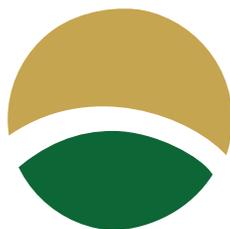


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



Dawn Properties Limited

(Incorporated in Zimbabwe on 17 June 2003 under Company Registration Number 9363/2003)

CIRCULAR TO SHAREHOLDERS

Relating to
**The Acquisition of the entire issued share capital of Dawn Properties Limited by
African Sun Limited whereby 1 African Sun Limited Share will be offered for every 3.988075946
Dawn Properties Limited Shares Held**

And Incorporating

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Dawn Properties Limited, to be held virtually, on Monday the 19th October 2020, at 1000 hours, which notice was published on Monday the 28th September 2020 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange ("ZSE") and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours, on Wednesday the 14th of October 2020.

Offer Opens at 1000 Hours on
Offer Closes at 1600 Hours on

Friday 23 October 2020
Friday 13 November 2020

Sponsoring Brokers



Financial Advisors



Independent Financial Advisors



Independent Reporting Accountants



Legal Advisors



Corporate Finance

Transfer Secretaries



This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listings Requirements of the ZSE, for the purpose of giving information to the public with regard to the Transactions as more fully set out in this Circular. The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at the Registered Office of Dawn Properties or IH Securities.

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 advisors. If you no longer hold any shares in Dawn Properties, you should send this Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in Dawn Properties was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of Dawn Properties, whose names are given in paragraph 8.2 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Circular false or misleading, and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

The Directors confirm that the Circular particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Listing particulars relate.

The Company's lead financial advisors, sponsoring broker, legal advisors, transfer secretaries and reporting accountants have consented in writing to act in the capacity stated and to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue of this document: Monday 28 September 2020

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CORPORATE INFORMATION

The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange. Dawn Properties Limited derives professional services from the following:

Company Secretary and Registered Office

Markus De Klerk
8th Floor Beverly Court
100 Nelson Mandela
Harare
Zimbabwe

Offerors

African Sun Limited
Bally House, 870 Endeavour Way
Mount Pleasant Business Park
Harare
Zimbabwe

Financial Advisors

Inter-Horizon Advisory (Private) Limited
Block 3
Tungate Business Park
30 Tungate Road
Mount Pleasant
Harare
Zimbabwe

Sponsoring Brokers

Inter-Horizon Securities (Private) Limited
Block 3
Tungate Business Park
30 Tungate Road
Mount Pleasant
Harare
Zimbabwe

Reporting Accountants

PricewaterhouseCoopers Chartered Accountants
Arundel Office Park
Building 4
Norfolk Road
Mount Pleasant
Harare
Zimbabwe

Independent Financial Advisors

Imara Corporate Finance (Private) Limited
Block 2, Tendeseka Office Park
Samora Machel Ave
Eastlea
Harare
Zimbabwe

Transfer Secretaries

Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st & Kwame Nkrumah Avenue
Harare
Zimbabwe

Principal Bankers

First Capital Bank Limited
Barclay House
Corner 1st & Jason Moyo Avenue
Harare
Zimbabwe

Legal Advisors

Dube, Manikai & Hwacha Legal Practitioners
6th Floor, Gold Bridge,
Eastgate Complex
Corner Sam Nujoma Street & Robert Mugabe Way
Harare
Zimbabwe



FORWARD LOOKING STATEMENTS

This Circular includes forward looking statements regarding Dawn Properties Limited. Forward looking statements are those other than statements of historical facts, included in this Circular. Any statements preceded by, followed by or including the words “believes”, “expects”, “aims”, “estimates”, “anticipates”, “may”, “will”, “should”, “could”, “intends”, “plans”, “seeks”, or similar expressions, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause Dawn Properties Limited’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are inherently based on numerous assumptions regarding Dawn Properties Limited’s present and future business strategies and the environment in which Dawn Properties Limited will operate in the future. These forward-looking statements speak only as at the date of this Circular. The Directors of Dawn Properties Limited expressly disclaim any obligation or undertaking to disseminate, after the distribution of this Document, any updates or revisions to any forward looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward looking statement is based, unless legally required to do so.



INTERPRETATIONS AND DEFINITIONS

In this document unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

<i>"Acquisition"</i>	The Offer by African Sun to acquire all the shares in Dawn Properties that it does not already own;
<i>"Acquisition Payment Date"</i>	The date on which the Acquisition Consideration will be posted to Dawn Properties Limited shareholders;
<i>"African Sun" or, "the Company" or, "the Group" or, "ASL"</i>	African Sun Limited, a Public Company incorporated in Zimbabwe under company registration number 643/71 and listed on the ZSE;
<i>"Articles"</i>	The Articles of Association of Dawn Properties;
<i>"Auditors" or "Independent Reporting Accountants"</i>	PricewaterhouseCoopers Chartered Accountants (Zimbabwe), Independent Auditors of the Company and Independent Reporting Accountants to the Transaction;
<i>"Board" or "Directors"</i>	The Board of Directors of Dawn Properties;
<i>"Broker"</i>	Any person or company registered as a member with the ZSE and authorised to buy and sell shares and other securities on behalf of customers;
<i>"Business Day"</i>	Monday to Friday inclusive, but excluding public holidays in Zimbabwe;
<i>"CAGR"</i>	Compound Annual Growth Rate;
<i>"Circular" or "the Document"</i>	This document dated Monday, the 28 th of September 2020 including the appendices hereto, addressed to Dawn Properties Shareholders, which sets out the terms and conditions of the Transaction;
<i>"Companies Act"</i>	The Companies and Other Business Entities Act (Chapter 24:31);
<i>"Conditions Precedent"</i>	The Conditions Precedent to which the Acquisition is subject, and the Delisting is subject as set out in section 8;
<i>"CSD"</i>	Central Securities Depository;
<i>"Dawn Properties" or "Dawn"</i>	Dawn Properties Limited, a public company incorporated in Zimbabwe under company registration 9363/2003 and listed on the ZSE;
<i>"Dawn Shareholders"</i>	The holders of ordinary shares in Dawn Properties Limited;
<i>"Documents of Title"</i>	Share certificates, dematerialised shares in CSD accounts, certified transfer deeds, balance receipts or any other physical documents of title to shares acceptable to the issuer of such shares;
<i>"EBITDA"</i>	Earnings Before Interest, Taxation, Depreciation and Amortisation;
<i>"EGM"</i>	Extraordinary General Meeting of Dawn shareholders convened in terms of the Companies Act and the same, to be held virtually at 1000 hours on Monday 19 October 2020, at which Dawn Shareholders will vote on the Offer;
<i>"EPS"</i>	Earnings per share;



INTERPRETATIONS AND DEFINITIONS (CONTINUED)

<i>"Exchange Control Regulations"</i>	The Exchange Control Regulations promulgated under the Exchange Control Act [Chapter 22:05] including and without limitation, the Exchange Control Regulations, Statutory Instrument 109 of 1996, as amended;
<i>"Form of Proxy"</i>	The Form of Proxy accompanying this Circular;
<i>"Form of Acceptance"</i>	The Form of Acceptance accompanying this Circular;
<i>"IAS"</i>	International Accounting Standards;
<i>"IFRS"</i>	International Financial Reporting Standards;
<i>"IH Advisory"</i>	Inter-Horizon Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe;
<i>"IH Securities"</i>	Inter-Horizon Securities (Private) Limited, the sponsoring broker for the Transaction and a member of the Zimbabwe Stock Exchange;
<i>"Imara" or "Independent Financial Advisors"</i>	Imara Corporate Finance (Private) Limited, independent financial advisors to the Transaction;
<i>"NAV"</i>	Net asset value;
<i>"Non-Resident Shareholder(s)"</i>	A holder(s) of Dawn Properties shares who is designated as "non-resident" in terms of the Exchange Control Regulations;
<i>"Offer"</i>	The Offer by African Sun to acquire 100% of the ordinary shares of Dawn Properties;
<i>"Offer Shares"</i>	Shares held by all Shareholders recorded in the Register, other than African Sun, on the Offer Consideration Record Date;
<i>"Offeror"</i>	African Sun Limited;
<i>"RBZ"</i>	Reserve Bank of Zimbabwe;
<i>"Register"</i>	The Register of Shareholders of the Company maintained by the Transfer Secretaries and the sub-register of nominee Shareholders maintained by each Broker;
<i>"Registrar"</i>	The Registrar of Companies appointed in terms of the Companies Act;

INTERPRETATIONS AND DEFINITIONS (CONTINUED)

<i>"Offer Consideration" or "Acquisition Consideration"</i>	The consideration payable to Dawn Properties Shareholders for their Shares in terms of the Acquisition, being the consideration of 1 African Sun shares for every 3.988075946 Dawn Properties Share. For the purposes of this Transaction, shares to be issued will be rounded to the nearest whole number;
<i>"Offer Consideration Record Date"</i>	The date on which the Register of Dawn Properties Shareholders will be closed to determine the eligibility of Shareholders to accept the Offer Consideration, which date is expected to be Wednesday the 30 th of September 2020;
<i>"Operative Date"</i>	The date on which the Change in Control shall have occurred;
<i>"Target Shares"</i>	All Dawn Properties Shares held by Dawn Shareholders on the Operative Date, being 2,457,172,108 Dawn Properties Shares at the Last Practicable Date;
<i>"Shareholder(s)"</i>	The holders of ordinary Shares of Dawn Properties;
<i>"Shares"</i>	The issued and/or authorised share capital of Dawn Properties;
<i>"Transaction"</i>	The Offer by African Sun Limited to acquire 100% share capital of Dawn Properties Limited;
<i>"Transfer Secretaries"</i>	Corpserve Registrars (Private) Limited who provide share transfer secretarial services to Dawn Properties;
<i>"US\$"</i>	The United States Dollar;
<i>"Voting Record Date"</i>	The date for Shareholders to be recorded in the Register eligible to vote at the EGM, being at 1600 hours on Wednesday the 30 th of September 2020;
<i>"VWAP"</i>	Volume weighted average price;
<i>"ZSE"</i>	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;
<i>"ZWL"</i>	The Zimbabwean Dollar;



SALIENT FEATURES OF PROPOSED TRANSACTIONS

Overview of the Acquisition

African Sun is proposing to put forward an offer to acquire 100% of Dawn's issued share capital. Should the offer become binding, African Sun will acquire 100% ownership of Dawn. Upon the Acquisition, Dawn shareholders will receive 1 African Sun ordinary share for every 3.988075946 Dawn ordinary shares held. Consequently, Dawn will be delisted from the ZSE.

Overview of African Sun

African Sun Limited, is a Zimbabwe based hospitality management company that was established in 1968. The company's strategic focus is on the hospitality and leisure industry in which it participates through its operations in hotels, resorts and casinos. African Sun changed its name from Zimbabwe Sun in 2008, as it sought to grow into a pan-African business with operations in Ghana and Nigeria. In January 2015, the company sold its hotels in Ghana and Nigeria to focus on the more profitable Zimbabwean operations.

A summary of African Sun's Hotel Portfolio as at 31 December 2019 is found in the table below:

HOTEL PORTFOLIO	LOCATION	ROOMS CONFERENCE	CAPACITY	RESTAURANTS
Premier Brand				
The Victoria Falls Hotel	Victoria Falls	161	40	3
Stand-Alone Brands				
Monomotapa Harare	Harare	243	500	2
Elephant Hills Resort and Conference Centre	Victoria Falls	276	500	3
Hwange Safari Lodge	Hwange	100	100	2
The Kingdom at Victoria Falls	Victoria Falls	294	510	3
Troutbeck Resort	Nyanga	70	445	2
Caribbea Bay Resort	Kariba	118	220	1
Great Zimbabwe Hotel	Masvingo	87	100	1
Under Franchise				
Holiday Inn Harare	Harare	201	600	2
Holiday Inn Bulawayo	Bulawayo	157	835	2
Holiday Inn Mutare	Mutare	96	570	1
Total		1 803	4 420	22
SUN CASINOS		GAMES AVAILABLE		
Harare Sun Casino		Slot Machines, American Roulette and Black Jack		
Makasa Sun Casino		Slot Machines, American Roulette and Black Jack		

Overview of Dawn Properties Limited

Dawn Properties Limited is a Company in real estate investment, development and consulting in Zimbabwe. Established in 2003, the Company has significant investments in hotel properties in all the major tourist destinations in Zimbabwe, as well as a large undeveloped residential land bank. The Company is listed on the Zimbabwe Stock Exchange. Dawn Properties has three integrated real estate businesses, namely property investments, property development and property consultancy. The Company's flat corporate structure and business model supports synergies across its businesses and contributes to the overall success of the businesses.

SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Property investments

Dawn's hotel properties are valued at ZWL1 476 666 450 as at 31 December 2019 and are operated by African Sun Limited under long term operating leases. Rental income from African Sun is the main contributor to Dawn's revenue. In addition, Dawn's hotel portfolio also includes timeshare properties. Acquired in March 2016 from African Sun Limited for US\$1.1million through a settlement transaction, these timeshares offer customers who are looking for a flexible, dependable and affordable vacation option, partial ownership and regular access to luxury lodges located in two major vacation destinations – Blue Swallow Lodges located in Nyanga and the Kingfisher Cabanas in Kariba.

Proposed Acquisition of Dawn Properties Limited

At the meeting held on 18 May 2020, the Board of Directors of African Sun considered and identified a potential opportunity for the acquisition of Dawn Properties Limited. It was undertaken to conclude the transaction in lieu of its shares. Included in Section 9.3 is an indication of the implied purchase consideration based on this price based on number of shares held. The negotiated value of the acquisition at the Effective Date of the Dawn Acquisition, is to be settled via an issuance of 616,129,718 new African Sun ordinary shares that are listed on the ZSE for 2,457,172,108 shares in Dawn Properties representing 100% of the issued shares.

On completion of the Acquisition, Dawn will become a wholly owned subsidiary of African Sun and Dawn will delist from the ZSE and African Sun will remain listed on the Zimbabwe Stock Exchange.

Dawn Shareholders will be asked to approve several Resolutions as per the ZSE Listings Committee requirements. These are summarized below:

- An ordinary resolution to consider the proposed transaction for the acquisition by ASL of up to 100% of the issued share capital of Dawn by means of a share swap through the issue of the Acquisition Shares with the result that Dawn Shareholders who accept the offer will become Shareholders in ASL and Dawn may become a subsidiary of ASL and otherwise for the implementation of the Transaction described in the Circular to Shareholders.
- An ordinary resolution to authorize and empower Dawn's Directors to take all steps and actions to give effect to the resolution above, and to implement the Transaction, including signing all resolutions and agreements for the purpose.

Mechanics of the Offer

- Dawn shareholders holding their own physical share certificates or dematerialised shares held on the CSD who wish to accept the offer should complete the Form of Acceptance, Surrender and Transfer presented in Annexure 5 of this Circular, in accordance with the instructions therein.
- These documents must then be forwarded, with relevant share certificates enclosed or CSD account number, to the Transfer Secretaries, Corpserve Registrars (Pvt) Limited at the address set out in the "Corporate Information" section at the beginning of this Circular on or before the closing date of the Offer no later than 1600 hours on Friday 13 November 2020.
- Late postal acceptances will be accepted provided the envelope is postmarked with a date on or before the Closing Date of the Offer and provided they are received by Friday 13 November 2020.
- Dawn shareholders who do not wish to accept the offer should not fill out the Form of Acceptance, Surrender and Transfer.
- New shares are to be then posted on the ZSE on or about Monday 23 of November 2020.

Directors Recommendation

In accordance with the ZSE Listing Requirements, the Board, through its Non-Executive Directors, appointed Imara Corporate Finance Zimbabwe as Independent Financial Advisors, to advise as to whether the terms of the Proposed Transactions are fair and reasonable to Dawn Shareholders. Taking into consideration the terms and conditions of the Proposed Transactions, the Independent Financial Advisor is of the opinion that such terms and conditions are fair and reasonable to Dawn Shareholders. The Independent Financial Advisor's opinion is included in Annexure 2 of this Circular and has not been withdrawn prior to the publication of this Circular. The Directors, having considered the future prospects of the Company and the opinion of the Independent Financial Advisors, have concluded the Proposed Transaction as fair and reasonable.



SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Benefits of the Proposed Transaction

The benefits of the acquisition include, but are not limited to, the following:

- Dawn's property portfolio has consistently performed below expectation with its yields averaging below 3%. Thus the opportunity to have exposure in African Sun will enhance the free cash flow yield for the shareholders of the merged entity.
- Given the consideration will be in new African Sun shares the enlarged entity will provide greater liquidity to investors
- Cost savings will be unlocked after the Acquisition – the current structure of two listed companies creates material cost duplication to achieve the same objective; Cost savings will be achieved mainly from the rationalisation of:
 - o Structural efficiencies removing duplication;
 - o Increased procurement efficiencies;
 - o Constructive leveraging of capital permitting cheaper pricing of debt; and
 - o Administrative and head office functions.

The bulk of the cost savings are anticipated within the first full year post the transaction.

In the event that the Acquisition does not take place, then African Sun and Dawn will both remain separate companies with substantially the same shareholding and the benefits previously outlined above will not be available to either African Sun or Dawn shareholders.

Dividend Policy

Following the Acquisition, the Directors of African Sun expect to maintain the policy of paying as dividends, at least 30% of long-term sustainable earnings.

Timetable and Important Dates

Important Dates	
Dawn EGM Notice and announcement published	Monday 28 September 2020
Voting and Offer Record Date, Dawn share register closed (at 1600 hours)	Wednesday 30 September 2020
Last day of lodging Proxy Forms (at 1600 hours)	Wednesday 14 October 2020
Dawn EGM (at 1000 hours)	Monday 19 October 2020
Publication of Dawn EGM resolution results	Wednesday 21 October 2020
Offer opens (at 1000 hours)	Friday 23 October 2020
Offer closed (at 1600 hours)	Friday 13 November 2020
Publication of Dawn Offer Results	Monday 16 November 2020

The above dates may be subject to change, and any such change will be published in the Zimbabwe national press. All times indicated above and elsewhere in the Circular are Zimbabwean local times.

Actions to be taken by Dawn Shareholders

- Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant, or other professional advisors;
- Attend and vote at the EGM to be held on Monday the 19th of October 2020; and
- Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of Dawn being, 8th Floor Beverly Court, 100 Nelson Mandela, Harare, Zimbabwe so that it is received by the Transfer Secretaries by no later than 1600hours, on Wednesday the 14th of October 2020. Proxy forms will be accepted at the discretion of the Chairman up to 1 hour before the commencement of the EGM. Shareholders may attend the meeting virtually, notwithstanding the completion and return of a Proxy Form.

SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Queries

If you have any questions on any aspect of this Document, please contact your stockbroker, accountant, banker, legal practitioner, or other professional advisors. Alternatively, please contact Inter-Horizon Advisory or Inter-Horizon Securities (whose details are given below):

Inter-Horizon (Private) Advisory

Block 3
Tungate Business Park
30 Tungate Road
Mount Pleasant
Harare
Zimbabwe
Email: advisory@ih-group.com
Tel: +263 (24) 274 5119/ 274 5139/ 274 5937

Inter-Horizon Securities (Private) Limited

Block 3
Tungate Business Park
30 Tungate Road
Mount Pleasant
Harare
Zimbabwe
Email: info@ihsecurities.com
Tel: +263 (24) 279 6477/86

Conditions Precedent

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Shareholders of African Sun of the resolutions authorising the Acquisition, by the requisite majority, at an EGM to be held on Tuesday 13 October 2020 in terms of the Notice of the EGM published in the national press dated Tuesday 22 September 2020;
- The Offer being accepted by Dawn shareholders representing not less than thirty-five per cent (35%) of the total ordinary shares and any preference shares with the right to vote with ordinary shares ("Control Block");
- African Sun notifying any remaining shareholders of its intention to acquire their shares as well as make a thirty day offer to the holders of any remaining unacquired Target Shares ("Remaining Shares Offer");
- The RBZ approval of payment of the Acquisition Consideration in the form of African Sun ordinary shares to Non-Resident Shareholders;
- Approval of the proposed Dawn Acquisition by the Competition and Tariff Commission;
- Obtaining all such other necessary regulatory approvals as may be required.

Documents Available for Inspection

Between Monday 28 September 2020 and Friday 13 November 2020, copies of the following documents will be available for inspection by electronic means, during normal working hours, at the Sponsoring Brokers, Financial Advisors and African Sun Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- The written consents detailed in Paragraph 13 of the Document;
- The Acquisition Agreement for the Acquisition of Dawn Properties Limited;
- The Independent Reporting Accountant's Report on the historical financial information for the three financial year ended 31 December 2019;
- The audited financial statements for the three financial years ended 31 December 2019 for African Sun and its subsidiaries;
- The audited financial statements for the three financial years ended 31 December 2019 for Dawn and its subsidiaries;
- The ZSE approval letter for the distribution of the circular; and
- The Acquisition Agreement for the Acquisition of Dawn becoming unconditional in accordance with their respective terms and conditions therein in adherence with the Companies Act.



DETAILS OF THE PROPOSED TRANSACTION

1. OVERVIEW OF THE PROPOSED TRANSACTION

1.1. The Proposed Acquisition of Dawn Properties Limited by African Sun Limited

Dawn Properties Limited is one of the industry leaders in real estate investment, development and consulting in Zimbabwe. Established in 2003, the Company has significant investments in hotel properties in all the major tourist destinations in Zimbabwe, as well as a large undeveloped residential land bank. Dawn Properties has three integrated real estate businesses, namely property investments, property development and property consultancy. The Company's flat corporate structure and business model supports synergies across its businesses and contributes to the overall success of the businesses.

At the meeting held on 18 May 2020, the Board of Directors of African Sun considered and identified a potential opportunity for the acquisition of Dawn Properties Limited. It was undertaken to conclude the transaction in lieu of its shares. Included in Section 9.3 is an indication of the implied purchase consideration based on this price. The negotiated value of the acquisition at the Effective Date of the Dawn Acquisition is to be settled via issuance of 616,129,718 African Sun ordinary shares that are to be listed on the ZSE for 2,457,172,108 shares in Dawn Properties representing 100% of the issued shares.

The issuance of these New Shares will involve:

- An initial issue of 616,129,718 African Sun ordinary shares, on the Effective Date of the Dawn Acquisition.

1.2. Conditions to the Acquisition

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Shareholders of African Sun of the Resolutions, by the requisite majority, at an EGM to be held on Tuesday 13 October 2020 in terms of the Notice of the EGM published in the national press dated Tuesday 22 September 2020;
- The Offer being accepted by Dawn shareholders representing not less than thirty-five per cent (35%) of the total ordinary shares and any preference shares with the right to vote with ordinary shares ("Control Block");
- ASL notifying remaining shareholders of its intention to acquire their shares as well as make a thirty day offer to the holders of any remaining unacquired Target Shares ("Remaining Shares Offer");
- The RBZ approval of payment of the Acquisition Consideration in the form of African Sun ordinary shares to Non-Resident Shareholders;
- Approval of the proposed Dawn Acquisition by the Competition and Tariff Commission;
- The Zimbabwe Revenue Authority ("ZIMRA").
- Obtaining all such other necessary regulatory approvals as may be required.

