



The African Seed Company

Seed Co International Limited

(Incorporated in Botswana)

Registration number: 2000/3152

BSE code: SCIL UIN: BW: 0000 2529282

Seed Co Limited

(Incorporated in Zimbabwe)

Registration number: 217/83

ZSE code: SEED.zw ISIN: ZW000 901 150 4

ANNOUNCEMENT ON THE ABANDONMENT OF THE CONSOLIDATION TRANSACTION OF SEED CO LIMITED UNDER SEED CO INTERNATIONAL LIMITED AND RESUMPTION OF TRADING OF SEED CO LIMITED SHARES ON THE ZIMBABWE STOCK EXCHANGE

Further to the announcement dated 4 March 2021 advising that Seed Co International Limited's ("SCIL") Primary and Secondary Offers had been accepted by Seed Co Limited ("SCL") shareholders controlling 95% of the issued share capital of SCL and triggering the drag-along provisions for the remaining 5% shares, the Companies regrettably wish to advise shareholders that a major regulatory condition precedent to conclude the transaction, the exchange control approval by Zimbabwean Exchange Control authorities, could not be secured.

Shareholders are advised that SCIL and SCL embarked on the processes to consummate the proposed consolidation, in the manner communicated through Cautionary Announcements, Circular and Press Update Announcements, following the initial Exchange Control application on 19 August 2020 and the feedback received from the Reserve Bank of Zimbabwe Exchange Control Division dated 8 September 2020, requesting the following before further consideration of the application:

- independent valuations of both SCIL and SCL;
- the consent of the ZSE, the Botswana Stock Exchange, and the Securities and Exchange Commission of Zimbabwe; and
- the consent of the shareholders of both SCIL and SCL.

SCIL and SCL proceeded to fulfil the above requests and after delivering the same to the Exchange Control Authorities, approval for the transaction was declined by the External Loans and Exchange Control Review Committee on 26 March 2021. An appeal against the decision was made on 7 April 2021 and the External Loans and Exchange Control Review Committee upheld the decline decision on 8 June 2021. Pursuant to this adverse regulatory decision, SCIL and SCL have no option but to abandon the contemplated consolidation transaction and revert to status quo.

Considering this major development and the ZSE's Public Notice of 24 February 2021 advising the market of the stoppage in the trading of SCL shares, SCL applied and was granted permission by the ZSE to resume the trading of its shares on the official main board of the ZSE with effect from Monday 21 June 2021. Accordingly, caution is no longer required to be exercised by shareholders when dealing in the securities of both SCIL and SCL.

Going forward SCIL and SCL will continue to operate as 2 separately listed companies that are related in so many ways and will utilize a Group Shared Services Unit to harness synergies to the extent possible and permissible by laws, regulations, and best corporate governance practices.

The support and patience, demonstrated by the respective SCIL and SCL shareholders throughout the process to consummate the contemplated consolidation transaction, is greatly appreciated.

By Order of the Boards

E. M. Kalaote
Seed Co International Limited
Company Secretary

17 June 2021

T. N. Chimanya
Seed Co Limited
Company Secretary

