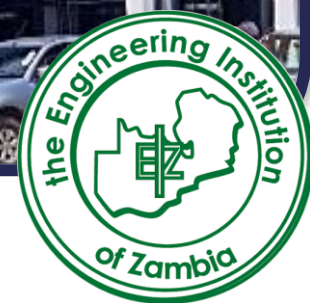


THIS OFFER DOCUMENT SERVES AS A FORMAL INVITATION TO THE SHAREHOLDERS OF EIZ PROPERTIES PLC (“EPROPS”) AND MEMBERS OF THE ENGINEERING INSTITUTE OF ZAMBIA TO PARTICIPATE IN THE EPROPS SHARE OFFER. THIS REQUIRES YOUR IMMEDIATE ATTENTION

# EIZ PROPERTIES PLC SHARE OFFER DOCUMENT

Building Our Future with Precision and Innovation



Financial Advisor

Legal Advisor

Reporting Accountant



**Pangaea**  
Securities



**PBIK**

Date of Issue: 04 March 2024



## I. CORPORATE INFORMATION RELATING TO EIZ PROPERTIES PLC

### Company Secretary

Eunie Ng'andu,  
EIZ Properties Plc  
Kelvin Siwale Road Show Grounds  
PO Box 51084  
Lusaka, Zambia

### Registered Office

No.2374 Kelvin Siwale Road  
Show Grounds  
P.O. Box 51084  
Lusaka, Zambia

### Transaction Legal Advisors

K.Mwale and Company  
Second Floor, Osidian House No. 5  
Corner of Bwinjimfumu and Church Road  
Rhodes Park  
Lusaka, Zambia

### Lead Advisor and Sponsoring Broker

Pangaea Securities Limited  
First Floor, Pangaea Office Park  
Great East Road  
Lusaka

### Receiving Bank

Stanbic Bank,  
Plot 2375,  
Addis Ababa Drive,  
P O Box 31955,  
Lusaka, Zambia.

### Independent Reporting Accountant

PBIK Corporate Consultants Limited  
Plot No.3668 Kwacha Road  
Olympia Park  
P.O Box 51146  
Lusaka

### Auditors

MPH Chartered Accountants  
Plot 4434A Kumoyo Road  
Longacres  
P.O Box 31014  
Lusaka, Zambia



**EIZ Properties PLC**  
("EProps" or the "Company")  
Company Registration Number: 120140119088  
Share Code: EIZP  
ISIN: ZM0000000474

**A TOTAL OF 11,136,329 ORDINARY SHARES OF ZMW0.01 PAR VALUE EACH  
IN EIZ PROPERTIES PLC AT ZMW3.60 PER SHARE PAYABLE IN FULL ON APPLICATION**

Investors participating in the Offer should carefully review and evaluate certain risk factors before purchasing these securities.

## II. OFFER DOCUMENT

The Offer Document is an invitation to **Shareholders of EProps** and **Members of the Engineering Institution of Zambia** to participate in the issuance of shares by the EIZ-Properties PLC. This Offer Document is not an invitation to the general public to subscribe for shares in EProps but is rather issued to the Shareholders of EProps and members of the Engineering Institute of Zambia, in compliance with the Registration of Securities Rules of the Securities and Exchange Commission, for the purpose of giving information to the Shareholders and Members of EIZ on terms of the Offer and the rationale for the Offer.

The definitions on pages XI and XII of this Document apply throughout this **Offer Document**.

**Action Required:**

- i. If you are in doubt as to the meaning of the contents of this Offer Document or as to what action you should take with regard to this document, you should seek advice from your accountant, bank manager, lawyer, stockbroker or other professional adviser immediately. Investors should consult their advisers if they are in doubt about the tax consequences affecting holding and receipt interest in the Company securities offered by this Offer Document. If you wish to apply for shares in terms of the Offer, then you must complete the procedures for application and payment set out in Section III and Annexure 7 of this document.
- ii. If you are no longer a shareholder in EProps or are no longer a member of EIZ, then you should send this Offer Document, as soon as possible, Pangaea, your stockbroker, the Company, or the Institute.

### IMPORTANT DATES

Activity	Date
1 <sup>st</sup> Announcement- Salient Features And Dates Of The Offer Published	04 March 2024
Record Date	01 February 2024
Offer Opens	04 March 2024
Offer Closes	23 April 2024
Last Day For Receiving Postal Acceptances	25 April 2024
Publication Of Results Announcement	26 April 2024

### III. STEPS TO TAKE TO PURCHASE SHARES IN EPROPS:

A "Rights Issue" refers to a process through which a company offers its existing shareholders the opportunity to purchase additional shares of the company's stock at a predetermined price. This is done in proportion to their existing holdings. The purpose of a Rights Issue is to raise capital for the company without diluting the ownership interests of existing shareholders by allowing them to subscribe for the newly issued shares of the company.

This Rights Issue process is exclusively available to current EProps shareholders, and the Offer is only available to members of EIZ. The Rights Issue Offer Ratio is 5 for 22. This ratio signifies that for every 22 shares owned by the Shareholders, they are entitled to acquire 5 of the offered Shares priced at ZMW3.60 per share.

The Rights Issue is intended to give the current shareholders in EProps an opportunity to avoid or minimize dilution of their stake in the Company by taking all or part of the Rights allotted to the Shareholder. EIZ members are also invited to participate in the Offer by subscribing to the shares as new Shareholders with a minimum acceptable subscription of 600 shares. The EIZ members, who are not EProps Shareholders, do not have to conform to the Offer Ratio and can apply for as many shares as they wish with the minimum being 600 shares. Note that confirmation will be sent after the close of the offer period of the subscription. Note that EProps Shareholders, who are also members of EIZ, can increase their stake in the Company by subscribing for additional shares beyond their entitlement.

Below, we outline the respective procedures for Shareholders in EProps who intend to participate in the Rights Issue and the steps for EIZ members who plan to engage in the Offer.

#### Shareholders of EProps

- i. Ensure that you are a current shareholder of EProps and are eligible to participate in the Rights Issue. Please consult the Company, Pangaea Securities or your sponsoring broker for confirmation if necessary.
- ii. Carefully read this Offer Document and seek expert advice in the event that further clarity is required. Once submitted it will be assumed that you understood all the terms and conditions contained herein. **The Application Form once submitted, cannot be withdrawn.**
- iii. Calculate the number of additional shares you are entitled to acquire based on the offer ratio. For every 22 shares you currently hold, you have the right to purchase 5 additional shares.
- iv. EProps is committed to ensuring that its existing shareholders have a fair and transparent opportunity to participate in the Offer. To facilitate this process, we have prepared a table of entitlements that outlines the number of additional shares you are entitled to acquire based on your current holdings.

This table provides a clear reference for shareholders, helping them calculate their entitlements and make informed decisions regarding their participation in the Rights Issue. Please review the table below to determine your eligibility and entitlement.

Number of ordinary shares owned	Entitlement on 5 for 22 basis	Cost of Entitlement at ZMW3.60 per share
<i>Less than 22 Shares</i>	<i>Not Entitled to any shares</i>	<i>NA</i>
100	23	82
200	45	164
400	91	327
500	114	409
1,000	227	818
2,000	455	1,636
50,000	11,364	40,909
<i>...and so on</i>	<i>...and so on</i>	<i>... and so on</i>

To calculate what the number of shares needed to prevent dilution, use the formula below:

$$\text{Formula} = \text{Shares owned} \times (5/22)$$

- v. Complete the Application **Form A** at the end of this document.
- vi. Submit the Application Form and proof of payment to your personal stockbroker or Pangaea at the addresses in the “Corporate Information” and “ Directory of Member Brokers and Receiving Agents” Sections of this document .
- vii. Applicants must ensure to submit identification documents with the application.
- viii. This information must be submitted by 23 April 2024 at 12:00 hours, and 25 April 2024 at 12:00 hours for postal deliveries.
- ix. Confirmation of Allotment: Following the close of the Rights Issue, you will be informed of the number of shares allocated to you.

#### **Procedures for EIZ Members Participating in the Offer:**

- i. Ensure that you are a fully registered member of the EIZ.
- ii. Read carefully and in its entirety, this Offer Document and seek expert advice from your broker, legal counsel or financial advisor if necessary. In completing the application form, it will be assumed that the applicant sought the necessary advice and understands fully the terms of the Rights Issue.
- iii. Decide on the amount you wish to invest in EProps shares. The minimum acceptable subscription is 600 Shares, which equates to a minimum investment of ZMW2,160.00.
- iv. The share purchase schedule in Annexure 3 of this document should be referred to, when determining the number of Shares to be purchased and the amount payable. In order to calculate the purchase price, the following formula should be used:

$$\text{Purchase price payable} = \text{New ordinary shares to be bought (minimum of 600)} \times \text{Offer price (ZMW3.60)}$$

- v. Fill in **Form B** of the detachable Application Form at the end of this document. Ensure all documentation is accurate and complete and accompanied by a copy of your identification document (NRC or Passport).
- vi. Form A is only applicable to EProps’ shareholders, as such this section should be left blank.
- vii. Section B of the form should be filled in, detailing the number of shares to be purchased and the purchase price payable in full.
- viii. Submit the completed Form B and proof of payment to the Receiving Agents (listed in Annexure 4 of this document), personal stockbroker or Pangaea at the addresses in the Corporate Information section of this document. Applicants must ensure to carry identification documents.
- ix. In the event that you are unsure as to how to correctly fill in the form, the Receiving Agents will be able to assist you, to ensure correctness.
- x. This information must be submitted by 23 April 2024 at 12:00 hours, and 25 April 2024 at 12:00 hours for postal deliveries.
- xi. After the offer period concludes, you will be informed of the number of shares allotted to you.

*It should be noted that, in the event of an oversubscription, Shareholders of EProps and thereafter individual members of EIZ will be given priority and will be allotted the Rights Issue Shares first. Thereafter, the remaining Shares will be distributed to applicants who are not Shareholders but are corporate EIZ members on a first come first served basis. In the event that an application is only partially successful or unsuccessful, the applicant will be notified and refunded in full the amount paid for the Shares not allocated to the applicant, this refund will not be subject to interest.*

## IV. IMPORTANT INFORMATION

The definitions as set out in the "Definitions and Interpretations" section of this Offer Document apply to this section regarding important information. This Offer Document is drawn up and issued in compliance with the requirements of the Companies Act, No. 10 of 2017, the Zambian Securities (Registration of Securities) Rules, Statutory Instrument 164 of 1993, and having regard to the Securities Act No. 41 of 2016 of the Laws of Zambia relating to the offer of EProps' ordinary shares by way of an introduction to the market in the share capital of EProps.

The Offer consists of an offer for sale of 11,136,329 ordinary shares at an offer price of ZMW3.60 per share payable in full on application. The Securities and Exchange Commission of Zambia has granted approval for the registration and thereby subsequent quotation of the ordinary shares on the Lusaka Securities Exchange respectively. The ordinary shares will only be traded in electronic form on the LuSE quoted tier.

The Directors whose names are given in section 7 of this Offer Document, collectively and individually accept full responsibility for the accuracy of the information contained in this Offer and confirm, having made all reasonable enquiries to ascertain such facts, 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. Further, that they have made all reasonable enquiries to ascertain such facts and that the Offer Document contains all information required by law.

A copy of this Offer Document, which is only available in English has been delivered to the Registrar of Companies for registration on 27 February 2024. The Registrar of Companies has not checked and will not check the accuracy of the statements made and accepts no responsibility therefore or for the financial soundness of the Company or the value of the securities concerned. This document is an Invitation to the Public within the meaning of section 3 of the Companies Act No. 10 of 2017 of the laws of Zambia and has been registered with the Registrar of Companies in accordance with section 214 of the Companies Act No. 10 of 2017 of the laws of Zambia.

This Offer Document and any other information supplied in connection with the ordinary shares is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by EProps or the Lead Adviser that any recipient of this Offer Document or of any other information supplied in connection with the ordinary shares, should purchase or subscribe for any ordinary shares.

This Offer Document is not to be construed as a recommendation by the Company or the Brokers for any recipient to subscribe for or purchase any of the Offer Shares. Prospective investors are strongly advised to conduct their independent investigation and appraisal of the financial condition, creditworthiness, and affairs of the Company before considering a subscription for any Offer Shares.

The Offer Document includes forward-looking statements, identifiable by expressions such as "expects," "intends," "anticipates," and "estimates." These statements entail known and unknown risks, uncertainties, and other important factors that may cause actual results to differ materially from the forward-looking statements or projections.

The SEC and LuSE take no responsibility for the contents of this offer, make no representation as to the accuracy or completeness of any foregoing documents, and expressly disclaim any liability for any loss arising from or reliance upon the whole or any part of this Prospectus.

### **Offer in Zambia only**

This Offer Document has been issued in connection with the Offer for shares in Zambia only and is addressed only to persons to whom the Offer may lawfully be made. The distribution of this Offer Document and the making of an offer through this Offer may be restricted by law. Persons into whose possession this Offer Document comes must inform themselves about and observe any such restrictions. This Offer Document does

not constitute an offer of or invitation to subscribe for and/or purchase any of the EProps shares in any jurisdiction in which such offer, subscription or sale would be unlawful. No one has taken any action that would permit a public offering of EProps shares to occur outside Zambia.

### **Presentation of financial information**

The Independent Reporting Accountant's reports on the financial projections of the Company and opinion are presented as Annexure 1 of this Offer Document.

### **Market and industry data**

Market and other statistical information used throughout this Offer Document is based on independent industry publications, government publications or other published independent sources. Although EProps believes these sources are reliable, the Company cannot guarantee their accuracy and completeness.

### **Expert's Endorsement and Statement Disclosure**

The Lead Adviser and Sponsoring Broker, Reporting Accountant and the Legal Advisor have agreed to be named here in the Offer Document and consented in writing to act in the capacities stated and to their names being stated and, where applicable, their reports being included in this Offer Document and they have each given and not withdrawn their written consents, prior to the issue of the Offer Document dated 04 March 2024, with the experts' statement included in the form and context they are in fact included. The Legal Advisers have confirmed to the Directors that the Offer Document meets all requirements of the Securities Act, and the Companies Act and any other regulations and legislation, where applicable.



## V. TABLE OF CONTENTS

<b>1. TRANSACTION BACKGROUND</b>	<b>1</b>
1.1 AN OVERVIEW OF EIZ PROPERTIES PLC	3
1.2 WHY INVEST IN EPROPS	4
<b>2. SALIENT FEATURES OF THE OFFER</b>	<b>6</b>
<b>3. TERMS OF THE OFFER</b>	<b>7</b>
1.3 SHARE CAPITAL STRUCTURE OF EPROPS BEFORE AND AFTER THE OFFER	8
1.4 IMPORTANT DATES AND TIMES	8
1.5 QUERIES	8
<b>4. FINANCIAL OVERVIEW</b>	<b>9</b>
1.6 HALF YEAR HISTORICAL FINANCIAL PERFORMANCE	9
1.7 FULL YEAR HISTORICAL FINANCIALS	11
<b>5. ZAMBIA REAL ESTATE MARKET OVERVIEW: AN EMERGING FRONTIER</b>	<b>12</b>
<b>6. TERMS OF THE OFFER</b>	<b>13</b>
1.8 GENERAL	13
1.9 REGULATORY REQUIREMENTS	13
1.10 COLLECTION OF OFFER DOCUMENT	13
1.11 CONDITIONS ATTACHED TO THE APPLICATION AND COMPLETION OF APPLICATION FORMS	14
1.12 PAYMENT CONSIDERATIONS	14
1.13 SUBMISSION OF APPLICATIONS AND PAYMENT	15
1.14 KEY CONSIDERATIONS	16
1.15 ISSUE OF SHARE CERTIFICATES	16
1.16 PARTICULARS OF SHARE CAPITAL	16
1.17 EXPERTS' CONSENTS	17
1.18 DOCUMENTS AVAILABLE FOR INSPECTION	17
<b>7. GENERAL INFORMATION ABOUT THE BUSINESS OF THE COMPANY</b>	<b>18</b>
1.19 BOARD OF DIRECTORS	18
1.20 DIRECTORS' INTERESTS IN SECURITIES	20
1.21 DIRECTORS' INTERESTS IN TRANSACTIONS	20
1.22 DIRECTORS' RESPONSIBILITY STATEMENT	20
1.23 DIRECTORS' SERVICE CONTRACTS	20
1.24 DIRECTORS' INTERESTS IN CONTRACTS	20
1.25 MANAGEMENT PROFILES	20
1.26 WORKING CAPITAL STATEMENT	21
1.27 LITIGATION	21
1.28 MATERIAL CONTRACTS	21
1.29 MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES	21
1.30 AUDITOR	21
<b>8. ANNEXURE 1: REPORTING ACCOUNTANT'S REPORT/ VALUATION REPORT</b>	<b>22</b>
<b>9. ANNEXURE 2: TABLE OF ENTITLEMENTS</b>	<b>30</b>
<b>10. ANNEXURE 3: SHARE PURCHASE SCHEDULE</b>	<b>31</b>
<b>11. ANNEXURE 4: DIRECTORY OF MEMBER BROKERS AND RECEIVING AGENTS</b>	<b>32</b>
<b>12. ANNEXURE 5: SUMMARY OF PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	<b>33</b>
<b>13. ANNEXURE 6: SUMMARY VALUATION REPORT</b>	<b>34</b>
<b>14. ANNEXURE 7: APPLICATION FORM</b>	<b>47</b>
<b>EIZ PROPERTIES PLC RIGHTS OFFER APPLICATION FORM: FOR EPROPS SHAREHOLDERS</b>	<b>50</b>
<b>EIZ PROPERTIES PLC RIGHTS OFFER APPLICATION FORM: FOR EIZ MEMBERS</b>	<b>52</b>

## VI. DEFINITIONS AND INTERPRETATIONS

“Applicant”	A Shareholder or Non-shareholder who wishes to submit an Application Form, for the purpose of taking part in the Offer process and acquiring shares in EProps;
“Application Form(s)”	The form attached to this document to be completed by parties who wish to make application to purchase ordinary shares in the Company as further described in this document;
“Articles”	The Articles of Association of EIZ Properties Plc;
“Broker” or “Stockbroker”	A professional licensed by SEC who buys and sells securities on behalf of clients;
“CAGR”	To mean compound annual growth rate;
“Companies Act”	The Companies Act, No. 10 of 2017 of the Laws of Zambia;
“Directors” or the “Board”	The Directors of the Company for the time being, whose names are set out in Section 7 of this document and Director means any one of them;
“EProps Building”,	EProps’ recently completed investment project, located at Stand No. 2374 Kelvin Siwale Road, Showgrounds, Lusaka;
“EFT”	electronic or mobile fund transfer;
“EIZ Lease Agreement”	The EIZ HQ is located on a plot (Stand 23741) was secured from the Agriculture and Commercial Show Society, with the lease commencing 17 October 2011 for a 50-year period and the lease is registered with Ministry of Lands;
“EIZ Members” or “the Members”	The registered members of the Engineering Institution of Zambia; this includes both corporate and individual members;
“EIZ” or the “Institution”	the Engineering Institution of Zambia Limited;
“EProps”, “we”, “us” or the “Company”	EIZ Properties PLC, a public company incorporated in Zambia;
“GDP”, or “Gross Domestic Product”	To mean the Gross Domestic Product of a country;
“Independent Reporting Accountant”	PBIK Consultants Zambia;
“IPO”	An Initial Public Offering, by which a private or newly incorporated company offers its shares to the public for the first time;
“ISIN”	International Securities Identification Number;
“K. Mwale and Company” or “Transaction Legal Advisor”	The Transaction Legal Advisors
“LuSE” or “the Exchange”	The Lusaka Securities Exchange Limited, a company incorporated in Zambia and licensed to operate as a stock exchange under the Securities Act, No 41 of 2016 of the Laws of Zambia;
“LuSE CSD”	The LuSE Central Share Depository;
“Management”	The management of EProps;
“mn”	Million;
“No.”	Number;
“Non-Shareholder”	A person who does not own shares in EProps;
“Offer”, “Rights Issue” or “Rights Offer”	The issuance of shares 11,136,329 by EProps at the price of ZMW3.60 per share;
“Pangaea”, “Lead Advisor” or “Sponsoring Broker”	Pangaea Securities Limited, a company incorporated in Zambia and regulated by the Securities and Exchange Commission, is the Company’s sponsoring broker and Lead Advisor on the capital raise;
“PhD”	Doctor of Philosophy Degree;

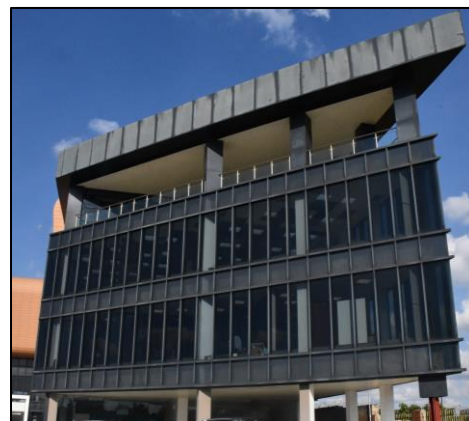
“PLC” or “Plc”	Public Limited Company;
“Property Manager” or “Upmarket”	To mean UPmarket Property Consultants Limited, a Real Estate Consultancy firm engaged by EProps to manage the EProps Building;
“Offer Document”	This document describing the salient features, terms, conditions and processes of the Offer of 11,136,329 shares by EProps to Shareholders and EIZ members;
“Offer Ratio”	5 to 22, meaning that for every 22 Shares owned by existing Shareholders, the Shareholder will be entitled to 5 Rights Issue shares;
“Receiving Agents”, “Member Brokers” or “Collecting Agents”	the receiving agents who have been appointed to accept Application Forms and payments for shares with respect to this Offer as specified on the last page of this document;
“SEC” or “the Commission”	the Securities and Exchange Commission of Zambia, a statutory body established under the Securities Act, No. 41 of 2016 of the Laws of Zambia;
“Securities Act”	the Securities Act, No 41 of 2016 of the Laws of Zambia;
“Shareholder” or “Shareholders”	A person who owns EProps shares
“Shares” or “EProps shares”	ordinary shares with a par value of ZMW 0.01 each in the issued share capital of the Company;
“The Issuance”, “Share Issuance” or “the Offer Shares”	The issuance of 11,136,329 new ordinary shares by EProps;
“USD”, “\$” or “Dollars”	United States Dollars, the official currency of the United States of America;
“ZMW” or “Kwacha”	the lawful currency of the Republic of Zambia, being the Zambian Kwacha as rebased or any successor currency;

## 1. TRANSACTION BACKGROUND

EProps is a prominent real estate investment company based in Lusaka Zambia, focused on raising capital for property development, overseeing construction projects, and managing the marketing and leasing of properties. EProps was established with a strong foundation rooted in the Engineering Institution of Zambia, an organization consisting of engineering professionals. The Institution is the majority shareholder in EProps, whilst a handful of EIZ members also have ownership stakes in the Company, following the 2014 IPO.

