

**TO SHAREHOLDERS OF AMALGAMATED REGIONAL TRADING HOLDINGS LIMITED
THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**



AMALGAMATED REGIONAL TRADING
(A company incorporated and registered in the British Virgin Islands with limited liability)

**ANNOUNCEMENT TO SHAREHOLDERS OF
AMALGAMATED REGIONAL TRADING (ART HOLDINGS LIMITED)**

Regarding the acquisition of 1,448,500 (one million four hundred and forty eight thousand five hundred) shares in Softex Tissue Products (Private) Limited ("SOFTEX") currently held by Nampak Zimbabwe Limited ("NAMPAK"), representing the 50% issued share capital of Softex not already held by ART Holdings Limited, for a total consideration of US\$800,000 (Eight hundred thousand United States Dollars Only)

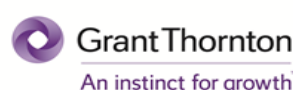
Sponsor



Legal Advisor



Auditors and Independent Reporting Accountants



Transfer Secretaries



Date: 05 May 2021

This Announcement Statement ("The Announcement") is neither a prospectus nor an invitation to the public to subscribe for shares in AMALGAMATED REGIONAL TRADING HOLDINGS LIMITED ("ART" or "the Company") but is issued in compliance with the Requirements of the Zimbabwe Stock Exchange ("ZSE"), for the purpose of giving information to the public with regards to the Transaction (The acquisition of all Softex Tissue Products (Private) Limited shares not already owned by ART) as more fully set out in this Announcement Statement. The Announcement Statement is only available in English. Additional copies of this Announcement Statement may be obtained from the Company Secretary at the Registered Offices of ART.

Action required:

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

1. BACKGROUND TO THE TRANSACTION

1.1. On the 27th of August 2020 the Board of ART resolved to make an offer to Nampak in respect of their shareholding in Softex a jointly owned business. The offer was accepted and once consummated will leave ART as the sole shareholder of Softex. This offer is the subject of cautionary statements issued by the Company on 21 December 2020, 25 January 2021 and 18 February 2021.

2. INFORMATION ON ART HOLDINGS LIMITED

2.1. ART is a Zimbabwe Stock Exchange ("ZSE") listed diversified industrial group whose reputation has been built on operational excellence and quality brand custodianship. Formerly known as Beachmont Trading Limited, the Group changed its name to Amalgamated Regional Trading Holdings Limited in 2001 and was listed on the Zimbabwe Stock Exchange in the year 2002.

ART is involved in the manufacturing and retailing of batteries, Pens, Stationery, Tissue products, Hygiene products and Forestry Resource Management. These products are manufactured and distributed through the Group's entities domiciled in Zimbabwe and Zambia. The Group's units include Chloride Zimbabwe, Chloride Zambia, Exide Express, Eversharp, Kadoma Paper Mills, National Waste Collection, Softex and Mutare Estates.

3. INFORMATION ON SOFTEX TISSUE PRODUCTS (PRIVATE) LIMITED

3.1. Softex specializes in the provision of hygiene solutions that improve the quality of people's lives. The company which is jointly owned by Art Holdings Limited and Nampak Zimbabwe Limited manufactures tissue products and distributes a wide range of hygiene care products for the industrial and consumer markets in Zimbabwe.

It commenced operations in 1983 specializing in tissue converting. The company has since diversified into feminine and baby care products (Femcare, 2006) as well as washroom hygiene products (Hygiene, 2009). Tissue and Femcare products are mainly for household use while Hygiene products are mainly for industrial use. Softex has become a mainstay brand in the Zimbabwean tissue industry, supplying small and major retail outlets, wholesalers, schools, government and other institutions as well as independent distributors throughout the length and breadth of country. Softex enjoys leadership in the local tissue market and all its products are made to the highest international standards. The company is certified to ISO 9001: 2008 Together with imported virgin tissue, Softex converts recycled tissue, thereby playing an important part in promoting a clean, 'green' environment.

4. INFORMATION ON NAMPAK ZIMBABWE LIMITED

4.1. Nampak manufactures and markets packaging products which includes paper, plastic and metal packaging. It also has interests in leasing biological assets and a timber processing plant. Subsidiaries in the Paper division includes Hunyani Corrugated Products Division, Hunyani Cartons, Labels & Sacks Division, Hunyani Management Services Division, Hunyani Forests Limited, Hunyani Properties Limited and Softex Tissue Products (Private) Limited. Other subsidiaries include MegaPak Zimbabwe and CarnaudMetalbox Zimbabwe Limited operating in the plastics and metals segment; and companies manufacturing corrugated containers and specialized packaging for the tobacco, horticultural, floricultural and citrus industry for local distribution and export. Mega Pak Zimbabwe offers technology solutions for blow molding, injection molding, stretch blow molding and rotational molding.