1.3. Termination of Listing of Dawn Shares on the ZSE

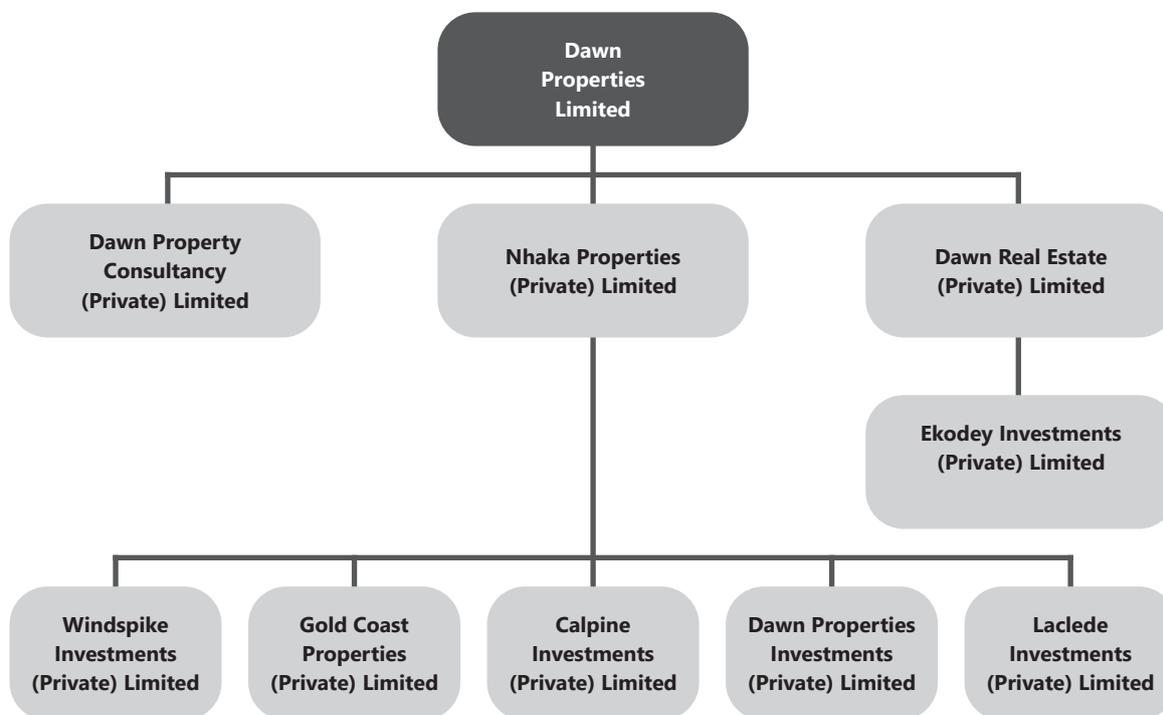
Subject to the fulfilment of the Conditions Precedent set out in Section 8 and the transaction becoming operative, the termination of listing of Dawn Shares on the ZSE will be required in accordance with paragraph 1.10E of the ZSE Listing Requirements. It is the intention of Dawn, to apply to the ZSE for voluntary delisting. Subject to the fulfilment of the Conditions Precedent set out in Section 11 and the Transaction becoming operative, the termination of listing of Dawn Shares will be carried out in accordance with paragraph 1.10E of the ZSE Listing Requirements. If the transaction does not become operative in its entirety, Dawn may apply for voluntary termination of its listing according to Section 1.10A of the ZSE Listing Requirements.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF DAWN PROPERTIES LIMITED

2.1. Dawn Properties Limited Group Structure

The Group structure is as follows:



2.2. Property Investments

Dawn's hotel properties valued at ZWL 1 476 666 450 as of 31 December 2019, are operated by African Sun Limited under 50 year operating leases, for the former Beitbridge Express Hotel which is partially leased to a third party. Rental income from the African Sun Limited leased portfolio is the main contributor to Dawn's revenue. In addition to Dawn's hotel portfolio are the timeshare properties which are currently owner-managed/operated. Acquired in March 2016 from African Sun Limited for US\$1.1million, these timeshares offer customers a flexible, dependable and affordable vacation option, partial ownership and regular access to luxury lodges located in two major vacation destinations – BlueSwallow Lodges located in Nyanga and the Kingfisher Cabanas in Kariba.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

The hotel and timeshare property portfolio comprises the following:

PROPERTIES	NUMBER OF ROOMS	LOCATION
Hotels		
Caribbea Bay Resort	118	Kariba
Monomotapa Hotel	245	Harare
Elephant Hills Resort and Conference Centre	276	Victoria Falls
Great Zimbabwe Hotel	87	Masvingo
Holiday Inn Mutare	96	Mutare
Hwange Safari Lodge	106	Hwange
Troutbeck Resort	70	Nyanga
Beitbridge Express	102	Beitbridge
Total available rooms	1109	
PROPERTIES	NUMBER OF LODGES	LOCATION
Timeshares		
Kingfisher Cabanas	11	Kariba
Blue Swallow Lodges	24	Nyanga
Total available timeshare units	35	

Kingfisher Cabanas and Blue Swallow Lodges are timeshare properties that offer one to three-bedroom self-catering stand-alone units.

2.3. Property Consultancy

The Group's property consulting services are offered through a standalone entity, Dawn Property Consultancy (Private) Limited ("DPC") (formerly CB Richard Ellis Zimbabwe). With a permanent staff complement of 38, DPC is one of the largest independent property consultancy firms in Zimbabwe offering mainly two services – property management and valuation advisory.

The property management division manages over 482 000m² of lettable space mainly on behalf of large corporates across 130 locations in Zimbabwe. The valuation advisory division offers accurate, timely and supportive conclusions of value for all types of property, plant, machinery and equipment.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2.4. Property Development

The Group owns land measuring approximately 2 900 hectares (ha), in both residential and commercial areas, whose fair value amounted to ZWL 180 901 000 at 31 December 2019. The land, which is largely earmarked for residential development, is located in some of the most sought after neighbourhoods in the country. The development of the residential land bank is being rolled out in phases with an objective of providing luxury, low to middle income residential housing solutions at competitive prices.

The Land Bank is as follows:

	SIZE (HA)	LOCATION
Borrowdale	1.78	Harare
Marlborough Residential Land	332.57	Harare
Lake View	9.15	Kariba
Mandara	1.45	Harare
Victoria Falls	3.76	Victoria Falls
Brondesbury Park	212.25	Juliasdale
Farm 41	2 330.36	Hwange
Mandara	1.45	Harare
Total	2 892.77	



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

3. OVERVIEW OF AFRICAN SUN

3.1. History of African Sun

African Sun Limited, is a Zimbabwe based hospitality management company established in 1968. It changed from Zimbabwe Sun Limited in 2008 to include the pan-African ideas. In January 2015, it sold its hotels in Ghana and Nigeria. It operates in the hospitality and leisure industry through a number of hotels, resorts and casinos throughout Zimbabwe with a reservations office in South Africa. It is listed on the Zimbabwe Stock Exchange.

3.2. The Industry

According to the Zimbabwe Tourism Authority, 2.5 million tourists generated an estimated \$1 billion in revenue in 2018. While tourism dropped by 11% in 2019, the country remained one of the top tourist destinations in Africa, attracting visitors from all over the world. Despite the challenges faced by the unstable economic environment in the country, exacerbated by the Covid 19 pandemic, African Sun has managed to retain its status as a leading Hotel Asset Management Company in Zimbabwe operating internationally recognized brands, with a clear vision to become the leading hospitality and leisure company in the markets it serves.

3.2.1. Operating Environment

The financial year 2019 was characterised by a volatile economy, a few political disturbances and a series of monetary and fiscal policy changes. These factors resulted in a challenging business environment in 2019, with the greatest impact felt in the first quarter where we had cancellation of bookings from both the domestic and foreign market. The combined impact of these macroeconomic and political developments on African Sun's business is reflected in the reduction in volumes from both their local and export markets.

In 2019 tourist arrivals in Zimbabwe decreased by 11%, a total of 2 294 259 tourists, registering an estimated US\$1.247 billion in tourism receipts. During the same period, international tourist arrivals into African Sun hotels decreased by 12% from 123 741 down to 108 328 compared to the same period last year.

Additionally, International tourist arrivals were largely depressed given protests which rocked the country in January and to some extent exacerbated by the image issues relating to economic challenges together with fuel and power shortages. However, it is important to highlight that 2018 benefited significantly from election related business and a relatively stable local macroeconomic environment.

3.2.2. Outlook

There are significant headwinds in the Zimbabwean economy, which make it difficult to forecast business performance, particularly business from the domestic market. Whilst, volume performance for the first three months of 2020 were in line with expectations, the novel coronavirus (COVID-19) has created unprecedented challenges for the travel and tourism industry. However, African Sun took early and decisive action to boost liquidity and reduce corporate expenditures as outlined under note 30.2. It is the company's view that the COVID-19 pandemic could adversely impact travel and tourism by more than 25% in 2020, an equivalent of three months' worth of tourism activity.

Many countries have grounded their airlines, implemented travel restrictions and quarantine measures in a bid to contain the impact of COVID-19 and flatten the infection curve. These measures are weighing on African Sun's domestic and international business outlook and are expected to result in cancellations of bookings or deferrals without concrete dates. As of 6 May 2020, African Sun's statistics have shown that they have had 31 907 room nights cancelled, which is substantial for the business. However, as lockdowns are proving to have an extremely high economic cost, governments world over have started looking at alternatives that will be less costly and more effective in the long-term at protecting communities and the economy. To that end, the government of Zimbabwe through several statutory instruments implemented measures to ease the lockdown to Level Two effective 4 May 2020. On 17 May 2020, the government further extended this lockdown for an indefinite period with regular two-week interval reviews to assess progress.

Significantly, the latest Level Two extension saw businesses trading hours being further relaxed and extended to 16:30 pm from 15:00pm. Under Level Two, in line with the relaxation of the lockdown measures, African Sun took a decision to reopen its hotels on a phased approach. Under phase one, four (4) hotels being (Holiday Inn Harare, Holiday Inn Mutare, Holiday Inn Bulawayo and Great Zimbabwe Hotel) were reopened on 11 May 2020. African Sun implemented strict health and safety measures as guided by the World Health Organization ("WHO"), InterContinental Hotels Group ("IHG") and government at its hotels. As the pandemic evolves, African Sun continues to assess the risks arising from the virus at all levels.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

With regards to revenue earning capacity and net-unit growth goals, the Group has completed two campsites at Great Zimbabwe Hotel, and Caribbea Bay Hotel with a combined capacity of 75 rooms accommodating a maximum of 150 people. The Group also launched Sun Leisure Tours (a touring division) in the first quarter of 2020, with the initial investment directed to Victoria Falls and Bulawayo. The company is working on resourcing Harare.

3.3. Operations

3.3.1. City and Country Hotels

Five hotels fall under this division including the three hotels that operate under the InterContinental Hotels Group (“IHG”) brand (Holiday Inn Harare, Holiday Inn Bulawayo and Holiday Inn Mutare). The other two hotels are Monomotapa Harare, which is located in the capital city Harare, with its iconic structure overlooking the Harare Gardens and the fifth, Troutbeck Resort.

3.3.2. Resort Hotels

The resort hotels are located in all of the country’s major tourist destinations, namely, Victoria Falls, Hwange, Masvingo and Kariba. The hotels are Elephant Hills Resort and Conference Centre and The Kingdom at Victoria Falls, located in Victoria Falls. Hwange Safari Lodge is situated adjacent to Hwange National Park. Great Zimbabwe Hotel is located in Masvingo, within walking distance from the Great Zimbabwe National Monument, a UNESCO World Heritage Site. Caribbea Bay Resort is located in Kariba on the shores of Lake Kariba, which is one of the four largest man-made lakes in the world and second largest reservoir by volume in Africa.

3.3.3. The Victoria Falls Hotel Partnership

The Victoria Falls Hotel is a property that the Group jointly operates with Meikles Hospitality (Private) Limited. The Hotel is affiliated to The Leading Hotels of the World.

3.3.4. Sun Leisure

This division comprises the gaming unit of the group (Casinos and the group’s ground handling unit) and Sun Leisure Tours. Sun Casinos operates one stand-alone charity casino (Harare Sun Casino) and one hotel-based casino (Makasa Sun Casino at The Kingdom at Victoria Falls).

