

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

ISSUER



LAFARGE ZAMBIA PLC ["LAFARGE"]
[Incorporated in the Republic of Zambia]

Company registration number: 304
Share Code: LAFARGE
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

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: May 21, 2021



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["LaFarge" or "the Company"]

LAFARGE ZAMBIA PLC DISPOSAL OF 14% SHAREHOLDING IN MBEYA CEMENT COMPANY LIMITED

INTRODUCTION

The Board of Lafarge Zambia Plc ("Lafarge" or the "Company") wishes to advise the shareholders and the market participants that the Company has reached an agreement with Pan African Cement Limited ("Pan African") to dispose of Lafarge's 14% shareholding in Mbeya Cement Limited ("Mbeya") in Tanzania to Pan African, the majority shareholder in Lafarge, for consideration of ZMW 26,221,000 ("the Transaction").

As at 14th May 2021, the market value of Lafarge Zambia was ZMW 660 Million. Accordingly, the percentage ratio of the consideration (ZMW 26.2) to the market capitalisation of Lafarge Zambia is 4%.

About Mbeya

Mbeya Cement Company Limited, a LafargeHolcim subsidiary, having its registered office located at Plot No. 1, Songwe Industrial Area, Mbeya, United Republic of Tanzania has been operating in local and international markets for over 30 years, supplying Tanzania and neighbouring countries with world-class cement types and solutions. The company has made investments in upgrading capacity and revamping project management at the cement plant in Mbeya, such as a kiln upgrade, a plant control system upgrade to state-of-the-art technology, with a central control room, Electrical and instrumentation system upgrades, a new vertical cement mill and a new cement-packing machine. Mbeya has a total of 100 employees across all of its locations and generates approximately USD17.28 million in sales. However, the company recorded losses after tax of USD9.42 million, USD14.6 million and USD11.9 million for the years 2018, 2019 and 2020 respectively.

About Pan African Cement

Pan African, part of LafargeHolcim Limited, was incorporated on 28 July 2000 and continues to exist under the laws of Mauritius. The company has its registered office located at Les Cascades Building, Edith Cavell Street, Port Louis 11324, Mauritius and currently owns 51% shareholding in Lafarge Zambia.

TRANSACTION DETAILS

In line with the requirements of Section 9 and 10 of the Lusaka Securities Exchange ("LuSE") Listings Requirements, the salient features of the Transaction are as follows.

Particulars of the Disposal:	Disposal of 14% stake in Mbeya Cement
Seller	Lafarge
Buyer	Pan African
Particulars of the Disposal	Disposal of 14% of issued shares in Mbeya
Consideration	ZMW 26,221,000
Payment Terms	CASH

Conditions Precedent	NA
Effective Date:	24 th May 2021
Rationale for Disposal	The 14% stake was acquired in 1998 for consideration of ZMW 4,741,424. However, since the acquisition, Lafarge has not received any dividends but the value of the investment has increased. Accordingly, the Board proposed the disposal in order to realise the capital gains.
Use of Proceeds	Invest in plant improvement projects of it's Ndola and Chilanga plants
Fair and Reasonable Opinion on the Transaction:	The Independent Expert ("the Expert") analysed the terms of the Transaction to ascertain the extent to which the terms of the Transaction are fair as far as the minority shareholders of Lafarge are concerned. The Expert has declared that the Transaction is Fair, and the fairness opinion will be available for inspection by shareholders at the Lafarge offices for a period of 28 days from Friday, 21 May 2021.

The Pro-forma financial effects of the Proposed Disposal on Lafarge are expected to be as follows:	Post Transaction	Pro Forma Adjustments	Post Transaction	Percentage change (%)
Earnings Per Share (EPS) (ZMW)	1.81	-	1.81	0%
*Headline Earnings Per Share (HEPS) (ZMW)	1.81	-	1.81	0%
Net Asset Value (NAV) per share	8.18	-	8.18	0%
Ordinary Shares in issue	200 040 457	-	200 040 457	00
Shares in issue	200 040 457	-	200 040 457	00
Weighted average number of Ordinary Shares in issue	200 040 457	-	200 040 457	00

Shareholders are advised to exercise caution when dealing in the Company's securities until completion of the Transaction which is expected on 24 May 2021.

By Order of the Board

Chibuye Mbesuma Ngulube
Company Secretary

Issued in Lusaka, Zambia on May 21, 2021

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | advisory@sbz.com.zm

W | www.sbz.com.zm

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