5. RATIONALE FOR THE PROPOSED TRANSACTION

- 5.1. ART has enjoyed a considerable turnaround in fortunes over the past 5 years and has entered its second growth phase underpinned by a consolidation of immediate past gains and the capitalisation of the Paper business in particular. Softex falls under the Paper business of ART who enjoy management control of Softex. ART therefore seeks to, through this transaction;
 - 5.1.1. Streamline the decision making process at Softex.
By removing the need to consult backwards and forwards between ART and NAMPAK seeking to align interests of both shareholders before major decisions.
 - 5.1.2. Simplify the Capitalisation process.
Capital decisions would now be based on a single shareholder and the ability to raise the required capital
 - 5.1.3. Allow the business to respond faster to the environment; and
 - 5.1.4. Consolidate the Paper Business Silo of ART

6. TERMS OF THE TRANSACTION

- 6.1. ART has offered and NAMPAK has accepted a total consideration of US\$800,000.00 (Eight hundred thousand United States Dollars only) for the 1 448 500 Ordinary Shares of US\$0.00066 each in Softex, all of which are issued and fully paid, and which constitutes 50% of the issued share capital of Softex.
- 6.2. The Purchase Price shall be paid in six (6) equal monthly instalments with the first instalment being due on or before the 30th of May 2021 and thereafter on or before the last day of each and every subsequent month with the last instalment being due on the 30th of October 2021.
- 6.3. All payments to be made under this transaction shall be made in United States Dollars by electronic transfer of immediately available funds to Nampak Zimbabwe Limited.
- 6.4. Nampak as the Seller has given warranties and indemnities that are standard for a transaction of this nature

7. CONDITIONS PRECEDENT TO THE TRANSACTION

- 7.1. The approval of the Transaction by the Board of Directors of ART.

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Date: 05 May 2021

8. FINANCIAL EFFECTS OF THE TRANSACTION

8.1. The reviewed pro forma Statement of Financial Position has been prepared for illustrative purposes only, and because of its nature may not give a fair reflection of ART’s financial position after the Transaction. The reviewed pro forma statement of financial position has been provided to illustrate how the Transaction might have affected the financial position of ART had it been effected on 30 September 2020:

ART HOLDINGS LTD				
IMPACT OF SOFTEX ACQUISITION				
AS AT 30 SEPTEMBER 2020				
	ART as reported at 30 Sept 2020	Softex as reported at 30 Sept 2020	Effect of Transaction	Revised ART Proforma at 30 Sept 2020
	ZWL\$000	ZWL\$000	ZWL\$000	ZWL\$000
ASSETS				
Non-current assets				
Property plant and equipment	1 289 235	191 080		1 480 315
Investment property	449 881	-		449 881
Biological assets	452 681	-		452 681
Right of use asset	85 566	-		85 566
Investment in joint venture and associate	184 797	-	(155 692)	29 105
	2 462 160	191 080	(155 692)	2 497 548
Current assets				
Inventories	445 181	27 672		472 853
Trade and other receivables	295 301	49 724		345 025
Cash and cash equivalents	52 581	130	(65 197)	(12 486)
	793 063	77 526	(65 197)	805 392
TOTAL ASSETS	3 255 223	268 606	(220 889)	3 302 940
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	1 618			1 618
Share premium	150 715			150 715
Accumulated profit	1 810 417	220 918	(220 889)	1 810 446
Non-distributable reserves	465 552			465 552
	2 428 302	220 918	(220 889)	2 428 331
Non-current liabilities				
Interest-bearing loans and borrowings	9 092	-		9 092
Lease liability	37 615	-		37 615
Deferred tax liabilities	108 569	2 861		111 430
	155 276	2 861		158 137
Current liabilities				
Trade and other payables	316 744	26 208		342 952
Provisions	62 363	-		62 363
Income tax payable	171 856	-		171 856
Lease liability	31 623	18 619		50 242
Interest-bearing loans and borrowings	49 675	-		49 675
Bank overdrafts	39 384	-		39 384
	671 645	44 827	-	716 472
Total liabilities	826 921	47 688	-	874 609
TOTAL EQUITY AND LIABILITIES	3 255 223	268 606	(220 889)	3 302 940

9. DIRECTORS’ INTERESTS

As at 30 April 2021, (being the last practicable date prior to the printing of this document), the directors of ART Holdings Limited’s interests in ART Holdings Limited shares are detailed below:

Directors’ Interests in ART				
Name	Direct	Indirect	Total Shares	
			Number	%
Thomas Utete Wushe	-	-	-	-
Milton Macheka	-	-	-	-
Abisai Chingwecha	-	-	-	-
Oliver Mtasa	-	-	-	-
Michael Oakley	-	-	-	-
Young Chul Baik	-	242 781 720	242 781 720	51.28

9.1. Directors Responsibility

The independent board insofar as any information in this circular relates to ART Holdings Limited

1. Accept responsibility for the information contained in this circular;
2. Certify that, to the best of their knowledge and belief, the information contained in this circular is true and that there are no other facts, the omission of which would render any statement false or misleading;
3. Certify that, there have been no omissions that are likely to affect the meaning of the information contained herein, insofar as it relates to a matter on which they are required to provide an opinion;
4. Certify that, no director on the Board is excluded from the statements in this responsibility statement.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the registered office of ART Holdings Limited at 202 Seke Road, Graniteside, Harare:

- Financial Statements and Notes to the Financial Statements from the year 2015 up to and including 2020
- Memorandum and Articles of Association of ART Holdings Limited
- The consent letters of the advisors to ART Holdings Limited
- A signed copy of this announcement
- A signed copy of the Purchase and Sale Agreement between ART and NAMPAK