Sun Leisure Tours was launched during the year under review. Sun Leisure Tours provides shuttle services, destination tours and other hospitality related leisure activities.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

3.3.5. Summary

A summary of African Sun's Hotel Portfolio as at 31 December 2019 is found in the table below:

HOTEL PORTFOLIO	LOCATION	ROOMS	CONFERENCE CAPACITY	RESTAURANTS
Premier Brand				
The Victoria Falls Hotel	Victoria Falls	161	40	3
Stand-Alone Brands				
Monomotapa Harare	Harare	243	500	2
Elephant Hills Resort and Conference Centre	Victoria Falls	276	500	3
Hwange Safari Lodge	Hwange	100	100	2
The Kingdom at Victoria Falls	Victoria Falls	294	510	3
Troutbeck Resort	Nyanga	70	445	2
Caribbea Bay Resort	Kariba	118	220	1
Great Zimbabwe Hotel	Masvingo	87	100	1
Under Franchise				
Holiday Inn Harare	Harare	201	600	2
Holiday Inn Bulawayo	Bulawayo	157	835	2
Holiday Inn Mutare	Mutare	96	570	1
Total		1 803	4 420	22

SUN CASINOS	GAMES AVAILABLE
Harare Sun Casino	Slot Machines, American Roulette and Black Jack
Makasa Sun Casino	Slot Machines, American Roulette and Black Jack

3.4. Historical Financial Information of African Sun

Revenue for 2017 was US\$51.83 million a 19% growth compared to 2016. The growth was spurred by an 8-percentage points increase in occupancy from 44% in 2016 to 52% in 2017. Occupancy growth was driven by a strong performance of all our source markets. Average daily rate ("ADR") for 2017 was US\$93 as the Group focused on driving occupancies. The rate strategy and growth in occupancy spurred rooms revenue per available room ("RevPAR") to US\$48 in 2017. Total RevPAR was US\$86. EBITDA for 2017 was US\$8.37 million as a result of revenue growth and continued cost management. Profit for 2017 from continuing operations was US\$4.82 million.

Group occupancies for the year ended 31 December 2018 was 592%, a 7-percentage points increase in from 52% last year to 59%. This resulted in revenue growing by 32% compared to 2017. The revenue growth was also augmented by a 17% growth in average daily rate ("ADR") from US\$93 recorded in 2017 to US\$109 as the hotels continued to align domestic rates to the implied exchange rate between US\$ and RTGS dollar. Occupancy growth was driven by a strong performance from all our source markets with room nights sold for domestic, international, and regional increasing by 12%, 14% and 7% respectively. The improvement in ADR and growth in occupancy spurred a 33% growth in rooms revenue per available room ("RevPAR") from US\$48 recorded last year to close at US\$64.

Total RevPAR also increased by 34% from US\$86 last year to US\$115 in 2018 as a result of the 32% growth in revenue.

In light of the above, the following is a summary of the trend analysis of the key performance indicators for the city and country hotels, resort hotels and the Victoria Falls Hotel Partnership respectively:

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

City and Country Hotels	2019	2018	2017	% Growth
Occupancy	55%	68%	59%	-19%
Average Room Rate	\$1 364	\$731	\$644	86%
Revenue Per Available Room (RevPAR)	\$755	\$497	\$382	51%
Total RevPAR	\$1 435	\$933	\$710	53%

Resort Hotels	2019	2018	2017	% Growth
Occupancy	40%	49%	44%	-18%
Average Room Rate	\$1 782	\$869	\$803	105%
Revenue Per Available Room (RevPAR)	\$715	\$429	\$353	66%
Total RevPAR	\$1 287	\$756	\$626	70%

Victoria Falls Hotel Partnership	2019	2018	2017	% Growth
Occupancy	60%	66%	63%	-9%
Average Room Rate	\$5 081	\$2 193	\$2 190	131%
Revenue Per Available Room (RevPAR)	\$3 060	\$1 450	\$1 389	111%
Total RevPAR	\$4 716	\$2 276	\$2 197	107%

During 2018 the Group posted EBITDA of US\$17.13 million. This was an increase of 78% from 2017 as a result of the growth in revenue and continued cost management. Net financing costs for the year amounted to US\$0.66 million, a 37% decrease from US\$1.05 million reported in 2017 due to loan repayments and lower average borrowing rates. Profit before income tax from operations was at US\$13.60 million; a 132% increase from US\$5.86 million reported in 2017 the prior year driven by the strong revenue performance and cost management. Profit for the year of US\$10.14 million was 110% higher than in 2017.

Group inflation adjusted revenue for the year ended 31 December 2019 was ZWL914 million; a 68% increase growth from prior year largely driven by ("ADR"). ADR grew by 102% from ZWL869 recorded in 2018 to ZWL1 759 as the hotels continued to align room rates with interbank exchange rate during the year.

Occupancy for 2019 was 48%, compared to 59% recorded in 2018. The comparable period benefited from a relatively stable economy, elections, and political developments. The local market was negatively affected by the January 2019 protests and low disposable incomes, with room nights declining by 15% from 214,892 reported in 2018 to 181,698 in 2019. The international market has also been affected by the general slowdown in world travel by 3%, as well as random actions of civil unrest like the Hong Kong strikes which affected our arrivals in the Victoria Falls destination, in particular for The Kingdom at Victoria Falls. Resultantly, foreign room nights reduced by 21% from 134,639 reported in 2018 to 106,526 reported in 2019.

The Group posted inflation adjusted EBITDA of ZWL387.94 million in 2019. This was 187% above 2018 EBITDA mainly in response to inflation pressure. Net financing costs for the year amounted to ZWL8.8 million, an 83% increase from ZWL4.8 million reported in 2018. The increase is mainly attributable to lease liabilities as finance costs on borrowings decreased by 93%.

Inflation adjusted profit before income tax for the year was at ZWL338.01 million; a 302% growth from ZWL83.89 million reported in 2018. Profit for the period was ZWL187.04 million, a growth of 227% from last year profit of ZWL57.21 million.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

African Sun Historical Financial Highlights for the 5 years to 31 December 2019

	CAGR %	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015**
Headline earnings						
Headline earnings / (loss) per share	-	12.03	1.17	0.31	0.31	(0.96)
Diluted headline earnings / (loss) per share	-	12.03	1.17	0.31	0.31	(0.96)
Net asset value	(270)	54.52	2.28	0.77	0.77	0.29
Closing market price	64	12.44	4.80	1.20	1.20	1.70
Ratios and Returns						
Revenue generation						
Revenue: ZWL	(63)	449 225 618	68 499 410	43 600 924	43 600 924	63 154 973
Room occupancy %	12%	48	59	44	44	49
RevPAR: ZWL	(108)	848	511	45	45	45
ADR: ZWL	(109)	1 759	869	93	93	93
Profitability and returns						
EBITDA: ZWL	172	387 947 720	135 104 405	5 484 832	5 484 832	7 092 331
EBITDA margin (%)	67	86	197	13	13	11
Pre-tax return on equity (%)	51	20	51	73	73	(356)
Income after taxation to total capital employed (%)						
	-	23	32	32	32	(87)
Pre-tax return on total assets (%)	130	732	14	14	14	(26)
Solvency						
Gearing (%)	(100)	-	34	34	34	65
*Interest cover (times)	(100)	-	3	4	4	1
Shareholders' equity to total assets (%)	58	44	20	20	20	7
Total liabilities to total shareholders' funds (%)	(61)	30	405	405	405	1,255

3.3. African Sun Strategy Review

During the year African Sun Limited transitioned from being a hotel investment company to a modern, wider, more flexible and competitive business model that of a hotel asset management company. This development was after the hotel management contract with Legacy Hospitality Management Services Limited (Legacy) was terminated. To date, the Group has fully integrated and taken over the management of all the hotels previously managed by Legacy. Group operations are now segmented into country and city hotels, resorts hotels and the partnership and sun leisure division. The divisions/segments are reviewed as shown in note 7 of these financials. The strategy driving change in our business model is premised on the need to move the Group to a position of sustainable growth and value creation.

Below is the summarised overall strategic intent for the Group:

1. Consistently achieve no less than 20% pre-tax return on equity;
2. To achieve an EBITDA margin of at least 25% ;
3. Customer Satisfaction Index (CSI) of 75% and above;
4. Create a benchmark in our talent development for sustainability, succession and growth;
5. Ensure that associations with reputable brands have sustainable long-term returns;
6. Seek to be in top 3 measured by Revenue Generation Index (RGI) in markets in which we operate; and
7. To align the African Sun model to a Hotel Asset Management Company.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4. CORPORATE GOVERNANCE

4.1. Introduction

Dawn Properties is committed to a Code of Corporate Practices and Conduct based on the principles laid out in the King Reports and the Principles of Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice. The Directors recognise the need to conduct the affairs of the Group with principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its Shareholders, employees and other stakeholders. This process enables the Company's Shareholders and stakeholders to derive assurance that, in protecting and adding value to Dawn Properties' financial and human capital investment, the Company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

4.2. Board of Directors

The primary responsibility of the Board is to discharge its fiduciary responsibility to the Shareholders and the Company. The Board is accordingly the highest policy organ of the Company and acts to direct strategy. The full names, addresses and positions of the Directors of Dawn Properties are set out below:

Full Name	Residential Address	Position
Graham Johnson	36 Ross Road, Borrowdale, Harare	Chairman
Justin Dowa	7 Meadow Bank, Northwood, Harare	Managing Director
Ndangariro Mutizwa	27 Sussex Road, Avondale West, Harare	Finance Director
Murisi Mukonoweshuro	5 Thames Road, Vainona, Harare	Non-Executive Director
Brett Childs	Eden Roc Lane, Pereybere, Mauritius	Non-Executive Director
Peter Saungweme	112 Manresa Park, Harare	Non-Executive Director
Lloyd Mhishi	1 Beaulieu Close, Borrowdale, Harare	Non-Executive Director
Elizabeth Rabvukwa	Stand 360 Carrick Creagh Estate, Borrowdale, Harare	Non-Executive Director
Constantine Chikosi	13 Takunda Road, Murambi Gardens, Mutare	Non-Executive Director

Graham Johnson - Non-Executive Chairman

Mr. Johnson Johnson is an experienced projects and business manager whose career has developed from a broad technical base through consulting, operational and general management. He has extensive experience of working at Board level, setting strategy and direction and then implementing the decisions throughout the organisation. He established GPJ Projects in 2016, a professional Consultancy business offering services in the project management field of all types of projects. Graham was the Managing Director of Boschendal Wine Estate Property Development Company and was instrumental in gaining the first approvals for the R4.5 billion multi-use property development which included residential, retirement village, commercial, hotel and resort projects. Prior to this Graham was an Executive Director of Zimbabwe Sun Limited, now African Sun Limited, where he held several portfolios including those of Operations and Marketing Director responsible for the group's local, regional and international sales and marketing and Development Director where he was responsible for the Group's extensive hotel development programme during the 1990's. He did an Advanced Management Programme from Oxford University, Property Development programme from the University of Cape Town Graduate School of Business and a Bachelor's of Science in Quantity Surveying from the University of Cape Town.

Justin Dowa – Managing Director

Mr. Dowa is both a Chartered Surveyor and a Chartered Builder with broad experience in property investment. A former Chief Executive Officer for Mashonaland Holdings Limited and Dawn Properties Limited, he started his career at Knight Frank Zimbabwe before moving to CB Richard Ellis where he rose to become Partner. Justin has considerable overseas work experience having spent several years in Australia working for large organizations including Shell Australia Limited and Brookfield Multiplex Limited. A seasoned professional, Justin holds various qualifications including an MBA in Construction and Real Estate from the University of Reading, a post-graduate Diploma in Surveying from the College of Estate Management, a post-graduate Diploma in Project Management from the Royal Institution of Chartered Surveyors and a Bachelor of Arts from the University of Zimbabwe. He also holds memberships of the Australian Property Institute, the Zimbabwe Valuers' Council, and the Real Estate Institute of Zimbabwe. In the recent past, he has been Managing Director for Dawn Property Consultancy, a subsidiary of Dawn Properties Limited.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

Ndangariro Mutizwa – Finance Director

Mr. Mutizwa is a Deloitte trained Chartered Accountant and a Chartered Financial Analyst charter holder. He has over 13 years of experience in international financial reporting, taxation planning, administration and leadership, investments target screening, capital raise, deal structuring and strategy formulation and implementation. His experience spans across the following industries; insurance, property, hospitality, and manufacturing. Prior to joining Dawn Properties Limited, he was the Chief Finance Officer of Mashonaland Holdings Limited, and he also held senior roles at Masawara PLC in the finance and investments departments.

