-forma Statements of Financial Position of African Sun Limited as at 30 June 2024 after the disposal of Great Zimbabwe Hotel.

**AFRICAN SUN LIMITED
ABRIDGED AUDITED PRO-FORMA CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME
For the half year ended 30 June 2024**

	Audited 30 June 2024 Note 4 USD	Effects of Great Zimbabwe Hotel Disposal Note 2 USD	Unaudited Pro-forma 30 June 2024 Note 5 USD
Revenue	25,581,731	-	25,581,731
Rooms related costs	(677,507)	-	(677,507)
Cost of food and beverage sold	(2,724,548)	-	(2,724,548)
Hotel occupancy costs	(1,854,977)	-	(1,854,977)
Repairs and maintenance costs	(914,391)	-	(914,391)
Property related costs	(571,297)	-	(571,297)
Employee benefits expense	(9,525,399)	-	(9,525,399)
Net impairment reversal on financial assets	61,080	-	61,080
Other operating expenses	(5,951,036)	-	(5,951,036)
Other (expenses)/income	(887,649)	840,986	(46,663)
Earning before interest, tax, depreciation and amortisation expense	2,536,007	840,986	3,376,993
Depreciation and amortisation expense	(2,516,923)	-	(2,516,923)
Operating profit/(loss) before finance income/(costs)	19,084	840,986	860,070
Finance income	65,558	-	65,558
Finance costs	(8,528)	-	(8,528)
Finance costs - lease liabilities	(729,546)	-	(729,546)
Profit/(loss) before tax	(653,432)	840,986	187,554
Income tax expense	(1,163,060)	(160,000)	(1,323,060)
Profit/(loss) from continuing operations	(1,816,492)	680,986	(1,135,506)
Loss for the year from discontinued operations	(349,825)	-	(349,825)
Loss for the year	(2,166,317)	680,986	(1,485,331)
Other comprehensive income for the year net of tax:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	(18,811)	-	(18,811)
Total comprehensive income for the year	(2,185,128)	680,986	(1,504,142)

Notes:

- Represents the audited Consolidated Statements of Comprehensive Income of African Sun Limited as at 30 June 2024.
- Represents the reviewed Consolidated pro-forma Statements of Comprehensive Income of African Sun Limited as at 30 June 2024 after the disposal of Great Zimbabwe Hotel.

7. DIRECTORS RESPONSIBILITY

The independent Board insofar as any information in this circular relates to ASUN Limited, certify that, to the best of their knowledge and belief, the information contained in this circular is true and that there are no other facts, the omission of which would render any statement false or misleading.

8. DOCUMENTS AVAILABLE FOR INSPECTION

- Copies of the following documents will be available for inspection during business hours at the registered office of African Sun Limited at Bally House, Mount Pleasant Business Park, 870 Endeavor Crescent:
- Financial Statements and Notes thereto for the years 2018 up to and including June 2024.
 - Memorandum and Articles of Association of African Sun Limited.
 - The consent letters of the advisors to African Sun Limited
 - A signed copy of this announcement.
 - Signed copies of the Purchase and Sale Agreements between African Sun Limited and Mewame Family Trust.
 - Independent Valuation of Great Zimbabwe Hotel.

Directors: