



# ARISTON

HOLDINGS LIMITED

(A public company incorporated in the Republic of Zimbabwe under company registration number 254B 104/1947)

## ANNOUNCEMENT TO SHAREHOLDERS OF ARISTON HOLDINGS LIMITED

Regarding the sale of 1,660,873 (one million six hundred and sixty thousand eight hundred and seventy-three) shares in Claremont Orchards (Holdings) (Private) Limited ("CLAREMONT") currently held by Ariston Holdings Limited ("ARISTON" or Company "Ariston"), representing 50% of the issued share capital of Claremont to Tuinbouw Zonder Grenzen BV ("TZG") a private company incorporated in terms of the laws of the Netherlands, for a total consideration of US\$ 2,000,000 (Two Million United States Dollars).

### Sponsor



### Transfer Secretaries



Date: 08 October 2021

This Press Announcement ("The Announcement") is neither a prospectus nor an invitation to the public to subscribe for shares in ARISTON HOLDINGS LIMITED ("ARISTON" or "the Company") but is issued in compliance with the Zimbabwe Stock Exchange ("ZSE") Listing Requirements, in accordance with the requirements of SI 134 of 2019, for the purpose of giving information to the public with regards to the Transaction (The sale of 50% shares in Claremont Orchards (Holdings) (Private) Limited to Tuinbouw Zonder Grenzen BV (TZG)) as more fully set out in this Announcement. The Announcement is only available in English. Additional copies of this Announcement Statement may be obtained from the Company Secretary at the Registered Offices of ARISTON.

No action is required to be taken by shareholders as this Announcement is issued solely for the provision of information on the Transaction.

### 1. BACKGROUND TO THE TRANSACTION

1.1. On the 27 May 2021 the Board of Directors of ARISTON resolved to dispose the Company's 50% shareholding in Claremont after receiving an offer from TZG. Once consummated, the disposal will leave ARISTON with 50% shareholding in Claremont. This offer is the subject of cautionary statements issued by the Company during the period 3 June 2021 to 30 August 2021.

### 2. INFORMATION ON ARISTON HOLDINGS LIMITED

2.1. Listed on the Zimbabwe Stock Exchange ("ZSE") in 1948, Ariston is an agri-industrial company operating five estates located as follows:

- Southdown in Chipinge, which grows tea, macadamia nuts and bananas
- Clearwater in Chipinge, which grows tea, macadamia nuts and avocado
- Roscommon in Chimanimani, which grows tea, macadamia nuts and bananas
- Kent in Norton, produces poultry as an out grower and further produces the following crops; seed maize, seed sugar beans, commercial maize, potato, soybeans.
- Claremont in Nyanga, which is a producer of pome and stone fruit.

### 3. INFORMATION ON CLAREMONT ORCHARDS (HOLDINGS) (PRIVATE) LIMITED

3.1. Prior to the Transaction, Claremont was 100% owned by Ariston. Claremont currently owns Claremont Estate located at Lot 1 of Claremont in Juliasdale measuring approximately 1,590.3667 hectares. The property comprises orchards with pome fruit and stone fruit of varying age profiles, fishery, a golf course and club house.

Claremont produces Pome and Stone fruit for both the domestic and foreign markets.

### 4. INFORMATION ON TUINBOUW ZONDER GRENZEN BV ("TZG")

4.1. TZG is a private company incorporated in accordance with the laws of the Netherlands focused on investing in agricultural projects in Africa. The shareholders and management of Tuinbouw Zonder Grenzen have considerable experience in building and managing agricultural projects in Africa, and developing and marketing brands for local and export markets in Africa, Europe and Asia. The horticultural industry is capital intensive and highly technical, requiring a high level of skill in production, post-harvest handling, distribution and marketing. Tuinbouw Zonder Grenzen has the ability to provide these skills and has access to international capital and consumer markets.

### 5. RATIONALE FOR THE TRANSACTION

5.1. ARISTON requires to unlock liquidity internally for funding the expansion of its Chipinge operations. The desire is to increase hectareage under macadamia and avocado production without a capital call on shareholders. These two crops are produced for the export market and are lucrative. However, establishment of both macadamia and avocado requires substantial capital as both crops take at least five growing years before going into production. During the growing years, input is required in the form of fertilisers and chemicals.

### 5.1.1. Management Contract

On conclusion of the Transaction, it is envisaged that the operations of Claremont shall be administered by TZG and a third party in terms of a management contract for a period of twenty-five years at guaranteed returns. Further, funding required to expand the operations of Claremont will be provided through the management contract with no requirement for a capital call on Ariston or its shareholders. This arrangement will unlock liquidity and commercialize the operations of Claremont, thus increasing the output from Claremont as well as the net shareholder return.

### 5.1.2. Reduce the Capitalisation Burden.

The management contract will place responsibility for future capital requirements for Claremont on the third party appointed thereof. Claremont requires further investment into more orchard development in order to achieve critical mass. The orchard development will be in the current product offering as well as new export product offerings suitable for the Nyanga climate. It is envisaged that over a period of three years, over USD5 million will be required for this purpose. The structure of this transaction is such that there would be no capital call on shareholders for this purpose.

5.1.3. Allow the business to respond faster to the foreign markets where demand for macadamia and avocados is growing; and

5.1.4. Focus on value addition to the shareholders as the sum of the various parts of this transaction will be greater than the current value.

### 6. TERMS OF THE TRANSACTION

6.1. TZG has offered and ARISTON has accepted a total consideration of US\$ 2,000,000.00 (Two Million United States Dollars only) for the 1 660 873 Ordinary Shares of US\$0.001 par value each in Claremont all of which are issued and fully paid, and which constitutes 50% of the issued share capital of Claremont.

6.2. The Purchase Price shall be paid within 10 days of all conditions precedent having been fulfilled.

6.3. All payments to be made under this transaction shall be made in United States Dollars by electronic transfer into a nominated Ariston Account.

6.4. Ariston, 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 transaction was subject to exchange control approval by the Reserve Bank of Zimbabwe ("RBZ"), which was granted on 27 September 2021.

### By Order of the Ariston Holdings Limited Board

R. A. Chinamo  
Company Secretary

8 October 2021