### **The Offer**

EProps, in the continuous pursuit of growth and expansion, hereby announces a significant development in their corporate journey. The Company has decided to issue additional shares through a unique form of a Rights Issue. This issuance of additional shares and facilitation of growth in their shareholder base marks a pivotal moment in EProps' journey, as it underscores the Company's commitment to repaying its debt and expanding its investment portfolio. The offer is exclusively available to existing shareholders and should the existing shareholders take-up their rights, the offer will be extended to EIZ members. This special offering is a testament to the Company's continued dedication to inclusivity and collaboration within the engineering community of Zambia.



### **Our Vision**

EProps anticipates a future wherein real estate development and investment opportunities will not only be lucrative, but accessible to those who share the commitment to excellence in engineering and professionalism. Through this Offer, EProps will bring the EIZ community closer to the mission of transforming Zambia's real estate landscape and contributing to the nation's economic growth. The Company seeks to minimize debt and become more self-sufficient. The ultimate goal is to generate a consistent stream of income through dividend payments, to the Shareholders of EProps. The long-term goal is to expand and diversify the real estate portfolio, and ultimately cement EProps as one of the leading real estate companies in Zambia.

### **Conclusion**

In conclusion, EProps hereby embarks on this journey of partnership and growth with the dedicated Members of EIZ. Extending this exclusive opportunity to EIZ members, allows EProps to further strengthen its ties with the engineering community and collectively contribute to the success and prosperity of Zambia's real estate sector. EProps invites all eligible EIZ members and EProps Shareholders to participate in this unique offering, and look forward to a future where collective efforts drive innovation and excellence in the world of real estate investment.

*Invest with us today and be part of Zambia's real estate transformation*

# Why Invest?



## 1.1 An Overview of EIZ Properties PLC

EProps' core business entails investing in prime real estate investment projects at any stage of development and ensuring their ongoing profitability. The Company's pilot site is located near the Agriculture and Commercial Show Society of Zambia in Lusaka, right behind the Arcades shopping complex, along Kelvin Siwale Road.

In 2015, EIZ sought to raise finances to construct a mixed-use office property to serve as its head office. EIZ had a clear vision for its new office park facility in which the engineering profession in Zambia would be celebrated and honoured in the design of the EIZ Building. In order to raise the required capital to complete the project, EIZ incorporated EProps, the first and currently only, real estate investment company on the LuSE quoted tier. EProps underwent a rights offer which was available for EIZ members, however, the funds raised were below the target capital raise. EProps successfully negotiated a loan from EIZ, to ensure the ZMW60 million target was reached.

As of December 2022, the construction work on the building had been finalized, with the ground and first floors on the southern wing of the EIZ headquarters being occupied by the EIZ secretariat. During the course of 2022, an additional ZMW29 million was sourced from EIZ to facilitate the completion of the remaining works, such as the payment of contractors by the 31<sup>st</sup> of March 2023.

The Property is almost at a 100% occupancy. Tenants include:

- |   |  |
|---|--|
| i. Higher Education Authority                 | ii. Wiana Media                              |
| iii. Diversity Financial Solution Limited     | iv. Dichem Consultancy                       |
| v. George Baison & Obed Chartered Accountants | vi. Engineering Institution of Zambia        |
| vii. Thematic Resource United                 | viii. Zambia Environmental Management Agency |

As was originally intended, as at the beginning of 2023, EProps is now able to generate rental revenue and achieve financial independence. EProps has chosen to pay back the loan from EIZ in order to become a self-sufficient company and lessen their reliance on the Institution. The Members have also indicated interest in acquiring shares of EProps, especially in light of the building success and the prospective growth of EProps' property portfolio.

### 1.1.1 Property Manager's Strategy

UPmarket Property Consultants Limited is a real estate consultancy firm with a steadily growing solid client base and a committed professional team delivering high standards of property consultancy services in Zambia. The combined experience of the company's staff and directors provides a track record of over 20 years of successful property management, property valuation, real estate sales marketing, asset & facilities management.



View of Lift and Stairwell on Ground Floor



View Of Open Plan Office Space

UPmarket's main goal is to create more visibility and persevere value for the owners of the EIZ Building. Their initial strategy was to secure an anchor and other credible tenants to occupy space in this Landmark office development. With the building now at about 92% occupancy, the strategy is to now secure the remaining tenants that compliment the existing tenant mix structure and foster a long-term view of sustained management of the building.

## 1.2 Why Invest in EProps

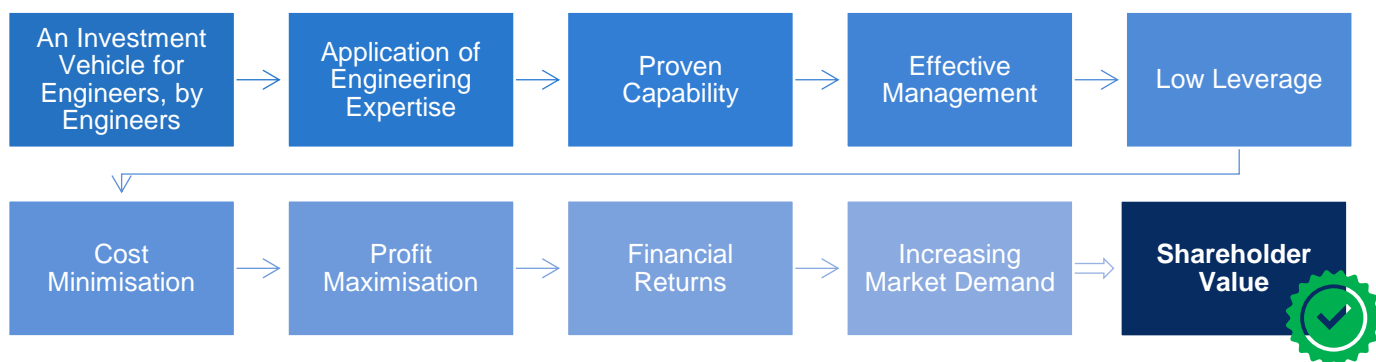
The Board extends a unique investment opportunity to you, the Shareholders and members of EIZ. As dedicated engineering professionals, you are the backbone of the Institution, and participating in the Offer is not only financially rewarding but also aligns with your profession's values and aspirations. The following are the reasons why you should consider taking part:

- i. **Strong Foundation:** EProps was founded by EIZ, an institution renowned for its commitment to engineering excellence. By participating in the Offer, Members have an opportunity to be part of an organization deeply rooted in the engineering professional community, fostering a sense of unity, expertise and common purpose.
- ii. **A Company for Engineers by Engineers:** In public companies, the principle agent problem, which is the risk of Management and the Board acting in their own interests and not those of the Shareholders, has to be actively mitigated. However, the Board and Management of EProps are also members of EIZ and thus, have the same interests as the Shareholders. The inherent structure of EProps mitigates the key problem faced in public entities and increases transparency. Ultimately, it will be the Members who have control over the dividend, investment and operational policies of the Company, at both Board and Management level.
- iii. **A Low Leverage Firm:** EProps is a company in a unique position, unlike most real estate companies the firm has relatively little debt particularly after successfully raising the funds needed to finance the project. Typically, real estate companies finance pilot projects with expensive debt, a deterrent to investors as this lengthens their investment payback period. However, EProps Shareholders are likely to start earning a return on their investment in the short run, as the Company will not be burdened by debt repayment fees which often exert significant downward pressure on profits.
- iv. **Cost Minimization to Maximise Profits:** The Company intends to manage the operational costs of running the EProps Building, without compromising on quality service delivery. These cost minimization policies along with the minimal debt policy, positions EProps to have a healthy bottom-line. This increases the dividend payout capacity of the firm, without compromising the retained earnings which can be used for investments.
- v. **Dividend Policy:** Our real estate company's dividend policy is structured to provide consistent returns to our Shareholders by emphasizing the distribution of a substantial portion of our profits as dividends. We aim to strike a balance between rewarding our investors with regular income and retaining earnings to fuel our ongoing property development initiatives, ensuring sustained growth and value for our stakeholders.
- vi. **Effective Property Management Strategy:** Since inception, EProps has retained the property management services of Upmarket Property Consultants Limited, through combined efforts the Building was occupied with leases lined up in anticipation of completion. This is a testament to the effectiveness of the marketing strategy employed and capacity to onboard and retain new clientele once new properties are acquired.

- vii. **Growing Demand For Commercial Market Space:** Zambia's thriving business environment, fuelled by sectors such as mining, agriculture, and manufacturing, has considerably increased demand for modern office spaces, retail outlets, and industrial facilities. Evidence of this can be seen by how fast EProps was able to secure tenants, even prior to completion of the building. EProps is well positioned to become a key player in a market which is consistently expanding.
- viii. **Investment in Your Future:** Real estate investments have historically proven to be a stable and lucrative asset class. By participating, you have the opportunity to diversify your investment portfolio, potentially securing your financial future and that of your family. Your investment has the potential to generate returns as EProps strategically deploys the capital raised to complete key construction projects, repay debts, and enhance operational efficiency. Your participation can contribute to the success of these endeavours.
- ix. **Direct Participation in EProps:** This offer allows you to become a direct stakeholder in EProps, giving you a voice in our strategic decisions and future direction through your votes. Your participation is not just financial; it's a chance to actively engage in shaping the growth and success of our real estate endeavors.
- x. **Supporting Your Professional Community:** By investing in EProps, you are contributing to the growth of your professional community. The success of our real estate projects generates resources that can be reinvested in initiatives that benefit EIZ and its members, further enhancing the engineering field in Zambia.
- xi. **Utilization of Engineering Excellence:** The property Company will be under the ownership and stewardship of the engineering community. It is anticipated that the Company will harness the wealth of engineering expertise to optimize construction processes and enhance the ongoing maintenance of its real estate assets, thereby promoting operational efficiency and excellence.
- xii. **Exclusive Access:** This offer is exclusively available to EIZ members, regardless of whether or not you currently hold shares in EProps. It's an opportunity designed specifically for Shareholders and Members of EIZ, reflecting the Company's commitment to the profession's collective advancement.

In conclusion, the Board of EProps, and EIZ invites you to seize this unique investment opportunity. Your participation not only offers potential financial rewards but also strengthens our professional community and contributes to the growth and success of EProps. We are excited to have you as partners in our journey to transform Zambia's real estate landscape.

### ***EProps: A Strong Investment Case***





## 2. SALIENT FEATURES OF THE OFFER

### Principle Purpose of the Issuance: Use of Proceeds

As part of the long-term strategy, Eprops has considered various capital raise project structures, with the aim of securing **ZMW 40,090,783** (Forty Million Ninety Thousand, Seven Hundred and Eighty-three Kwacha). Following careful consideration and consultations, the Board and Management of Eprops have determined that a Share Issuance offers the most effective means to generate requisite funds, while simultaneously providing a mechanism for EIZ Members to gain direct ownership of the Company. These funds will be strategically allocated to various aspects of the Company's operations to facilitate their long-term strategic goals, the funds will be utilized as follows:

- i. A total of ZMW 20,000,000 will be allocated to the repayment of a debt owed to the EIZ. This commitment underscores the Company dedication to fulfilling the financial obligations and maintaining a strong partnership with EIZ;
- ii. To advance the completion of the EIZ Headquarters, the Board will allocate ZMW 9,663,268 to complete Phase Three works, specifically the First Floor Conversion, enhancing the functionality and value of the facilities. Additionally, ZMW 4,639,618 has been allocated for essential Auditorium works. ZMW700,000 will be allocated towards consultations. These investments will contribute to the successful development of the Property;
- iii. To facilitate the capital raise, the total costs of advisors, regulatory fees, printing and public relations is ZMW2,695,604; and Additionally, the Board anticipates that the balance of ZMW2,392,294 will be required for other operational and governance needs. These funds will be strategically managed to support day-to-day operations, uphold governance standards, and ensure financial stability. The Company plans to buy an operational vehicle that is expected to cost ZMW1,250,000. The Company will spend an approximate ZMW350,000 on setting up various committees and training expenses. The Remaining ZMW792,294 will be used to purchase furniture and boardroom equipment. The following table summarizes the allocation of funds:

	ZMW
<b>Target Capital Raise</b>	<b>40,090,783.09</b>
Debt Repayment to EIZ	20,000,000.00
Phase Three Works (First Floor Conversion)	9,663,268.00
Auditorium Works	4,639,618.00
Consultations	700,000.00
<b>Sub total</b>	<b>35,002,886.00</b>
<b>Cost of Raising Capital</b>	
Lead advisor and Sponsoring Broker (USD15,000)	340,000
2.5% success fee on (ZMW40 million)	1,002,270
Develop strategic plan and business plan	800,000
Accounting system and Real estate system	400,000
Reporting Accountant	30,000
Legal Advisor	30,000
Transfer Secretary	30,000
SEC Scrutiny Fees	33,334
Printing and public relations	30,000
<b>Sub total</b>	<b>2,695,604</b>
<b>Total Expenditure</b>	<b>37,698,490</b>
<b>Available for other operations and governance</b>	<b>2,392,294</b>

### 3. TERMS OF THE OFFER

Subject to the fulfilment of all regulatory requirements, 11,136,329 Offer Shares will be offered for cash at the price of ZMW3.60 each, payable in full. The new Shares will be issued as fully paid and will rank pari passu, in all respects, with all existing EProps shares with effect from the date of issue.

#### Premium Price Justification

The Company has proposed a rights issue with an offer price of ZMW3.60 per share, which represents a premium when compared to the Initial Public Offer price of ZMW2.00 per share in 2014. Several key factors have been considered by the Board in determining the premium offer price:

- i. **Inflation:** Since the Initial Public Offering in 2014, there has been a substantial increase in inflation, with the rate rising from 7.8% to 22% in 2021. This represents a staggering 284% increase in inflation. This higher inflation erodes the purchasing power of the Company's initial capital and affects the real value of its shares. To maintain the Company's financial stability and competitiveness, a premium offer price is justified to counteract the impact of inflation on shareholder value;
- ii. **Capital Investment:** The Company has seen substantial capital input from its major shareholder for the construction of the Engineering House, which is currently at about 92% completion. This significant investment signifies the commitment of the major shareholder to the Company's growth and prospects. The premium offer price will help fund the completion of the construction project;
- iii. **Growth Potential:** EProps has identified substantial growth opportunities in the real estate sector. These opportunities include plans for property development, land acquisitions, and expansion into promising real estate locales. By offering shares at a premium, EProps aims to secure the necessary capital to capitalize on these growth initiatives and establish the Company as a key player in the industry, without incurring additional debt;
- iv. **A Quality Asset:** Currently, the Company has a high-quality asset and properties in the desirable new central business district of Lusaka. This property has the potential for high rental income, consistent demand for tenants and appreciation in value; and
- v. **Local Market Conditions:** Favourable local market conditions, including strong demand for commercial real estate properties especially around the Property location area and government incentives for real estate development, support the Company decision to propose a premium offer price.

In summary, the decision to offer shares at a premium price is a strategic move by EProps to account for the impact of inflation, currency depreciation, and to recognize the significant capital investments made by the Company. It also aligns with the Company's commitment to enhancing shareholder value through expansion, without incurring more debt to support future projects.

Features of the Offer	
Ordinary Shares of ZMW 0.01 nominal value issued	48,808,493
New Ordinary Shares resulting from the Offer	11,136,329
Offer Price (ZMW)	3.60
Effects of the Offer	
Total shares in issue after the Offer	60,136,175
Total Offer proceeds (ZMW)	40,090,783

Table 1 Offer Features

### 1.3 Share Capital Structure Of Eprops Before And After The Offer

Share capital before the Offer	
Current number of authorized ordinary shares	150,000,000
Current number of issued ordinary shares	48,808,493
Nominal value of Ordinary Shares (ZMW)	0.01
Share Capital after the Offer	
Number of authorized ordinary shares	150,000,000
Number of issued ordinary shares	60,136,175
Nominal value of Ordinary Shares (ZMW)	0.01

Table 2 Share Capital Structure of EProps, Pre and Post Offer

### 1.4 Important Dates and Times

Activity	Date
1 <sup>st</sup> Announcement- Salient features and dates of the Offer published	04 March 2024
Record Date	01 February 2024
Offer opens	04 March 2024
Offer Closes	23 April 2024
Last day for receiving postal acceptances	25 April 2024
Publication of results announcement	26 April 2024

Table 3 Salient Dates and Times

#### Notes:

- i. The above dates are subject to amendments. In the event of any such Amendments, the new dates will be published over the SENS and in at least two Zambian newspapers; and
- ii. All timings and references are in Central Africa Time.

### 1.5 Queries

If you have any questions on any aspects of this Offer Document please contact your stockbroker, accountant, banker, legal practitioner or other professional advisor, or the Financial Advisor/ Sponsoring Broker, at the contact details below:

**Address:** Pangaea Securities Limited,  
Pangaea Office Park,  
1<sup>st</sup> Floor, Great East Road,  
P.O. Box 30163,  
Lusaka, Zambia.

**Telephone:** +260 (211) 220 707 or 238 709 / 16 Fax +260 (211) 220 925

**Email:** [cmambwe@pangaea.co.zm](mailto:cmambwe@pangaea.co.zm) cc: [kchipati@pangaea.co.zm](mailto:kchipati@pangaea.co.zm) ; [mchilembo@pangaea.co.zm](mailto:mchilembo@pangaea.co.zm)

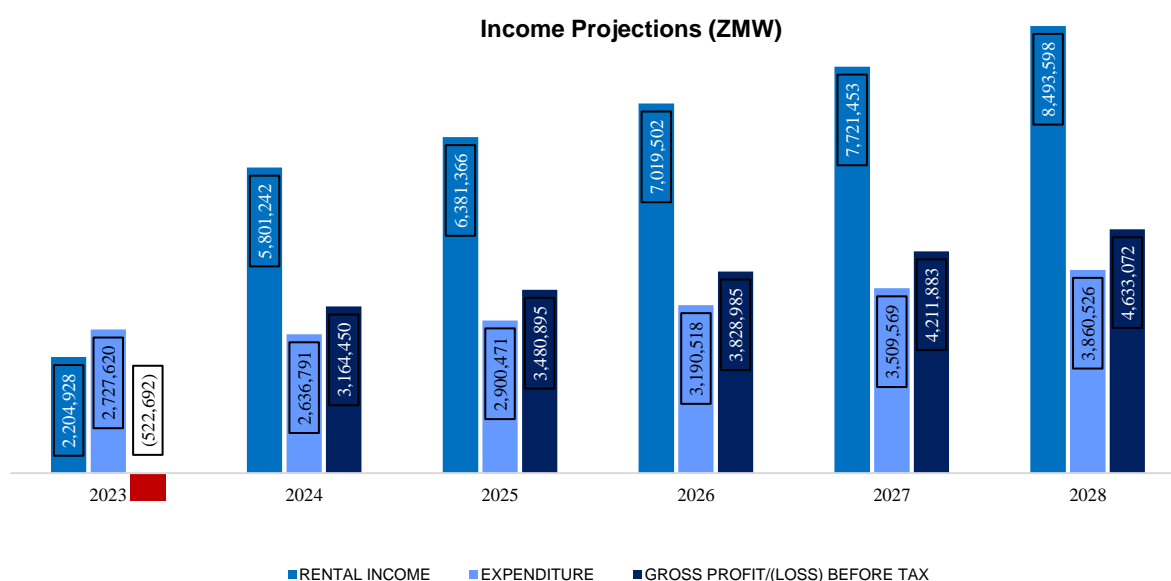
## 4. FINANCIAL OVERVIEW

### Income Projections: 2023 to 2028

	2023	2024	2025	2026	2027	2028	TOTAL	CAGR
<b>Rental Income</b>	2,204,928	5,801,242	6,381,366	7,019,502	7,721,453	8,493,598	37,622,089	25.20%
<b>Expenditure</b>	2,727,620	2,636,791	2,900,471	3,190,518	3,509,569	3,860,526	18,825,495	5.96%
<b>Gross Profit/(Loss)</b>	(522,692)	3,164,450	3,480,895	3,828,985	4,211,883	4,633,072	18,796,593	6.56%

Table 4 Six-year Financial Projections

The projected Compound Annual Growth Rate for rental income is a robust 25.20%, indicating significant expected revenue growth in the real estate business. The CAGR for expenditure is 5.96%, indicating that expenses are increasing, albeit at a slower rate compared to revenue. The positive CAGR for both rental income and gross profit before tax reflects the Company's successful revenue generation and increasing profitability over the forecasted period. The higher CAGR in rental income compared to expenditure indicates efficient revenue generation and expense management. The Company is on a positive growth trajectory, with strong potential to secure its place in the real estate space in Zambia.



## 1.6 Half Year Historical Financial Performance

### 1.6.1 Half Year Income Statement

In the initial half of 2023, in contrast to the previous year (2022), EProps commenced generating rental income, resulting in a total revenue of ZMW677,527.00. Nonetheless, due to the inclusion of new tenants and the imperative of addressing their requirements, EProps also incurred operational and administrative expenditures. These cash outflows, amounting to ZMW799,103.00, exceeded the revenue generated, resulting in a net loss of ZMW121,576.00. This loss can be attributed to the variability in start dates for some tenants who have committed to leases, leading to fluctuations in monthly rental income. It is important to note that administrative and operational costs remain fixed, irrespective of the occupancy level of the property. As at 30 June, 2023, the only downward pressure exerted on EProps' bottom-line has been operational costs.

	HY2023	HY2022
	ZMW	ZMW
<b>Revenue</b>		-
Rental income	677,527	-
Other income	-	-
<b>Gross income</b>	<b>677,527</b>	-
Less: Activity costs	-	-
<b>Gross profit</b>	<b>677,527</b>	-
Less: Operating and administrative expenditure	799,103	-
<b>Excess of expenditure over income before finance costs</b>	<b>(121,576)</b>	-
Net financing and investment income		-
<b>Excess of expenditure over income after finance costs</b>	<b>(121,576)</b>	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(121,576)</b>	-

*Table 5 EProps Half-Year Income Statement 2023*

### 1.6.2 Half Year-Balance Sheet

The nearing completion of the EProps Building was duly accounted for in EProps' balance sheet, evident in the substantial increase of 109% in the value of property, plant, and equipment, which rose from ZMW97,848,714.00 to ZMW106,733,321.00. Additionally, EProps made the strategic decision to acquire a generator for the property as a safeguard against potential loadshedding issues. Consequently, the total assets of the entity witnessed a significant uptick, rising by 110% to ZMW107,882,243.00. EProps boasts a healthy balance sheet, with the only liability reflected on the Company's balance sheet being a ZMW10,000,000.00 loan from EIZ, to facilitate the payment of key contractors and works in progress.

	HY2023	HY2022
	ZMW	ZMW
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property and equipment - Work in Progress	106,733,321	97,848,714
Property and equipment – Genset	1,146,921	
Current Assets	-	
Receivables	-	
<b>Total Assets</b>	<b>107,882,243</b>	<b>97,848,714</b>
<b>Accumulated Funds and Liabilities</b>		
<b>Accumulated Funds</b>		
Equity	360,595	360,595
Share Premium	97,488,119	97,488,119
<b>Shareholder's Interest</b>	<b>97,848,714</b>	<b>97,848,714</b>
<b>Liability</b>		
Current and non-current liabilities	10,031,529	-
<b>Total Accumulated funds and Liabilities</b>	<b>107,882,243</b>	<b>97,848,714</b>

*Table 6 EProps Half-Year Balance Sheet 2023*

### 1.6.3 Half Year-Cashflow Statement

EProps' 2023 cashflow statement illustrates the aforementioned costs of the final works and the ZMW10,000,000.00 loan from EIZ. Net operating cash flows were negative, given the excess cost of operating costs over revenue generated. In 2022, EIZ had granted a ZMW13,000,000.00 capital injection into EProps, reflected as an outflow under investment in property. However, in 2023 EIZ instead granted a loan of ZMW10,000,000.00, as it was planned that this would be paid back within a year.

