



Seed Co International Limited
Company Registration Number: 2000/3152
ISIN: BW 000000 2005

Botswana Stock Exchange Primary Listing and Zimbabwe Stock Exchange Secondary Listing

CAUTIONARY ANNOUNCEMENT

TRADING ENVIRONMENT

On 28 July 2020 the Ministry of Finance and Economic Development of the Republic of Zimbabwe advised of the conclusion of investigations relating to alleged participation in parallel foreign currency market activities by dual-listed companies in Zimbabwe. The announcement stated that the investigations concluded that dual-listed companies, including Seed Co International Limited (“the Company”), were not involved in activities on the parallel foreign currency market. The investigations noted that implied exchange rates were being derived from the comparison of dual listed share prices on the Zimbabwe Stock Exchange (“ZSE”) and other exchanges and such implied rates were believed to be the leading indicators of speculative parallel foreign exchange rates in Zimbabwe.

The investigations followed the suspension by the Zimbabwean authorities of fungibility of dual-listed shares on 15 March 2020 and the subsequent suspension of trading of all shares on the ZSE on 28 June 2020. On 28 July 2020 the Ministry of Finance and Economic Development of the Republic of Zimbabwe announced that the ZSE could resume trading on 3 August 2020 and that the trading of dual-listed counters, including Seed Co International Limited, would remain suspended. The ZSE subsequently informed the Company that as a permanent solution to eliminate the calculation of implied exchange rates, it had, in consultation with the Ministry of Finance and Economic Development, of the Republic of Zimbabwe, established a subsidiary, the Victoria Falls Stock Exchange Limited (“VFEX”) where dual-listed companies including Seed Co International Limited, would be allowed to list their shares for trading in United States Dollars.

Shareholders are advised that pursuant to the proposal to transfer the ZSE Secondary Listing of Seed Co International Limited from the ZSE to the soon to be established VFEX, a proposal to merge the Zimbabwean operations, held under Seed Co Limited, and the international operations, held under Seed Co International, is being pursued, subject to regulatory approvals, in order to make the VFEX secondary listing of Seed Co International Limited competitive and comparable to other Zimbabwean dual-listed counters (“the Transaction”).

The Transaction if successful may have a material effect on the price of the securities of Seed Co International Limited. Accordingly, shareholders are advised to continue exercising caution when dealing in the securities of Seed Co International Limited until further announcements.

By order of the Seed Co International Limited Board

Sponsoring Brokers

E. M. Kalaote
Company Secretary
1 September 2020