Murisi Mukonoweshuro- Non-Executive Director

Mr Mukonoweshuro has served as Non-Executive Director at Dawn Properties Ltd since January 1, 2013. He also serves as Chairman of the Finance and Investments Committee of the Company. He is a Chartered Accountant (“CAZ”) and is a member of the Institute of Chartered Accountancy of Zimbabwe. Through various assignments in audit, advisory services, banking and investment management, he has gained over 20 years’ experience in strategy, investment management, business acquisitions and financial management.

Brett Ivor Childs- Non-Executive Director

Mr. Childs was appointed to the Dawn Properties Limited Board on 16 March 2017. A Chartered Accountant from Zimbabwe, Brett is a business veteran with 30 years’ experience in capital raising, IPOs, managing investments and corporate exits. Brett spent 15 years in London, where he helped to build a successful venture capital business, listing assets on the London Stock Exchange (“LSE”) and Helsinki Stock Exchange (“HEX”). Mr. Childs is the former Chief Executive Officer of the major shareholder, Arden Capital Management (Private) Limited having joined in June 2016 as a Non-Executive Director.

Peter Saungweme – Non-Executive Director

Mr. Saungweme is a Chartered Accountant (Zimbabwe). He holds a Bachelor of Accounting Science Honours and Bachelor of Accounting Science degrees from the University of South Africa (“UNISA”), Certificate of Theory in Accounting (“CTA”) and an Advanced Diploma in Auditing. He possesses strong financial management background having been the Financial Controller of Ecobank Zimbabwe Limited and Chief Finance Officer at Cell Holdings (Private) Limited - a holding company with subsidiaries and associates with interests in short term and medical insurance.

Peter is the Chief Finance Officer and interim Chief Executive Officer of Arden Capital Limited (“Arden”). Before joining Arden, Peter was the Finance Director at Dawn Properties Limited. Peter has significant audit background in banking, insurance, tourism, and power generation sectors having worked as an Auditor Manager for both KPMG Zimbabwe Inc. and KPMG Namibia Inc. for a combined period of 5 years. Peter sits on the boards of Arden Capital Limited, African Sun Limited, Dawn Properties Limited, Dawn Property Consultancy (Private) Limited, FML Logistics (Private) Limited and on other boards for special purpose entities within the Arden Group of companies.

Lloyd Mhishi – Non-Executive Director

Mr. Mhishi is the founder and current Senior Partner of Mhishi Nkomo Legal Practice based in Harare. Lloyd has practiced law at several well-established Zimbabwean law firms since 1993. Although he has experience in general practice, Lloyd has a special interest in Property Law, Real Estate and Conveyancing including registration of transfers and mortgage bonds with the Deeds Office. He has extensive experience in financial transactions involving financing agreements for international funders having registered security in their favour binding local institutional debtors. He also has experience in commercial and corporate law practice, banking and financial services work. Individually and as part of teams, Lloyd has advised on significant transactions including on competition laws, reconstruction and restructuring, schemes of arrangement, privatisations, unbundling, mergers and acquisitions and listings relating to several companies listed on the Zimbabwe Stock Exchange.

Elizabeth Rabvukwa – Non-Executive Director

Elizabeth has more than 15years experience as an executive, and she is currently the Managing Director of Zimnat Financial Services (Private) Limited and an Executive Director of Zimnat Asset Management (Private) Limited. Prior to joining Zimnat Financial Services (Private) Limited, she held various senior executive roles at Reserve Bank of Zimbabwe and Zimnat Life Assurance Limited where she gained vast experience in strategy formulation and execution, business transformation, managing start ups, mergers and acquisitions, property development and property management.

Elizabeth is a non-executive director on various boards across different sectors spanning from health, financial services and parastatals. She is currently the Chairperson of the Finance and Audit Committee of Industrial Development Corporation of Zimbabwe. Elizabeth is a Chartered Accountant and also holds a Masters in Business Leadership from UNISA SBL and an Executive Leadership program from GIBS.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

Constantine Chikosi – Non-Executive Director

In a career spanning 20 years with the World Bank Group, Constantine held various operational, strategy and management roles delivering development solutions for the Bank's client countries through analytical work, high level policy dialogue with governments and advising its Board on internal corporate strategy and forward looking initiatives. He oversaw a threefold growth of the World Bank's investment portfolio in Southeast Asia and a 40 per cent improvement in its performance as chair of committees that shaped the Bank's operational strategy and investment portfolios in Cambodia, Laos, Malaysia, Myanmar and Thailand.

Constantine led the opening of the World Bank's offices in Malaysia and Mauritius where he assisted the government in developing policy responses to the 2008 global financial crisis and streamlining the country's business regulation to reduce the cost of regulatory compliance. Prior to joining the World Bank, he worked for the Commonwealth Secretariat in London as Chief Economics Officer and as business development executive for a global mining company. Currently, Constantine serves on the boards of Strand Hanson Ltd, a London-based investment bank, Mauritius Commercial Bank Group Ltd and BAT Zimbabwe Ltd, among other corporate engagements.

Constantine holds a law degree from the University of Zimbabwe, is a Chartered Management Accountant (UK), an MSc in Economics from the University of Surrey (UK) and a graduate of INSEAD Business School (France).

4.3. Directors Interests

As at the 25th of September 2020, the Directors directly and/or indirectly, did not hold beneficial interests in Dawn Properties Limited.

Directors	Shareholding (Direct and/or Indirect)	Percentage of Issued Share Capital
G. Johnson	-	-
J. Dowa	-	-
N. Mutizwa	-	-
M. Mukonoweshuro	-	-
B. Childs	-	-
P. Saungweme	-	-
L. Mhishi	-	-
E. Rabvukwa	-	-
C. Chikosi	-	-

4.4. Other Interests

Except as disclosed in this Document, none of the Directors of Dawn Properties have an interest in any contracts of significance relating to services provided to Dawn Properties by third parties.

4.5. Governance Committee

Dawn is an organisation built on the pillars of transparency, accountability, efficiency, integrity and sustainability. The Dawn Board of Directors is committed to ensuring that these values, standards and principles are held and practiced at the highest level. In support of this pledge, the organisation's executive leadership utilises firm corporate governance to guide all aspects of the organisation's business, and it's never ending development and its application of best practices.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4.6. Audit and Risk Committee

The committee has two primary mandates:

a) Audit

The audit aspect focuses on providing the Board with additional assurance regarding the efficacy and reliability of the financial information used by the Directors to assist them in the discharge of their duties. The Committee is required to provide assurance to the Board that adequate and appropriate financial operating controls are in place, that significant financial, business and other risks have been identified and are being suitably managed and that satisfactory standards of governance, reporting and compliance are in operation. Its responsibilities also include overseeing the financial reporting process, reviewing audit results, audit processes and risk management, the cost effectiveness, independence and objectivity of the auditors and compliance issues.

b) Risk

With respect to risk, the Committee identifies, assesses, manages and monitors the risks to which the business is exposed. The most significant risk is that of a single customer exposure. Others are single sectorial exposure and total or partial destruction of property. The tenant insures all properties at replacement values. The Audit and Risk Committee comprises three non-executive Directors. The Managing Director and Finance Director attend the meetings by invitation. The independent auditor has unfettered access to the committee and its chairman. The committee meets at least four times a year.

4.7. Remuneration and Nominations Committee

The Remuneration and Nominations Committee has the mandate to ensure that the Group adopts market related remuneration policies and reviews and approves remuneration for senior executives. In addition, the Committee also assesses and makes recommendations to the main Board of Directors on all new director appointments.

4.8. Finance and Investments Committee

The Finance and Investments Committee reviews the performance of the Group's investment property. In addition, the Committee also reviews and makes recommendations to the Board concerning new investment proposals as well as all financing arrangements.

4.9. Corporate Social Responsibility (CSR) and Ethics Committee

The Committee has an independent, oversight role with responsibility for monitoring and reporting on the Group's compliance with legislated social and economic development requirements and other codes of good practice relating to corporate citizenship, the environment, health, public safety and consumer protection.

4.10. Executive Committee

The Executive Committee ("EXCO") supports the Managing Director in carrying out his responsibilities for the day to day management of the Group's operations and consists of five members as follows;

- The Managing Director;
- the Finance Director;
- the Financial Controller;
- the Dawn Properties Consultancy (Private) Limited General Manager – Finance and;
- the Dawn Properties Consultancy (Private) Limited Property Manager.

4.11. Dealing in Shares

The Company has a policy, in line with the ZSE Listing Requirements, prohibiting dealings in shares by Directors, Officers and Executive Management for a designated period, which is one month prior to the end of the reporting period until the preliminary announcement of the Company's interim and year end results, or when they are in possession of price-sensitive information not within the public domain.

4.12. Ethics and Business Integrity

Professional and ethical standards and the highest standards of integrity are an integral part of how the Company conducts its business affairs. The Company recognises that investor and stakeholder perceptions are based on the manner in which the Company, its Directors, management and staff conduct business and the Company, therefore, strives to achieve the highest standards of integrity and business ethics at all times.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

5. TERMINATION OF LISTING OF DAWN PROPERTIES SHARES ON THE ZSE

Subject to the fulfilment of the Conditions Precedent set out in Section 11, the termination of listing of Dawn Properties Shares will be required in accordance with paragraph 1.10E of the ZSE Listing Requirements.

6. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

6.1. Capital Commitments

As at 31 December 2019, Dawn had no material capital commitments.

6.2. Finance Lease Commitments

As at 31 December 2019, Dawn had no material finance lease commitments.

6.3. Contingent Liabilities

As at 31 December 2019, Dawn had no material contingent liabilities.

7. MATERIAL CONTRACTS

As at 31 December 2019, Dawn had not entered into any material contracts, other than in the ordinary course of business.

8. LITIGATION STATEMENT

The Company is not involved in any material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of Dawn nor is the Company aware that any such proceedings are pending or threatened.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9. SHARE PRICE AND TRADING INFORMATION

9.1. Major shareholders

The table below details the top twenty shareholders of Dawn Properties as at 21 August 2020:

Rank	Names	Shares	Percentage
1	ARDEN CAPITAL MANAGEMENT (PRIVATE) LIMITED	1,275,953,683	51.93%
2	OLD MUTUAL LIFE ASSURANCE ZIMBABWE LIMITED	526,629,592	21.43%
3	LENGRAH INVESTMENTS (PRIVATE) LIMITED*	365,716,551	14.88%
4	MEGA MARKET (PRIVATE) LIMITED	87,151,860	3.55%
5	ZIMBABWE SUN EMPLOYEE SHARE	24,000,000	0.98%
6	STANBIC NOMINEES (PRIVATE) LIMITED	16,902,743	0.69%
7	ARCHER CLOTHING MANUFACTURING (PRIVATE) LIMITED	5,956,364	0.24%
8	STANBIC NOMINEES 033667800003	5,486,550	0.22%
9	HIPPO VALLEY ESTATE PENSION FUND-DATVEST	5,054,331	0.21%
10	ADRIAN RICHARD FRASER ARMSTRONG	4,678,990	0.19%
11	MRS FAANYA ROSE	3,853,200	0.16%
12	MR JONATHAN CHARLES STEWART CHENEVIX- TRENCH (NNR)	3,243,870	0.13%
13	LIANGMING JIN	3,048,617	0.12%
14	WILHEL HENRY ALFRED HANS- ALBERT KUHLMANN	3,000,000	0.12%
15	DATVEST NOMINEES (PRIVATE) LIMITED	2,511,251	0.10%
16	PICKOVER INVESTMENTS (PRIVATE) LIMITED	2,500,000	0.10%
17	LUDLOW INVESTMENTS (PRIVATE) LIMITED	1,969,973	0.08%
18	BNS NOMINEES AC SIMON T. D	1,885,747	0.08%
19	J. MUREHWA	1,875,000	0.08%
20	GURAMATUNHU FAMILY TRUST	1,652,139	0.07%
	Selected Shares	2,343,070,461	95.36%
	Non - Selected Shares	124,914,557	4.64%
	Issued Shares	2,457,172,108	100.00%