	HY2023 ZMW	HY2022 ZMW
<b>Cash flows from operating activities</b>	<b>(121,576)</b>	-
Operating cash flows before movements in working capital	-	-
Changes in operating assets and liabilities	-	-
Movement in receivables	<b>121,576</b>	
Net cash (out)/inflow from operating assets and liabilities	-	
<b>Cash Flows from Investing activities</b>		
Investment in property	(10,031,529)	(13,618,500)
Net cash from investing activities	<b>10,031,529</b>	<b>(13,618,500)</b>
<b>Cash flows from financing activities</b>		
Capital injection	10,031,529	13,618,500
Net cash flows from financing activities	<b>10,031,529</b>	<b>13,618,500</b>
Net cash inflow / (outflow)	-	-
Cash at the beginning of the year	-	-
Cash and cash equivalents at end of the year	-	-

Table 7 EProps Half-Year Cashflow Statement 2023

## 1.7 Full Year Historical Financials

### 1.7.1 Four Year- Balance Sheet

	2022 (ZMW)	2021 (ZMW)	2020 (ZMW)	2019 (ZMW)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property and Equipment	97,848,714	85,202,096	71,583,596	64,549,955
Receivables	-	-	-	-
<b>Total Assets</b>	<b>97,848,714</b>	<b>85,202,096</b>	<b>71,583,596</b>	<b>64,549,955</b>
<b>Accumulate Funds and Liabilities</b>				
Equity	360,595	360,595	357,918	322,750
Share Premium	97,488,119	84,841,501	71,225,478	64,227,205
Members'/ Shareholders interest	97,848,714	85,202,096	71,583,396	64,549,955
<b>Liabilities</b>				
Current and Non-current liabilities	-	-	-	-
<b>Total Accumulated Funds and Liabilities</b>	<b>-</b>	<b>-</b>	<b>71,583,396</b>	<b>64,549,955</b>

Table 8 EProps Historical Balance Sheet

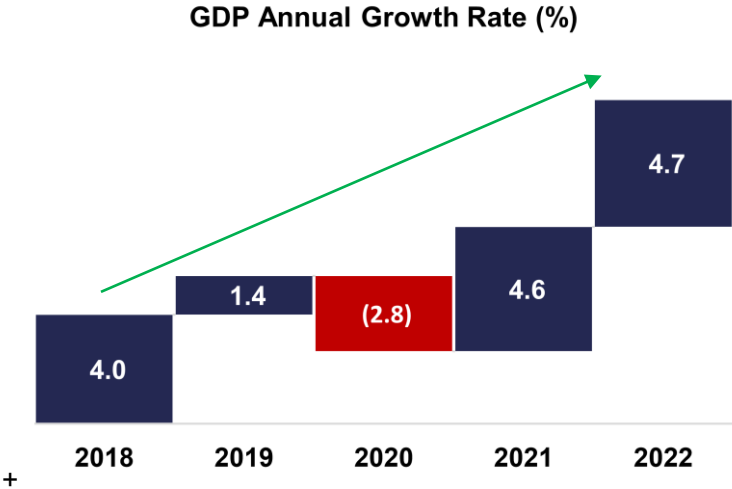
EProps' four-year balance sheet depicts the increasing value of the EIZ Buildings, as works have neared completion. As can be seen in table 8, the value of the property has been increasing steadily from ZMW64,000,000.00 in 2019 to ZMW97,000,000.00 in 2022. Also apparent in the statement below, is the

financial support that EIZ has lent to EProps, illustrated in the increasing value of the share premium. This was done as EProps required additional funding for the construction, over the four-year period.

## 5. ZAMBIA REAL ESTATE MARKET OVERVIEW: AN EMERGING FRONTIER

The real estate sector in Zambia has emerged as a significant area of economic growth and development. With its strategic location, abundant natural resources, and a growing middle-class, Zambia presents a favourable environment for real estate investment and development. The sector grew 3.5%, 3.6% and 3.7% in 2020, 2021 and 2022 respectively, according to the Bank of Zambia. The rapid growth of the sector is driven by the following:

- 1. Economic Growth and Urbanization:** Zambia's robust economic growth has fuelled rapid urbanization, leading to increased demand for housing, commercial spaces, and infrastructure development. The country's expanding middle class, growing urban population, and increasing disposable income have contributed to the rising demand for quality real estate properties. This trend has opened up avenues for both local and international investors to capitalize on the market's potential. The country has an approximated USD22.2 billion GDP, and a USD1.137 GDP/Capital. The GDP growth for 2022 was reported at 4.7%, the highest in the last five years.



- 2. Commercial Real Estate:** Zambia's thriving business environment, fuelled by sectors such as mining, agriculture, tourism, and manufacturing, has created a demand for modern office spaces, retail outlets, and industrial facilities. The commercial real estate sector has witnessed remarkable growth, particularly in urban centres like Lusaka and the Copperbelt province. The expansion of shopping malls, office parks, and industrial zones reflects the increasing investment and business activities in the country. These developments not only attract local businesses but also serve as a magnet for foreign direct investment. Knight Frank reports;

*“...We have seen an increase in Office Market activity from the start of this year, with greatest demand for 100 -350 square meter office units from both local and global businesses. With focus on Grade A office spaces, there has also been a growing trend towards fully serviced and fully furnished offices in Lusaka, especially from international occupiers. Whilst there is still an oversupply in the market, these types of office spaces are likely to be taken up quickest this year, especially as a result of the improvement in economic growth...”*

**Knight Frank Zambia**

- 3. Infrastructure Development:** Infrastructure development plays a vital role in shaping the real estate sector in Zambia. The Government's commitment to improving transportation networks, such as roads, airports, and railway systems, enhances connectivity and accessibility to

various real estate projects. Moreover, initiatives to provide reliable utilities and services, including water supply, electricity, and telecommunications, are essential factors in attracting investors and promoting sustainable real estate development.

4. **Legal and Regulatory Framework:** Zambia has implemented policies and regulations to safeguard property rights and facilitate real estate transactions. The Land Act, the Lands and Deeds Registry Act, The Landlord and Tenant (Business Premises) Act, the National Housing Policy, and the Zambian Development Agency Act are examples of legislation and policies aimed at providing a conducive environment for real estate investment. These measures enhance investor confidence, encourage transparency, and promote fair business practices within the sector.
5. **Challenges and Opportunities:** Despite the significant growth potential, the real estate sector in Zambia faces certain challenges. Limited access to financing, inadequate infrastructure in certain areas, and bureaucracy in the land acquisition process are hurdles that need to be addressed. Additionally, the Sector must prioritize sustainable development practices, including environmental conservation and social responsibility, to ensure long-term success.

However, these challenges present opportunities for innovation and collaboration. Public-private partnerships can play a pivotal role in addressing infrastructure gaps, while financial institutions can develop specialized products and services to cater to the needs of real estate developers and buyers. Furthermore, technology adoption and digital platforms can streamline processes, improve efficiency, and foster transparency within the sector.

As is evident from the above, the real estate sector in Zambia has emerged as a dynamic and promising industry, driven by economic growth, urbanization, and a burgeoning middle class. With a supportive legal framework, expanding infrastructure, and growing investment opportunities, the sector offers immense potential for local and international stakeholders. However, it is crucial to address challenges, promote sustainable practices, and encourage innovation to ensure the long-term success and resilience of Zambia's real estate sector. As the country continues to develop and prosper, the real estate sector will play a vital role in shaping its urban landscape and contributing to overall economic growth and prosperity.

## 6. TERMS OF THE OFFER

### 1.8 General

An application has been made by the Company to have all of the new issued shares quoted and traded on the LuSE Quoted Tier and registered with the SEC. The shares will be traded on the LuSE quoted tier under the abbreviated name "EIZP" commencing by the end of May 2024 after the close of the Offer. No application has been made to register the ordinary shares in any other jurisdiction. Note that the Shares being issued will rank *pari passu* with the currently issued shares of the Company.

### 1.9 Regulatory Requirements

The Offer, applications, allocations, allotment and acceptances will be exclusively governed by the laws of Zambia and each applicant will be deemed, by applying for ordinary shares, to have consented and submitted to this jurisdiction of the courts of Zambia in relation to all matters arising out of or in connection with the offer.

### 1.10 Collection of Offer Document

Copies of the Offer Document, with the accompanying Application Form, may be obtained from the registered office of EProps and the Lead Advisor as set out in the "Corporate Information" Section of this Offer Document.



### 1.11 Conditions Attached to the Application and Completion of Application Forms

Applications once submitted are irrevocable and may not be withdrawn once received. Applications will only be accepted on the following conditions:

- i. Shareholders and Members who wish to participate in the Offer should follow the application instructions. Completed application forms and relevant funds should be lodged in accordance with the applicant's instructions by no later than 12.00 hours on 23 April 2024, or 25 April for Postal deliveries.
- ii. An investor wishing to participate in the Offer must submit one of the completed **Application Form (Form A or Form B)** in the form attached to this Offer Document. Application Forms may be lodged, posted, or emailed, as the case may be, as set out below, and will only be accepted if they are accompanied by payment or proof of payment, as the case may be;
- iii. All applications received from a single applicant shall be aggregated and be treated as a single application in terms of the Offer;
- iv. Applications may only be made on the relevant original Application Form, which accompanies this Offer Document and must be completed in accordance with the provisions of this Offer Document and the instructions set out in the relevant application form and this Offer document. **Copies or reproductions of the application form will not be accepted;**
- v. Applications from non-Shareholders of EProps must be for a minimum of **600 shares valued at a total of ZMW2,160.00;**
- vi. All alterations on the application form, other than the deletion of alternatives, must be authenticated by the full signature of the Applicant;
- vii. The Board of EProps reserves the right to accept or refuse any application, **in part or in whole;**
- viii. Persons or companies applying in a nominee capacity must disclose the names and addresses of their principals and the number of shares applied for on behalf of each principal;
- ix. Applicants may be called upon for evidence of their authority or capacity to sign the Application Form; and;
- x. The Board of EProps reserves the right to alter, relax or waive any of the terms and conditions in the Offer with respect to the making of applications as it may deem fit.

### 1.12 Payment Considerations

- i. Payments must be made in **Zambian Kwacha and in full** by a bank guaranteed cheque drawn on a Zambian bank or banker's draft drawn on a registered Zambian commercial bank (each of which should be crossed and marked "not transferable", and in the case of a cheque with the words "or bearer" deleted), or EFT (into the Receiving Bank's bank account set out in Section 6 of this Offer Document) in favour of "EPROP Public Offer";
- ii. If made by bank-guaranteed cheque, banker's draft or proof of payment by EFT, must be lodged, posted (by registered mail), or emailed, as the case may be, together with the completed Application Form, to be received by one of the Receiving Agents in a manner set out in Annexure , and must be received by no later than 12.00 hours on 23 April 2024 or 25 April 2024 for postal delivery;

- iii. Payment in the case of a bank-guaranteed cheque or banker's draft will be valid only when the relevant bank guaranteed cheque or banker's draft has been cleared. All bank-guaranteed cheques or banker's drafts received by the Receiving Agents will be deposited for payment as soon as reasonably possible after receipt. In the event that any bank-guaranteed cheque or banker's draft is dishonoured, or EFT payment reversed, the Company, in its sole discretion, may treat the relevant application as void or delivery of the related Offer Shares to which it relates against payment in cash of the Offer Price for such shares;
- iv. Money received in respect of an application that is rejected, or which is otherwise not validly received in accordance with the terms stipulated, will be (1) deposited by EFT into the bank account nominated by the applicant in the Application Form, or (ii) posted by registered post to the address designated by the applicant by way of a cheque drawn, without interest, in Kwacha, at the applicant's risk, on or about the quoting Date (presently scheduled to 26 April 2024). If the applicant does not provide a bank account or postal address for this purpose in the Application Form, then subject to laws relating to prescription and other statutory rights of the Company to deal with monies not collected, the relevant refund will be held by the Company until collected by the applicant. No interest will be paid by the Company in respect of any monies refunded, and any interest earned on such funds will accrue to the Company.
- v. Applicants are advised to take into consideration postal delivery times when posting their Application Forms as late postal deliveries will not be accepted.
- vi. Application Forms shall be deemed to be received on the date reflected in the Receiving Agent's collection, or email system. The Receiving Agents will not be responsible for any loss and/or damage whatsoever concerning or arising from the late receipt or non- receipt of emailed Application Forms or owing to Application Forms being forwarded to any facsimile number or an email address other than that provided in Section 3.3 and Annexure 4. Notwithstanding anything to the contrary, it is an applicant's responsibility to ensure that their Application Form is timeously received by a Receiving Agent.
- vii. All monies received in respect of applications will be held by the Receiving Agent for transfer to the collection bank for payment to EProps, and/ or the payment of any refunds, pending fulfilment of the conditions set out in Section 6 and the Application form.
- viii. In the event of an application being rejected in whole or accepted for a lesser number of shares than that applied for, the application monies or surplus application monies (as the case may be), will be refunded by the respective Receiving Agent by way of a cheque drawn on a bank in Zambia's currency and posted by registered post, at the risk of the Applicant, following the close of the offer . Further, no interest will be paid on monies refunded.

### **1.13 Submission of Applications and Payment**

Application Forms may be delivered by hand, marked "EProps Offer" to any of the Receiving Agents provided such Application Forms are submitted by 12:00 hours on 23 April 2024, or **posted at the risk of the applicant**, marked "EProps Offer" to be received by no later than 12:00 hours on 25 April 2024 to:

*Attention: Chipso Mambwe,  
Pangaea Securities Limited  
First Floor, Pangaea Office Park  
Great East Road, P.O Box 30163  
Lusaka, Zambia.*

An envelope should contain one Application Form and must be clearly marked "EProps Offer". Application Forms should be accompanied by payment of the total price of the shares applied for by way of a manager's cheque , deposit slip or bank draft, crossed "not negotiable" and drawn in favour of "EProps Offer". Such cheques and/ or bank drafts will be deposited immediately for payment and will be held by the Receiving

Agent with whom the application was submitted. Where an Applicant prefers to do a bank transfer or deposit, the payment can be made to the following account.

Account Name	EIZ Properties PLC
Account Number	9130006751931
Currency	Zambian Kwacha
Bank	Stanbic
Bank Code	040206
Branch	Kitwe

#### 1.14 Key Considerations

- i. *Documents:* EIZ Properties PLC and the brokers indicated in Annexure 4 of this Offer Document reserve the right to call for documentary evidence they might require in support of the acceptance;
- ii. *Signatures:* Any and all alterations on the Application Form must be authenticated by a full signature. Joint applications must be signed by all applicants;
- iii. *Deceased Estates:* The New Ordinary Shares allocated may not be accepted by or renounced in favour of a deceased estate where the right to accept has been offered to a deceased holder. The executor(s) should complete Section B in his/her/their respective capacity. The Application Form must then be lodged as described herein;
- iv. The application form should be detached and completed by you in accordance with these instructions and your plans with regard to your rights or plans to purchase shares under this issue. The information contained in this form should be read in conjunction with the **Offer Document in its entirety**.

#### 1.15 Issue of Share Certificates

All the EProps ordinary shares that are the subject of this Offer will be placed in the LuSE CSD. In terms of this system, Shareholders will not be issued share certificates, but will instead be issued confirmations of their entitlements to shares held in the Lusaka Clearing and Settlement Agency. Shareholders may trade through any of the Stockbrokers who are members of the LuSE, and all trades on the LuSE must be conducted through the Lusaka Clearing and Settlement Agency.

The confirmation of entitlement to shares will be posted to the address shown on the relevant Application Form. No contrary instructions will be accepted.

**EProps accepts no liability for confirmations of entitlement to shares that may be lost in the post.**

Request for the issue of replacement confirmations of entitlement to shares will only be considered in writing and accompanied by an acceptable indemnity.

#### 1.16 Particulars Of Share Capital

The issued share capital of EProps before and after, the Offer, is as follows:

	Before the Offer	After the Offer
Issued share capital (ZMW)	48,808,493	60,136,175

Note:

- i. Ordinary Shares in EProps are of ZMW 0.01 par value each;
- ii. The authorised and unissued shares will be under the control of the Directors as directed and authorised by the shareholders subject to the provisions of the Companies Act;
- iii. All of the authorised and issued shares the subject of this Offer, rank *pari passu* in every respect;

- iv. Any variation of rights attaching to ordinary shares will require the consent of Shareholders in general meeting in accordance with the Articles of Association of EProps; and
- v. None of the ordinary shares of EProps are listed on any stock exchange, other than the quotation on the LuSE.

#### **1.17 Experts' Consents**

The parties Pangaea, PBIK Consultants and K.Mwale and Company, also referred to in the "Corporate Information" section on the inside front cover of this Offer Document have consented in writing to act in the capacities stated and to their names being stated in the Offer Document and, in the case of the Independent Reporting Accountant has consented to the references to its report in the form and context in which they appear, and the parties have not withdrawn their consents prior to the publication of the Offer Document.

#### **1.18 Documents Available For Inspection**

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of EIZ Properties Plc (the details of which appear in the "Corporate Information" section of this Offer Document) from the date on which this Offer Document is issued:

- i. The Articles of Association of EProps;
- ii. Independent Reporting Accountant's Report;
- iii. Material contracts;
- iv. EIZ Building valuation report;
- v. Audited financial statements of EProps, for the years 2020, 2021 and 2022;
- vi. Proforma financial statements report by the Independent Reporting Accountant;
- vii. EIZ Lease Agreement;
- viii. Legal opinion regarding this transaction; and
- ix. A signed copy of this Offer Document.

## 7. GENERAL INFORMATION ABOUT THE BUSINESS OF THE COMPANY

### 1.19 Board of Directors

The Board of Directors of the Company plays an active role in the management of the business. Presently, the Board only consists of Zambian nationals who are registered members of EIZ:

Name	Position	Experience and Qualifications.
Mwafuilwa London	Board Chairman	A registered Engineer and Fellow member of the EIZ Holder of a bachelor's degree in mechanical engineering. He has over 30 years' experience in Engineering and Management. Principal Shareholder and Team Leader–Shawonga Enterprises Limited Principal Shareholder and Team Leader – Shawonga Enterprises Limited. He is also, the Principal Shareholder and Chairman of the Board of Directors of Zinpro Limited
Kangwa Diana	Director	A registered Engineer and Fellow member of the EIZ, Holder of a bachelor's degree in Electronics & Telecommunications Engineering from the University of Zambia, a Master's Degree in Communication & Information Systems from Huazhong University of Science and Technology (HUST) in China and a Master's Degree in Business Administration ("MBA") from the Copperbelt University and a Doctor of Business Administration from the Binary University of Management Entrepreneurship of Malaysia.  She has also served as Chief Operating Officer of Zambia National Commercial Bank Plc and served as Deputy Chief Operating Officer at Cavmont Bank Zambia.
Ng'andu Eunie	Company Secretary	Mr. Ng'andu is a Chartered Certified Accountant, Fellow of the Zambia Institute of Chartered Accountants (FZICA) and the Association of Chartered Certified Accountants (FCCA). He holds of an MBA, from Herriot Watt University UK, BscA Oxford Brookes University.  He has over 20 years' experience in Financial Management, Investment Management, Governance Administration, Quality Management, Auditing, Problem Solving and Innovation Management, and Corporate Secretarial roles.
Patrick Kampengele	Director	Eng. Kampengele is a registered Engineer and Fellow member of the Engineering Institution of Zambia (EIZ). He holds a bachelor's degree Engineering Credit 1984 – 1989. Patrick Kampengele is also the Managing Director of Knight Piesold Consulting in Zambia and has more 30 years' experience.  As a member of the Chartered Institute of Arbitrators (Zambia Branch), he is an Arbitrator, Adjudicator and Accredited Mediator. He has served as past chairman of the Association of Consulting Engineers of Zambia, Registration Board of Zambia, National Council for Construction (Zambia) and is the current Chairman of the Mining Licensing Committee (Zambia).

David Kamungu	Executive Director	<p>A registered Engineer and Fellow member of the Engineering Institution of Zambia (EIZ), Eng. Kamungu holds a Bachelor of Engineering in Chemical Engineering and Master of Science in Project Management from the Copperbelt University and has over 10 years post qualification experience in the oil, mining, manufacturing, and regulatory sector.</p> <p>Mr. Kamungu has hands on leadership and competencies in Project Management, Corporate Strategy &amp; Risk Management, environmental and safety management systems. He also previously served as Assistant Superintendent, Regional Manager South and Deputy Registrar and Director of Operations of EIZ. He has been involved in the development and implementation of various operational systems in EIZ.</p>
Ennie Muchelemba	Director	<p>Eng. Muchelemba is a holder of a Masters' degree in Municipal Water and Infrastructure specialization Water Supply Engineering from UNESCO-IHE Institute for Water Education in Delft, the Netherlands, a bachelor's degree in chemical engineering and a Diploma in Industrial Science Technology, both from the Copperbelt University in Zambia.</p> <p>Notable roles in her career include that of Technical Advisor – School Water, Sanitation and Hygiene at Ministry of General Education under UNICEF, as well as Operations Manager, Devolution Trust Fund Manager and Regional Engineer under the same program. As a fellow of EIZ, she has also served at EIZ as a Chairperson of the Zambian Women in Engineering Section (“ZWES”), member of the Membership and Continuous Professional Development Committee and Engineering Technical Committee</p>
Clement Silavwe	Director	<p>Clement Silavwe, a Fellow of the Engineering Institution of Zambia, possesses a Masters in Operation and Planning of Energy Systems (Kathmandu University/Norwegian University of Science and Technology - 2012) and a bachelor's degree in Electronics and Electrical Engineering (University of Birmingham - 1993) both academic qualifications attained via scholarships: NORAD (Norway) and ZCCM (Zambia), respectively. He has 3 decades expertise built up across a changing Zambian Electricity Supply Industry where he rose from graduate engineer status all the way to a top business executive at national level. He has also sat on ERB's Grid Code Technical Committee and chaired its complementary Distribution Grid Code Review Panel. His involvement and innovative approach has seen him handle appliances; build, run and maintain distribution and supply systems as well supervise generation interfaces with capacities from Wh to TWh, including ICT networked off grid sites. His professional interests include Management of Energy Systems, Energy Efficiency and the transition to the Smart Grid.</p>

*Table 9 EProps Board of Directors*

**The Business Address of all Directors is:**

Stand No.2374 Danny Pule  
Show Grounds  
P.O. Box 51084  
Lusaka, Zambia

### 1.20 Directors' Interests in Securities

The following directors have an interest in the equity of the Company:

No.	Shareholder's name	No. of shares	Amount paid up in ZMW
1.	Clement Silawwe	5,000	10,000

Table 10 Director's Interest in EProps Securities

### 1.21 Directors' Interests in Transactions

To the best of the knowledge of the Company, no Director has a material beneficial interest, whether direct or indirect, in any proposed transaction, which has materially affected or would materially affect the Company.