*Arden Capital Limited Nominee

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9.2. Share Price History

The tables below provide statistical information on the market price and volumes traded of African Sun shares:

Daily Share Price

Date	Closing Price	Volume	Date	Closing Price	Volume
12.05.2020	0.09	-	04.06.2020	0.50	1,000
13.05.2020	0.09	-	05.06.2020	0.60	4,800
14.05.2020	0.11	1,000	08.06.2020	0.72	588,900
15.05.2020	0.11	-	09.06.2020	0.82	72,100
18.05.2020	0.13	1,000	10.06.2020	0.95	5,100
19.05.2020	0.16	1,000	11.06.2020	0.95	48,300
20.05.2020	0.18	5,800	12.06.2020	0.95	21,000
21.05.2020	0.21	71,500	15.06.2020	1.14	7,000
22.05.2020	0.25	11,800	16.06.2020	1.14	3,300
26.05.2020	0.24	59,100	17.06.2020	1.14	41,600
27.05.2020	0.25	1,400	18.06.2020	1.14	1,600
28.05.2020	0.25	500	19.06.2020	1.13	11,000
29.05.2020	0.30	40,747,200	22.06.2020	1.13	1,900
01.06.2020	0.36	24,200	23.06.2020	1.13	8,200
02.06.2020	0.36	-	24.06.2020	1.14	3,600
03.06.2020	0.43	37,300	25.06.2020	1.14	5,000

Monthly Share Price

Price (ZWL)	Volume
0.03	401,600
0.04	206,900
0.04	2,127,200
0.05	71,126,600
0.08	89,930,300
0.08	1,002,900
0.07	73,757,800
0.08	1,029,200
0.12	139,500
0.11	47,349,400
0.07	2,515,300
0.14	40,900,300
0.86	885,900

Quarterly Share Price

Date	Price (ZWL)	Volume
Q3 2018	0.02	1,084,845
Q4 2018	0.03	6,603,406
Q1 2019	0.03	1,305,754
Q2 2019	0.03	18,546,983
Q3 2019	0.05	73,467,000
Q4 2019	0.08	164,693,700
Q1 2020	0.11	48,703,300
Q2 2020	0.36	44,301,500



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9.3. Table of Entitlements

The following table sets out the number of African Sun ordinary shares to which Dawn shareholders are entitled in terms of the Acquisition:

Number of Ordinary Shares Held	Entitlement of every 1 African Sun share for every 3.988075946 Dawn shares held
100	25
200	50
300	75
400	100
500	125
600	150
700	176
800	201
900	226
1,000	251
2,000	501
3,000	752
4,000	1,003
5,000	1,254
6,000	1,504
7,000	1,755
8,000	2,006
9,000	2,257
10,000	2,507
15,000	3,761
20,000	5,015
100,000	25,075
250,000	62,687
500,000	125,374
1,000,000	250,747
5,000,000	1,253,737
10,000,000	2,507,475
12,000,000	3,008,970

10. EXPERTS' CONSENT

The Financial Advisors, Sponsoring Brokers, Legal Advisors, Transfer Secretaries, Independent Financial Advisors, Auditors and Independent Reporting Accountants have submitted their written consents to act in the capacities stated and to their names being stated in the Document which consents have not been withdrawn as at the date of this Document. The above mentioned are available for inspection by interested parties in terms of Section 15 below.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

11. CONDITIONS PRECEDENT

The implementation of the Proposed Transactions is conditional upon the following:

- The passing by Shareholders of African Sun of the Resolutions, by the requisite majority, at an EGM to be held on Tuesday 13 October 2020 in terms of the Notice of the EGM published in the national press dated Tuesday 22 September 2020;
- The Offer being accepted by Dawn shareholders representing not less than thirty-five per cent (35%) of the total ordinary shares and any preference shares with the right to vote with ordinary shares ("Control Block");
- ASL notifying remaining shareholders of its intention to acquire their shares as well as make a thirty day offer to the holders of any remaining unacquired Target Shares ("Remaining Shares Offer");
- The RBZ approval of payment of the Acquisition Consideration in the form of African Sun ordinary shares to Non-Resident Shareholders;
- Approval of the proposed Dawn Acquisition by the Competition and Tariff Commission;
- Obtaining all such other necessary regulatory approvals as may be required.

12. REGULATORY ISSUES

1. Zimbabwe Stock Exchange - The ZSE approved the distribution of this Circular on Friday 25th September 2020.
2. Reserve Bank of Zimbabwe - In line with Exchange Control Regulations, the authority of the RBZ for the Company to issue shares to Non-Resident Shareholders has been sought.
3. Competition and Tariff Commission- the Company shall notify the Competition and Tariff Commission of the Acquisition as soon as the Shareholders have approved the Transaction;
4. The Zimbabwe Revenue Authority ("ZIMRA").

13. TRANSACTION COST IMPLICATIONS FOR DAWN SHAREHOLDERS

As African Sun's ('the buyers') Transfer Secretaries hold the register of Dawn ('the sellers'), the Transfer Secretaries will deduct a percentage of seller's trading fees as shares from each shareholder who will have accepted the offer. African Sun, the buyer of the shares being represented by IH Securities, will buy the shares and pay buyer's trading fees together with the sellers' trading fee. African Sun will then subsequently recover the seller trading fees from the shares withheld by Corpserve as seller trading fees.

14. CONFLICT OF INTEREST

None of the expert advisors to the Proposed Transaction directly or indirectly own shares in Dawn Properties Holdings or African Sun Limited. The contractual agreements entered between each respective expert adviser and the Companies pertaining to this offer to the Dawn Properties Shareholders were done at an arm's length basis.

15. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between Monday 28 September 2020 and Friday 13 November 2020, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers, Financial Advisors and African Sun Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- The written consents detailed in Paragraph 13 of the Document;
- The Acquisition Agreement for the Acquisition of Dawn Properties Limited;
- The Consolidated historical financial information including the Independent Reporting Accountant's Report for the three financial years ended 2019;
- The Independent Financial Advisor's Report dated 27 August 2020;
- The audited financial statements for the three financial years ended 31 December 2019 for African Sun;
- The audited financial statements for the three financial years ended 31 December 2019 for Dawn and its subsidiaries; and
- The ZSE approval letter for the distribution of the circular.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

16. DAWN PROPERTIES DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of Dawn Properties whose names appear below, collectively and individually accept full responsibility for the accuracy of the information in this Circular, and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and this Circular contains all information required by law.

Signed on 25 September 2020:

Director's Name	Position	Signature
Graham Johnson	Non-Executive Chairman	[Signed on original]
Justin Dowa	Managing Director	[Signed on original]
Ndangariro Mutizwa	Finance Director	[Signed on original]
Murisi Mukonoweshuro	Non-Executive Director	[Signed on original]
Brett Childs	Non-Executive Director	[Signed on original]
Peter Saungweme	Non-Executive Director	[Signed on original]
Lloyd Mhishi	Non-Executive Director	[Signed on original]
Elizabeth Rabvukwa	Non-Executive Director	[Signed on original]
Constantine Chikosi	Non-Executive Director	[Signed on original]

ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION

FINANCIAL COMMENTARY

The Group experienced a revenue decline of 4% in 2019 closing the year at ZWL66.5 million from ZWL69.3 million reported in 2018(2017: US\$5.1 million), owing to suspension of development inventory sales due to the subdued market.

Operating expenses amounted to ZWL36.1 million compared with ZWL24.7 million reported in 2018, representing a 46% growth in costs (2017 US\$3 million). The significant growth in expenses was a result of a general increase in costs in line with inflationary pressures experienced in 2019. The major cost driver was staff cost as the Group tried to cushion employees against a steep increase in costs of living. All the expense line items were moving in tandem with parallel exchange rates hence the sharp increase in costs compared to prior periods.

The Group recorded a net profit after tax amounting to ZWL861 million compared with ZWL21 million recorded in 2018 (2017: US\$3 million). The business adjusted for fair value gains in property of ZWL888.6 million following the change of reporting currency. We expect that fair value gains will continue to be adjusted in line with movements in the currency.

Property Investments

Hotel properties

Trading conditions were subdued in 2019 compared to the two previous years. Local demand declined as the economy continued to worsen towards the end of 2019. Salary increases across the board have not caught up with inflation forcing most consumers to reduce expenditure on travel. Internationally, our major source markets in the West faced uncertainty owing to Brexit and a trade war between the USA and China. As a result, overall occupancy was down 10% compared to 2018 performance.

Rental revenue earned for the 2019 financial period was at ZWL49.4 million compared with ZWL25.1 million for the prior year (2017: US\$3 million). The rental revenue growth was mainly attributable to increased rentals from Elephant Hills Resort and Conference Centre up by 270%, Monomotapa Hotel up by 223% and Holiday Inn Mutare up by 339%.

The rental yield improved to 5.4% in 2018 from 4% recorded in 2017. However, the yield decreased to 1.7% in 2019. This is largely a result of the volatility of the local currency during the reporting period.

Timeshare lodges – Blue Swallow Lodges and Kingfisher Cabanas

2019 represents the third full year under which Dawn has managed the timeshare resorts of Blue Swallow Lodges in Nyanga and Kingfisher Cabanas in Kariba. Revenue from timeshare rentals grew by 7% from ZWL1.7 million in 2018 to ZWL1.8 million in 2019 (US\$195,519 in 2017). Renovation of the lodges to world class standards is ongoing and should invariably increase the uptake of our timeshare contracts.



ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

Property development

Elizabeth Windsor Gardens

There were no sales recorded in 2019. The market was subdued as most banks suspended their mortgage offerings. Prior to the promulgation of Statutory Instrument 142 of 2019, prices had continued to be pegged in US\$ which put them beyond the affordability levels of most local buyers. The Group decided to hold the remaining 22 units for capital appreciation purposes and reclassified these from inventory to investment property on 31 December 2019.

Marlborough Sunset Views

The Group launched its second development project during the latter part of the second half of the year ended 31 December 2019. Marlborough Sunset Views is located about 13 kilometres west of Harare CBD. It consists of 295 residential stands measuring circa 2,000 square metres each. Phase 1 of the development is complete, and the stands are currently being sold. The large land bank in Marlborough offers exciting development opportunities in the short to medium term as the company tries to whether the global economic challenges as a result of the Covid-19 pandemic.

Property consultancy

The consultancy business recorded total revenue of ZWL15.7 million compared to ZWL20.5 million in 2018 (2017: US\$1.9 million). The business unit continues to be resilient despite a tough operating environment in the property management arena, driven by increased voids and downward pressure on rentals.

Property management remained the main driver of revenue, with a contribution of ZWL7.5 million compared to ZWL8.4 million in 2018 (2017: US\$1.2 million). Valuation and advisory services continued steady growth, with revenues of ZWL6.3 million from ZWL3.8 million in 2018 (2017: US\$570 305). Profit after income tax for the consultancy business decreased by 104% from ZWL4,297,966 in 2018 profit to ZWL169,030 loss in 2019 (2017 US\$662 005).



ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	31 December 2019 ZWL	31 December 2018 ZWL	31 December 2017 US\$
Revenue	66 544 330	69 304 469	5 131 783
Cost of sales	-	(35 995 464)	-
Gross profit	66 544 330	33 309 005	5 131 783
Fair value gain on investment property	888 644 964	11 799 237	1 949 696
Other income	3 190 080	1 348 585	66 039
Total income	958 379 374	46 456 827	7 147 518
Operating expenses	(36 133 142)	(24 705 383)	(2 972 682)
Net impairment losses on financial assets	(562 108)	(1 877 873)	53 313
Operating profit	921 684 124	19 873 571	4 228 149
Net finance expense (Monetary loss)/non-monetary gain	(1 229 816) (7 785 335)	(1 600 567) 10 030 933	(327 280) -
Profit before income tax	912 668 973	28 303 937	3 900 869
Income tax expense	(50 814 323)	(7 428 023)	(851 732)
Profit for the year	861 854 650	20 875 914	3 049 137
Other comprehensive income	4 540 413	-	-
Revaluation surplus	4 540 413	-	-
Items that may be subsequently reclassified to profit or loss	-	-	-
Items that may not be subsequently reclassified to profit or loss	-	-	-
Total comprehensive income for the year	866 395 063	20 875 914	3 049 137



ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

Inflation Adjusted

FOR THE YEAR ENDED 31 DECEMBER 2019	ATTRIBUTABLE TO OWNERS OF PARENT					Non- controlling interest	Total
	Share capital	Share premium	Revaluation reserves	Retained profits	Total		
Balance as at 1 January 2017	1 965 738	17 530 833	7 353 815	57 687 276	84 537 662	-	84 537 662
Comprehensive income							
Profit for the year	-	-	-	3 049 137	3 049 137	-	3 049 137
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3 049 137	3 049 137	-	3 049 137
Transactions with owners, in their capacity as owners recognised directly in equity							
Dividend declared and paid	-	-	-	-	-	-	-
Balance as at 31 December 2017	1 965 738	17 530 833	7 353 815	60 736 413	87 586 799	-	87 586 799
YEAR ENDED 31 DECEMBER 2018	ZWL	ZWL	ZWL	ZWL	ZWL		ZWL
Balance as at 1 January 2018	1 965 738	17 530 833	7 353 815	71 589 441	98 439 827	-	98 439 827
Adjustment resulting from adoption of IFRS9	-	-	-	(321 551)	(321 551)	-	(321 551)
Balance as at 1 January 2018 - restated	1 965 738	17 530 833	7 353 815	71 267 890	98 118 276	-	98 118 276
Adjustment resulting from adoption of IAS 29	14 961 628	133 430 701	55 971 367	254 754 992	459 118 688	-	459 118 688
Profit for the year	-	-	-	20 875 914	20 875 914	-	20 875 914
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	20 875 914	20 875 914	-	20 875 914
Transactions with owners, in their capacity as owners recognised directly in equity							
Dividend declared and paid	-	-	-	(1 707 293)	(1 707 293)	-	(1 707 293)
Balance as at 31 December 2018	16 927 366	150 961 534	63 325 182	345 191 503	576 405 585	-	576 405 585
YEAR ENDED 31 DECEMBER 2019	ZWL	ZWL	ZWL	ZWL	ZWL		ZWL
Balance as at 1 January 2019	16 927 366	150 961 534	63 325 182	345 191 503	576 405 585	-	576 405 585
Profit for the year	-	-	-	861 854 650	861 854 650	-	861 854 650
Other comprehensive income	-	-	4 540 413	-	4 540 413	-	4 540 413
Total comprehensive income for the year	-	-	4 540 413	861 854 650	866 395 063	-	866 395 063
Transactions with owners, in their capacity as owners recognised directly in equity							
Dividend declared and paid	-	-	-	(7 218 405)	(7 218 405)	-	(7 218 405)
Balance as at 31 December 2019	16 927 366	150 961 534	67 865 595	1 199 827 748	1 435 582 243	-	1 435 582 243

ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	31 December 2019 ZWL	31 December 2018 ZWL	31 December 2 017 US\$
ASSETS			
Non-current assets			
Investment property	1 476 666 450	564 021 195	88 175 000
Property and equipment	9 338 159	7 332 423	864 443
Trade and other receivables	19 917 539	19 917 539	-
	1 505 922 148	591 271 157	89 039 443
Current assets			
Inventories	1 734 568	21 047 313	5 116 873
Trade and other receivables	14 484 941	14 579 178	3 627 646
Current income tax assets	162 061	259 498	-
Cash and cash equivalents	874 178	10 447 959	203 390
	17 255 748	46 333 948	8 947 909
TOTAL ASSETS	1 523 177 896	637 605 105	97 987 352
EQUITY			
Share capital	16 927 366	16 927 366	1 965 738
Share premium	150 961 534	150 961 534	17 530 833
Revaluation reserves	67 865 595	63 325 182	7 353 815
Retained profits	1 199 827 748	345 191 503	60 736 413
	1 435 582 243	576 405 585	87 586 799
LIABILITIES			
Non-current liabilities			
Borrowings	2 341 609	9 811 187	3 424 488
Deferred lease income	271 059	1 841 126	204 036
Deferred tax liabilities	77 085 121	29 370 168	4 324 237
	79 697 789	41 022 481	7 952 761
Current liabilities			
Borrowings	3 739 536	9 185 509	1 074 929
Deferred lease income	32 688	191 724	14 782
Trade and other payables	4 125 640	10 799 806	1 173 558
Current income tax liabilities	-	-	184 523
	7 897 864	20 177 039	2 447 792
Total liabilities	87 595 653	61 199 520	10 400 553
TOTAL EQUITY AND LIABILITIES	1 523 177 896	637 605 105	97 987 352



ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

CONSOLIDATED STATEMENTS OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2019

	31 December 2019 ZWL	31 December 2018 ZWL	31 December 2 017 US\$
Cash flows from operating activities			
Profit before income tax	912 668 973	28 303 937	3 900 869
Adjustments for:			
- Fair value gain on investment properties	(888 644 964)	(11 799 237)	(1 949 696)
- Monetary loss/ (non-monetary gain)	7 785 335	(10 030 933)	
- Depreciation	1 688 044	1 284 720	149 119
- Impairment charge against trade and other receivables	562 108	1 877 873	(53 313)
- Profit from disposal of equipment	(778 566)	(73 165)	(6 092)
- Loss from disposal of investment property	-	31 057	16 214
- Interest income	(107 884)	(233 164)	(20 395)
- Interest accrued	1 337 701	2 212 958	285 175
- Impairment loss on equipment	2 894 562		
- Other provisions	-	98 539	37 785
Operating cash before working capital changes	37 405 309	11 672 586	2 359 667
Changes in working capital:			
Decrease/(increase) in inventories	(428 327)	16 601 436	(1 787 341)
Decrease/(increase) in trade and other receivables	(608 797)	(8 724 056)	403 730
Increase/(decrease) in trade and other payables	(8 262 344)	4 085 371	(545 411)
Net cash generated from operations	28 105 841	23 635 337	430 645
Income tax paid	(4 492 887)	(6 168 904)	(581 124)
Interest income	107 884	233 164	20 395
Interest paid	(1 337 701)	(2 212 958)	(285 175)
Net cash generated/(utilised) in operating activities	22 383 137	15 486 639	(415 260)
Cash flow from investing activities			
Purchase of property and equipment	(561 255)	(784 761)	(79 783)
Proceeds from sale of property and equipment	782 845	150 600	33 420
Proceeds from disposal of investment property	-	-	90 000
Acquisition of investment property	-	(4 288 544)	-
Acquisition of leasehold improvements capitalised to investment property	(3 065 177)	(265 561)	(62 267)
Net cash used in investing activities	(2 843 587)	(5 188 266)	(18 630)
Cash flows from financing activities			
Dividend paid	(7 218 405)	(1 707 293)	-
Proceeds from interest bearing borrowings	5 000 000	-	3 481 533
Repayment of interest-bearing borrowings	(8 915 329)	(8 951 428)	(3 240 863)
Net cash (utilised)/generated from financing activities	(11 133 734)	(10 658 721)	240 670
Net increase/(decrease) in cash and cash equivalents	8 405 816	(360 348)	(193 220)
Cash and cash equivalents at the beginning of the year	10 447 959	1 263 357	396 610
Inflation effect on cash	(17 979 597)	9 544 950	
Cash and cash equivalents at the end of the year	874 178	10 447 959	203 390

ANNEXURE 2 – REPORT OF INDEPENDENT FINANCIAL ADVISORS



Corporate Finance

**The Board of Directors
Dawn Properties Limited
8th Floor Beverly Court
100 Nelson Mandela Avenue
Harare**

27 August 2020

DRAFT FAIR AND REASONABLE OPINION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF DAWN PROPERTIES LIMITED BY AFRICAN SUN LIMITED

Introduction

In a letter dated 20 May 2020 African Sun Limited ("ASL") communicated its intention to acquire the entire issued share capital of Dawn Properties Limited ("Dawn") "the Proposed Transaction". After a number of subsequent engagements ASL submitted a more detailed offer proposing that the transaction be settled using newly issued ASL shares using a swap ratio of 3,988 Dawn shares for 1 ASL share with Dawn shareholders holding circa 41,6% of the issued share capital of the merged entity.

Scope

The board of directors of Dawn has appointed Imara Corporate Finance Zimbabwe to act as Independent Financial Advisor as required by the Zimbabwe Stock Exchange Listing Requirements and the Companies and Other Business Entities Act [Chapter 24:31], to provide its opinion on whether the terms and conditions of the proposed share swap with ASL are fair and reasonable to the shareholders of Dawn.

For the purposes of our opinion, our assessment of fairness is primarily based on quantitative issues, whilst the assessment of reasonableness is based primarily on qualitative factors.

A transaction may be said to be fair if the benefits received by the shareholders as a result of the transaction are equal to or greater than the value ceded by the shareholders as determined in accordance with an accepted valuation approach, or unfair if the opposite would hold true. Hence the Proposed Transaction would be considered fair to the shareholders of Dawn if the number of Dawn shares to be exchanged for each ASL share using the proposed swap ratio is within the range implied by the fair values of 100% of the issued share capital of Dawn and ASL.

A transaction may be considered reasonable even though the consideration may be lower than fair value after considering other qualitative factors related to the Proposed Transaction.

Fair and reasonable opinions do not purport to cater for individual shareholders but rather the larger general body of shareholders. Also an individual shareholder's decision may be influenced by such shareholder's particular circumstances and various options available to them. Accordingly a shareholder should consult an independent advisor if in any doubt as to the quantitative and qualitative merits or otherwise of the Proposed Transaction.



ANNEXURE 2 – REPORT OF INDEPENDENT FINANCIAL ADVISORS (CONTINUED)

Information considered

In arriving at our opinion we have considered the following information which has been provided by our financial information services providers (Capital IQ, ZFN, and Bloomberg), the management teams of ASL and Dawn and Inter-Horizon Advisory Services (Private) Limited or obtained from publicly available sources:

1. information on Dawn and ASL including the history, nature of businesses, the products and services they provide, the main drivers of value in the respective businesses, revenues and costs, key customers and where appropriate competitor activity;
2. audited financial information for ASL and Dawn for the financial years ended 31 December 2017 to 2019;
3. unaudited management accounts for Dawn for the periods 31 May 2020 and 30 June 2020;
4. projected financial information for Dawn for the financial years ending 31 December 2020 to 2024, including supporting assumptions and schedules, as prepared by Dawn management;
5. projected financial information for ASL for the financial years ending 31 December 2020 to 2024, including supporting assumptions and schedules, as prepared by Inter-Horizon Advisory Services (Private) Limited and ASL management;
6. the ASL proforma statement of financial position regarding the Proposed Transaction based on the swap ratio in the offer from ASL;
7. recent share trading data (volumes and prices) for ASL and Dawn and other publicly available financial information on listed companies with operations similar to those of Dawn and ASL;
8. the valuation reports for Dawn's property portfolio; and
9. other publicly available information relevant to the industry in which Dawn operates.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion including publicly available information whether in writing or obtained in discussion with the management of Dawn.

Imara has also considered and reviewed the offer circular to Dawn shareholders dated 7 September 2020 of which this report forms a part off.

Our approach to considering the Proposed Transaction and procedures performed

Valuation and assessment of quantitative and other factors

In considering the terms and conditions of the Proposed Transaction we performed a valuation of 100% of the issued share capital of ASL and a valuation of 100% of the issued share capital of Dawn. We also reviewed property valuation reports for DPL's property portfolio.