### 1.22 Directors' Responsibility Statement

The Directors, whose names are given in Section 9 of the Offer Document, collectively and individually accept full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein false or misleading, and that the Offer Document contains all information required by law.

### 1.23 Directors' Service Contracts

- i. Each of the Executive Directors has concluded service contracts with terms and conditions that are standard for such appointments. Directors are appointed every 2 years.
- ii. The duration of each executive Director's appointment is determined by the respective service contract referred to in paragraph (i) above, whilst the duration of the appointments of non-executive Directors are determined by the Articles of Association which is available for inspection.

### 1.24 Directors' Interests in Contracts

There have been no contracts of significance in which any director or any substantial shareholder has been materially interested.

### 1.25 Management Profiles

Name	Position	Experience and Qualifications.
Kamunugu David	<b>Executive Director</b>	Eng. Kamungu holds a Bachelor of Engineering in Chemical Engineering and Master of Science in Project Management and has over 10 years post qualification experience in the oil, mining, manufacturing and regulatory sector. He has hands on leadership and competencies in Project Management, Corporate Strategy & Risk Management, environmental and safety management systems.  He also previously served as Assistant Superintendent, Regional Manager South and Deputy Registrar and Director of Operations of EIZ. He has been involved in the development and implementation of various operational systems in EIZ.
Ng'andu Eunie	<b>Company Secretary</b>	A Chartered Certified Accountant, Fellow of the Zambia Institute of Chartered Accountants (FZICA) and the Association of Chartered Certified Accountants (FCCA) and a holder of a Master of Business Administration.

		Mr.Ng'andu has over 20 years' experience in Financial Management, Investment Management, Governance Administration, Quality Management, Auditing, Problem Solving and Innovation Management, Corporate Secretarial.
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### 1.26 Working Capital Statement

The Directors are of the opinion that after the issue of the 11,136,329 Ordinary Shares:

- i. The Company's authorized share capital is adequate for the purposes of the business of the Company for the foreseeable future; and
- ii. The Company's working capital resources will be adequate to cover for its current and foreseeable requirements.

### 1.27 Litigation

The Company is not involved in any litigation or claims of material importance, nor is it aware of any pending or threatened litigation or claims of whatsoever nature against the Company.

### 1.28 Material Contracts

EProps has entered into a posse agreement with EIZ. EIZ secured the land in question from the Agriculture and Commercial Show Society, with the lease commencing 17 October 2011 for a 50-year period and the lease is registered with Ministry of Lands. From the commencement of the lease the rentals chargeable shall be USD3.00 per square meter per annum. The rentals escalate 4% per annum from completion of the EIZ Building.

### 1.29 Material Commitments, Lease Payments and Contingent Liabilities

The proposed EIZ HQ was constructed on a leased piece of land from the Agricultural and Commercial Society of Zambia (ACSZ) with a 50-year tenure renewable. This lease was signed between EIZ and the ACSZ. The current Lease payments are USD 21,605 per year and these will start increasing as the structure progresses.

### 1.30 Auditor

The auditors engaged for the company are MPH Chartered Accountants, situated at Plot 4434A Kumoyo Road, Longacres, P.O Box 31014, Lusaka, Zambia. MPH Chartered Accountants have demonstrated expertise and professionalism in the field of auditing. The individual auditors entrusted with this responsibility possess commendable professional qualifications that further underscore their competence. The distinguished auditors, whose names and qualifications are as follows, contribute to the meticulous examination and assessment of the Company's financial records.



8. ANNEXURE 1: REPORTING ACCOUNTANT'S REPORT/ VALUATION REPORT

**PBIK**

**ORIGINAL**

**PBIK  
CORPORATE  
CONSULTANCY  
LIMITED**

*A firm of registered accountants and business advisors*

**EIZ Properties Plc**

Independent Accountants Report on Accompanying Financial Statements



**PBIK Corporate Consultants LTD**

**INDEPENDENT ACCOUNTANTS REVIEW REPORT**

27 November 2023

The Directors  
The EIZ Properties  
CL/7 New Brentwood drive  
Showgrounds  
Box 51084  
Lusaka

Dear Sirs,

**Independent Reporting Accountant's Review Report On The Financial Statements Of EIZ Properties For The Years Ending 31 December 2020,2021 and 2022**

We have reviewed the accompanying financial statements which include the statement of financial position and the statement comprehensive income, statement of changes in equity and statement of cash flows, including a summary of significant accounting policies and other underlying assumptions of the EIZ Properties Plc (the "Company") for the financial years ending 31 December 2020, 2021 and 2022, as set out as in the Rights Offer Document to EProps' shareholders .

**Managements Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the company or cease operations, or has no realistic alternative but to do so.

**Reporting accountant's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (revised), Engagements to review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that cases us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of Financial Statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We performed procedures, primarily consisting of making inquiries of management and others within the company, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

***EIZ Properties PLC***  
***Independent Accountants Review Report***

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The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these financial statements.

**Conclusion**

Based on the review, nothing has come to our attention that causes us to believe that these financial statements have not been prepared:

- so as to give a true and fair view of the financial position of EIZ Properties PLC and its affairs over the review period;
- in accordance with International Financial Reporting Standards (IFRS); and
- in accordance with the Companies Act of Zambia, 2017

**Use of our Report**

Our report and the conclusion contained herein is provided solely for the benefit of the shareholders and EIZ Members in the rights issue, for the purpose of their consideration of investing in the EIZ Properties PLC. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

The purpose of this report is for the benefit of the shareholders of EIZ Properties and potential investors in the company, for their consideration of investing in EPROPS.

**Consent**

We consent to the inclusion of this report, which will form part of the prospectus in the rights issue of EIZ Properties, to be issued on *[expected issue date]*, in the form and context in which it appears.

**PBIK Corporate Consultancy Limited**  
**Chartered Accountants**



**KUFANGA IMATAA**

*PARTNER*

**AUD/F00221#**

*DATE: 28.11.2023*

## 1. Review of Financial Statements for the last three years ending 31 December 2020, 2021 and 2022

The Company did not trade during the period under review ending 31 December 2020, 2021 and 2022. The total amount of ZMW 97,848,714.00 was cumulatively invested up to 31 December 2022, has capital investment into the Company by the major shareholder, the Engineering Institution of Zambia (EIZ) and various individual engineering professionals and firms as at the Statement of Financial Position date. This amount has progressively increased from ZMW 85,202,095.00 (2021) and ZMW 71,583,596.00 (2020).

### 1.1. Statement of Comprehensive Income for the year ended 31 December 2022

Note	2022 ZMW	2021 ZMW	2020 ZMW
<b>Revenue</b>			
Rental income	-	-	-
Other income	-	-	-
<b>Gross income</b>			
Less: Activity costs	-	-	-
<b>Gross profit</b>			
Less: Operating and administrative expenditure	-	-	-
<b>Excess of expenditure over income before finance costs</b>			
<b>Excess of expenditure over income after finance costs</b>			
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>			

## 1.2. Statement of Financial Position as at 31 December 2020, 2021 and 2022

Note	2022 ZMW	2021 ZMW	2020 ZMW
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property and equipment – Work in Progress	97,848,714	85,202,096	71,583,596
<b>Current Assets</b>			
Receivables	-	-	-
<b>Total Assets</b>	<b>97,848,714</b>	<b>85,202,096</b>	<b>71,583,596</b>
<b>Accumulated Funds and Liabilities</b>			
<b>Accumulated Funds</b>			
Equity	360,595	360,595	357,919
Share premium	97,488,119	84,841,501	71,225,677
<b>Shareholders' interest</b>	<b>97,848,714</b>	<b>85,202,096</b>	<b>71,583,596</b>
<b>Liabilities</b>			
Current and non-current liabilities	-	-	-
<b>Total Accumulated Funds and Liabilities</b>	<b>97,848,714</b>	<b>85,202,096</b>	<b>71,583,596</b>

\*

### 1.3. Statement of Changes in Equity 2020,2021 and 2022

	Share capital	Reserves	Total
	ZMW	ZMW	ZMW
At 1 January 2022	85,202,096	-	85,202,096
Sale of shares	-	-	-
Capital investment during the year	12,646,618	-	12,646,618
<b>At 31 December 2022</b>	<b>97,848,714</b>	<b>-</b>	<b>97,848,714</b>
	ZMW	ZMW	ZMW
At 1 January 2021	71,583,596	-	71,583,596
Sale of shares	-	-	-
Capital investment during the year	13,618,500	-	13,618,500
<b>At 31 December 2021</b>	<b>85,202,096</b>	<b>-</b>	<b>85,202,096</b>
	ZMW	ZMW	ZMW
At 1 January 2020	64,549,955	-	64,549,955
Sale of shares	-	-	-
Capital investment during the year	7,033,642	-	7,033,642
<b>At 31 December 2020</b>	<b>71,583,596</b>	<b>-</b>	<b>71,583,596</b>
	2022	2021	2020
	ZMW	ZMW	ZMW
<b>Cash flows from operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating cash flows before movements in working capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in operating assets and liabilities</b>			
Movement in receivables	-	-	-
<b>Net cash (out)/inflow from operating assets and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment in property	(12,646,618)	(13,618,500)	(7,033,641)
<b>Net cash from investing activities</b>	<b>(12,646,618)</b>	<b>(13,618,500)</b>	<b>(7,033,641)</b>

**Cash flows from financing activities**

Capital injection	<b>12,646,618</b>	<b>13,618,500</b>	<b>7,033,641</b>
<b>Net cash flows from financing activities</b>	<b>12,646,618</b>	<b>13,618,500</b>	<b>7,033,641</b>
<b>Net cash inflow / (outflow)</b>	-	-	-
Cash at the beginning of the year			
<b>Cash and cash equivalents at end of the year</b>	-	-	-

**Capital Structure**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>ZMW</b>	<b>ZMW</b>	<b>ZMW</b>
150,000,000 ordinary shares of ZMW 0.01 each	1,500,000.00	1,500,000.00	1,500,000.00
Cash flows from operating activities			
Issued and Fully Paid at Par Value			
36,059,396 (2022 and 2021) 35,791,900 (2020)			
Engineering Institution of Zambia (35,309,865 - 2022 and 2021 @ ZMW 0.01 and 35,042,369 @ ZMW0.01)	353,099	353,099	350,423
EIZ Members- Minority (749,531 @ ZMW 0.01)	7,496	7,496	7,496
	<u>360,595</u>	<u>360,595</u>	<u>357,919</u>



## 9. ANNEXURE 2: TABLE OF ENTITLEMENTS

This section is only applicable to current shareholders of EProps and must be read in conjunction with Section III of this document and the instructions contained in Annexure 7.

As explained in section III of this document, the number of additional shares you are entitled to is based on the offer ratio;5 to 22. For every **22** shares you currently hold, you have the right to purchase **5** additional shares. The Table of Entitlements below provides a clear reference for Shareholders, helping them calculate their entitlements and make informed decisions regarding their participation in the Rights Issue.

Number of ordinary shares owned	Entitlement 5 for 22 basis	Cost of Entitlement at ZMW3.60 per share
Less than 22 Shares	Not Entitled to any shares	NA
100	23	82
200	45	164
400	91	327
500	114	409
1,000	227	818
2,000	455	1,636
50,000	11,364	40,909
...and so on	...and so on	...and so on

*In order to calculate the amount of your payment, please use the following formula*

$$\left( \frac{\text{Number of Shares Owned}}{22} \right) \times (5 \times \text{ZMW}3.60)$$

## 10. ANNEXURE 3: SHARE PURCHASE SCHEDULE

**This section is applicable to non-shareholders of EProps, who are members of EIZ and wish to purchase shares and become Shareholders.**

The Company, in effort to ensure a successful capital raise has determined that the minimum share subscription will be 600 shares, at the price of ZMW3.60/share this means that the minimum subscription fee payable is ZMW2,160.00 to participate in the Offer. Upwards of this, Members can purchase any amount of shares.