For the purposes of our valuation work we used the relative valuation and the asset valuations as our primary approaches for Dawn and the income approach and relative valuation approaches for ASL. In addition we considered and used the market approach (based on publicly available share trading data over a period of 360 days for both Dawn and ASL) to complement the results of our primary approaches.

In performing our valuations we considered the sensitivity of the valuation results to changes in assumptions around key business value drivers. Finally we compared the number of the Dawn shares to be exchanged for each ASL share to the number of shares implied by our range of fair values of Dawn and ASL and we considered the terms and conditions of the offer.

Assessment of qualitative and other factors

Our assessment of reasonableness included considering:

- the Proposed Transaction consideration in relation to the prevailing trading prices of Dawn and ASL prior to receipt of the offer and the prevailing trading prices at key times within the evolution of the Proposed Transaction;
- the current relationship between the two companies and the fact that the majority of property investments owned by Dawn are hotels leased by ASL which results in a substantial amount of economic value in particular Dawn's current and forecast revenue mix being driven in principle driven by the same economic drivers, industry risks and rewards as ASL;
- the long term lease agreements between Dawn and ASL;
- The opportunity for Dawn shareholders to gain a larger exposure to the revenues and margins inherent in ASL's hotel management business model that at present are limited by the terms and conditions of the lease agreements in force;
- The evolution of Dawn's current business model, its prospects for diversifying its operations and revenue streams; and
- An assessment of other key material risks in ASL business that the shareholders of Dawn are currently not exposed to.

ANNEXURE 2 – REPORT OF INDEPENDENT FINANCIAL ADVISORS (CONTINUED)

In considering the terms and conditions of the Proposed Transaction we have performed the following procedures:

- considered the background information on Dawn and ASL;
- considered the rationale for the Proposed Transaction;
- considered the nature and the terms and conditions of the lease agreements between Dawn and ASL;
- considered information made available by management of Dawn and ASL that included an overview of the Zimbabwe hospitality sector and the broader property sector in Zimbabwe and prospects for the two companies, their individual business models and synergies that may arise from the Proposed Transaction;
- considered any reasonably probable beneficial and significant effects of the Proposed Transaction on the business and prospects of Dawn and ASL in particular cost synergies and the forecast Cashflows; and
- considered other qualitative aspects of the Proposed Transaction.

Opinion

Based upon and subject to the foregoing, we are of the opinion that the terms and conditions of the proposed acquisition of the entire issued share capital of Dawn by ASL are fair and reasonable to the shareholders of Dawn.

Our opinion on the fairness of the Proposed Transaction is based the proposed swap ratio of 3,988 Dawn shares for every 1 ASL share falling within the range of swap ratios derived from the fair value range for Dawn and ASL shares. Our opinion on reasonableness is primarily derived from our understanding of the structure of the relationship of the two companies as defined by the long term leases in force, their sharing of common economic drivers and the prospects for potential synergies to be derived from the Proposed Transaction as we currently understand it.

Our opinion is necessarily based upon the information available to us up to 27 August 2020, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm. We have not undertaken to update this report for events and circumstances occurring subsequent to the date of its issuance.

Limiting conditions

The financial forecasts for Dawn and ASL used in the income approach relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual results of ASL and Dawn will correspond to the financial projections provided to us.

Our procedures and inquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express an audit opinion on the financial data or other information used in arriving at our opinion. Further, this opinion does not contain all the information required for an investment decision and the content may not be relied upon as such by any third party. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, save for inclusion in this Circular, without the prior written consent of Imara Corporate Finance Zimbabwe.

Independence

We confirm that we have no financial interest in Dawn and in ASL and in the outcome of the Proposed Transaction. Furthermore, we confirm that our professional fees are fixed and are not contingent upon the successful conclusion of the Proposed Transaction.

Consent

We hereby consent to this letter being included in the circular to Dawn shareholders to be issued on or about 7 September 2020.

Yours faithfully

Imara Corporate Finance Zimbabwe (Private) Limited



ANNEXURE 3 – NOTICE OF EXTRAORDINARY GENERAL MEETING



Dawn Properties Limited

(Incorporated in Zimbabwe on 17 June 2003 under Company Registration Number 9363/2003)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of Dawn Properties Limited to be held virtually by electronic means, on Monday, 19th October 2020, at 1000 hours, for the purpose of transacting the following business: -

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

ORDINARY RESOLUTION 1 – APPROVAL OF THE PROPOSED TRANSACTION

THAT the proposed transaction, being, the Offer made by African Sun Limited to acquire up to 100% of the issued share capital of Dawn Properties Limited by means of a share swap through the issuance of 616,129,718 new African Sun Limited ordinary shares to Dawn Shareholders at a swap ration of 1 African Sun Limited ordinary share for every 3.988075946 Dawn Properties Limited ordinary shares with the result that Dawn Shareholders who accept the offer will become Shareholders in African Sun Limited and Dawn Properties Limited may become a subsidiary of African Sun Limited, and otherwise for the implementation of the Transaction described in the Circular to Shareholders be and is hereby approved.

ORDINARY RESOLUTION 2 - DIRECTORS AUTHORISATION AND EMPOWERMENT

THAT the Company, through the Directors, be and is hereby authorised and empowered to take all steps and actions to give effect to Resolution 1 above, and to implement the Transaction, including signing all resolutions and agreements for the purpose.

BY ORDER OF THE BOARD

ANNEXURE 4 – FORM OF PROXY

I / We
 Of.....
 Being member/members of the above Company, hereby appoint:
 Mr. / Mrs. / Ms. / Dr
 Or failing him or her/the Chairman of the EGM.....
 Of.....
 As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held, on Monday, 19th of October 2020, at 1000 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
<p>ORDINARY RESOLUTION 1- APPROVAL OF THE PROPOSED TRANSACTION</p> <p>THAT, the proposed transaction, being, the Offer made by African Sun Limited to acquire up to 100% of the issued share capital of Dawn Properties Limited by means of a share swap through the issuance of 616,129,718 new African Sun Limited ordinary shares to Dawn Shareholders at a swap ration of 1 African Sun Limited ordinary share for every 3.988075946 Dawn Properties Limited ordinary shares with the result that Dawn Shareholders who accept the offer will become Shareholders in African Sun Limited and Dawn Properties Limited may become a subsidiary of African Sun Limited, and otherwise for the implementation of the Transaction described in the Circular to Shareholders be and is hereby approved.</p>			
<p>ORDINARY RESOLUTION 2 – DIRECTORS AUTHORISATION AND EMPOWERMENT</p> <p>THAT, The Directors be and are hereby authorised and empowered to take all steps and actions to give effect to the Ordinary Resolution 1 and to implement the Transaction, including signing all resolutions and agreements for the purpose.</p>			

Signed this.....day of..... 2020

Signature(s) of member

NOTE

1. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
2. Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
3. Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

FOR OFFICIAL USE
 NUMBER OF SHARES HELD



ANNEXURE 4 – FORM OF PROXY (CONTINUED)

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialed by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
3. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - (i) under a power of attorney
 - (ii) on behalf of a companyunless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.



ANNEXURE 5 – FORM OF ACCEPTANCE



Dawn Properties Limited

(Incorporated in Zimbabwe on 17 June 2003 under Company Registration Number 9363/2003)

THIS FORM IS FOR USE BY DAWN PROPERTIES LIMITED SHAREHOLDERS ONLY

This form must be completed by all Dawn Properties Limited Shareholders who are recorded in the Dawn Properties Limited shareholders' register at any time during which the Offer is open, and who wish to accept the Offer.

Instructions for completion:

Part A: Must be completed by all Dawn Properties Limited Shareholders who wish to accept the Offer.

If you are in doubt of the action you should take, please consult your accountant, lawyer, banker, stockbroker or other professional advisor immediately.

This form must be returned to the Transfer Secretaries together with the relevant Documents of Title, to be received prior to the closing date of the Offer, which is Friday 13 November 2020 by 1600hrs. If your Share Certificate/s have been dematerialised you should return this Form of Acceptance, Surrender and Transfer duly completed and accurate information that is consistent with the information provided to the CSD. African Sun, at their sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Document of Title has been lost or destroyed and upon provision of suitable indemnity. Unless otherwise agreed by African Sun, only indemnity forms obtained from the Transfer Secretaries (available upon request) will be regarded as suitable.

Signatories may be called upon for evidence of their authority or capacity to sign this Form of Acceptance, Surrender and Transfer.

In the case of Non-resident shareholders, the Offer Consideration will be settled as per the normal settlement process of buying and selling shares on the ZSE. The Form of Acceptance Surrender and Transfer that follows these instructions makes provision for furnishing the banking details to be used. The attached Form of Acceptance, Surrender and Transfer makes provisions for a substitute address and/or banking details for this Mandatory Offer only.

Kindly forward your instructions, together with the Documents of Title in respect of your Dawn Properties Limited shares to the Transfer Secretaries, as follows:

Transfer Secretaries

By hand, courier, or post:

Corpserve (Private) Limited
2nd Floor, ZB Center
56 Union Avenue
Harare
Zimbabwe

To indicate your intention to participate in the Offer, Forms of Acceptance, Surrender and Transfer may be returned to the Transfer Secretaries electronically by email (corpserve@escrowgroup.org) however, **acceptance will only be processed upon receipt of the original forms** returned by post or delivered by hand to the Transfer Secretaries at the address indicated above. Kindly note that the return of the Form of Acceptance, Surrender and Transfer electronically by email or fax will not be deemed to be an acceptance of this Offer until the original Form of Acceptance, Surrender and Transfer has been received by post or delivery. For any queries in relation to the Form of Acceptance, Surrender and Transfer, contact Corpserve Transfer Secretaries.



ANNEXURE 5 – FORM OF ACCEPTANCE (CONTINUED)

Dear Sir/Madam

The Offer

I/We the undersigned, hereby irrevocably and unconditionally accept the Offer of 1 African Sun Limited share for every 3.988075946 Dawn Shares, the details of which are included in the enclosed Circular. I/We also cede ownership and accept the transfer of ownership of the Dawn shares to African Sun.

Part A – ALL DAWN PROPERTIES LIMITED SHAREHOLDERS ACCEPTING THE OFFER MUST PLEASE COMPLETE THIS SECTION IN BLOCK LETTERS

Surname:	
Given Names (in full):	
Title (Mr., Mrs., Miss., Ms., Other):	
Address:	
Telephone:	
Mobile:	
Email address	

I/We hereby surrender the undermentioned shares/share certificates:

Name of registered holder (separate form for each holder)	Certificate number/CSD number (in numerical order) (if applicable)	Number of Dawn Shares
Total		

Signature of Shareholder:	Stamp and address of agent lodging this form (if any)
Date:	
Assisted by me (if applicable):	
State full name and capacity:	
Date:	
Telephone number (home):	
Telephone number (work):	
Mobile Number:	

ANNEXURE 5 – FORM OF ACCEPTANCE (CONTINUED)

Notes:

1. No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Documents of Title lodged. Additional copies of this Form of Acceptance, Surrender and Transfer are available upon request from the Transfer Secretaries.
2. Any alteration to this Form of Acceptance, Surrender and Transfer must be signed in full and not initialled. Any alteration may not be accepted by African Sun.
3. If this Form of Acceptance, Surrender and Transfer is signed under a power of attorney, then such power of attorney or a notarial certified copy hereof, must be sent with the form for noting, unless it has already been noted by the Transfer Secretaries.
4. Where the Dawn Properties Limited Shareholder is a company or a close corporation or other juristic person, a certified copy of all Directors' or members' or other resolution authorising the signing of this Form of Acceptance, Surrender and Transfer must be submitted together with this form.
5. Where the Dawn Properties Limited shares are jointly held, this Form of Acceptance, Surrender and Transfer must be signed by all joint holders; however, African Sun shall be entitled to, in its absolute discretion, accept the signature of that holder whose name stands first in the register in respect of such Dawn Properties Limited Shares.
6. The Offer is made gross of tax, and where applicable Capital Gains Tax & other related costs will be deducted at source prior to settlement of the Consideration
7. Shareholders with CSD accounts will have their new African Sun shares credited automatically to their electronic accounts.