The purchase schedule below illustrates the costs associated with the purchase of **600 shares and above**. In order to calculate the purchase price payable, the following formula is to be used:

**Purchase price payable = New ordinary shares to be bought (600 minimum) X Offer price (ZMW3.60)**

Once the purchase price has been determined, this amount and the corresponding number of shares to be bought, is to be written on the application form in Annexure 7 of this document.

<b>New ordinary shares to be purchased</b>	<b>Cost of shares at ZMW3.60/share</b>
600	2,160
800	2,880
1,000	3,600
2,500	9,000
5,000	18,000
7,500	27,000
10,000	36,000
15,000	54,000
20,000	72,000
25,000	90,000
30,000	108,000
40,000	144,000
50,000	180,000
60,000	216,000
70,000	252,000
80,000	288,000
90,000	324,000
100,000	360,000

*Table 11 Share Purchase Schedule for illustrative purposes*

## 11. ANNEXURE 4: DIRECTORY OF MEMBER BROKERS AND RECEIVING AGENTS

**Autus Securities Zambia Ltd**

34 Khola Road, Woodlands,  
P.O. Box 32308  
Lusaka, Zambia

**Hobbiton Investment Management**

4th Floor, Godfrey House  
Corner Kabelenga & Longolongo Roads  
P.O Box 30163  
Lusaka, Zambia

**Longhorn Associates**

Ground floor Garden View Office Park,  
Plot 1146/15, Lagos Road  
Rhodespark  
Lusaka, Zambia

**Equity Capital Resources Plc**

4<sup>th</sup> Floor Godfrey House,  
Corner Kabelenga/Longolongo Roads  
P.O. Box 37184  
Lusaka, Zambia

**Finance Securities Limited**

2110/2111 Sepele Road,  
Opposite Finance House  
P.O. Box 32507  
Lusaka, Zambia

**Stockbrokers Zambia Limited**

32 Lubu Road, Longacres  
P.O Box 38956  
Lusaka, Zambia

**Pangaea Securities Limited**

1st Floor, Pangaea Office Park  
Great East Road  
P.O. Box 30163  
Lusaka, Zambia

## 12. ANNEXURE 5: SUMMARY OF PROVISIONS OF THE ARTICLES OF ASSOCIATION

Please be cognizant that exclusively specific excerpts from the Articles of Association of Eprops are herein provided concerning:

- (a) stipulations governing changes in the capital structure; and
- (b) Provisions regarding the passing of resolutions

### Article 13

The Company may by special resolution-

- (i) Increase its authorized share capital by the creation of new shares of such amount as is specified in the resolution;
  - (ii) Consolidate and divide all or any of its authorized share capital into shares of larger amount than its existing shares;
  - (iii) Subdivide all or any of its shares into shares of smaller amount than is fixed by the certificate of share capital, but so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was in the case of the share from which the share of a smaller amount is derived; and
  - (iv) Cancel shares that, at the date of passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited, and reduce its authorized share capital by the amount of the shares so cancelled.
- 
- a. Subject to any resolution to the contrary, all un issued shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances allow, to the sum of the nominal values of the shares already held by them.
  - b. The offer shall be made by notice specifying the number of shares offered and delimiting a period within which the offer, if not accepted, will be deemed to be declined
  - c. After the expiration of that period or on being notified by the person to whom the offer is made that he declines to accept the shares offered, the directors may issue those shares in such manner as they think most beneficial to the company.
  - d. Where, by reason of the proportion that shares proposed to be issued bear to shares already held, some of the first-mentioned shares cannot be offered in accordance with (1), the directors may issue the shares that cannot be so offered in such manner as they think most beneficial to the company.
  - e. Subject to the Act, the company may, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account;
  - f. Without departing from the generality of the foregoing, the Company may, subject to the provisions of the Act: convert shares of par value into shares of no par value and vice versa; and purchase its shares if the Directors resolve that it should purchase its shares.
  - g. The Special Resolution by which any share is sub-divided may determine that, as between the shares resulting from the sub-division, any share shall have any preference or restriction attached to it in accordance with the same rules governing the Company's power to attach the same to un-issued new shares.
  - h. In the event of an issue of a fraction of share, that fraction may be sold for the benefit of the shareholder in such manner as the Directors may, subject to the Articles and practices of the relevant system, determine.

### Provisions regarding the passing of resolutions

The provisions on resolutions are in accordance with the Companies Act No. 10 of 2017 which are as follows:

“Ordinary Resolution” means a resolution passed by a simple majority of Members entitled to vote in person or by proxy at a meeting of the Company duly convened and held. For avoidance of doubt majority is 50% of the total voting rights;

“Extraordinary Resolution” means a resolution passed by a majority of not less than three-fourths of the Members of the Company entitled to vote in person or by proxy at a meeting duly convened and held at which the resolution is moved as an extraordinary resolution;

“Special Resolution” means a resolution passed by a majority of not less than three- fourths of the Members of the Company entitled to vote in person or by proxy at a meeting duly convened and held at which the resolution is moved as a special resolution.

Tuesday, December 19, 2023

**Engineering Institution of Zambia Properties Plc**  
Agricultural and Commercial Show Society of Zambia,  
Kelvin Siwale Road, Showgrounds  
P.O. Box 51084, Lusaka.

Dear Sir/Madam

**RE: REPORT AND VALUATION ON PART OF STAND NO. 2374, ENGINEERING INSTITUTION OF ZAMBIA ON KELVIN SIWALE ROAD, AGRICULTURAL AND COMMERCIAL SHOW SOCIETY OF ZAMBIA, SHOW GROUNDS, LUSAKA PROVINCE.**

### INSTRUCTIONS

Further to instructions received from the **Engineering Institution of Zambia** requesting us to inspect and value the above-mentioned property we are pleased to inform you that we have successfully undertaken the same and hereby present our report for your further necessary action.

### DATE OF INSPECTION

The subject property was physically inspected on **13<sup>th</sup> December, 2023** by our Valuation Assistant; **Mr Pacheli Mweshi** in the presence of **Mr Morgan Chinunchi** the Clerk of Works at the **Engineering Institution of Zambia**.

### PURPOSE OF VALUATION

We understand that the property owners intend use the subject property for floating of shares on the Lusaka Stock Exchange. In this regard, our assessment has included following;

- † **Current Market Value** of the subject property;
- † **Forced Sale/Liquidation Value** of the property
- † **Current Replacement/Reinstatement Value** of the property
- † **Current Rental Value** of the property

In addition, we have also given in this report our advice and opinion with regard to;

- whether the **Market Value** of the property is likely to increase or decrease or remain static in the foreseeable future; and,
- The **suitability of the property** as security for lending purposes and whether it would be difficult to dispose of the property in an event of default.

## CATEGORY OF PROPERTY AND ASSETS VALUED

The property valued includes all the land and buildings comprising **PART OF STAND NO. 2374, ENGINEERING INSTITUTION OF ZAMBIA ON KELVIN SIWALE ROAD, AGRICULTURAL AND COMMERCIAL SHOW SOCIETY OF ZAMBIA, SHOW GROUNDS, LUSAKA PROVINCE** including all fixtures and service installations which would normally form a permanent part of the property and which would ordinarily pass with the premises in the event of disposal.

## VALUATION PROCEDURES

This valuation report has been prepared in accordance with the Practice Statements and Guidance Notes published by the International Valuation Standards Committee (**IVSC**).

## MEASUREMENTS

Measurements have been effected on the basis of the **RICS Code** of the Measuring Practice. Areas have, therefore, been calculated in Metric Units as Net Internal Areas (**NIA**) and Gross External Floor Areas where applicable.

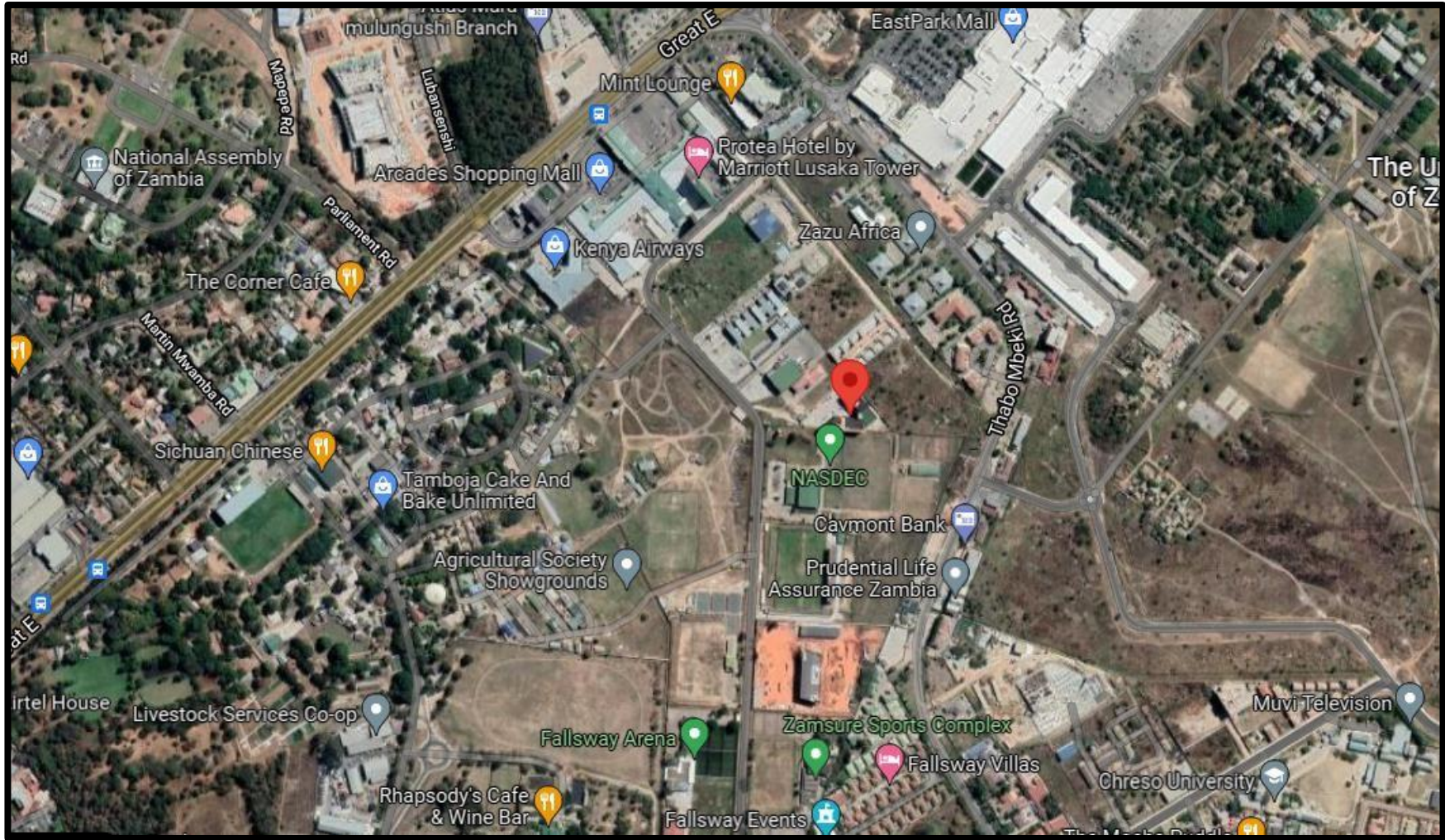
## OWNERSHIP AND TENURE

According to the copy of **Lease Agreement** relating to the subject property that was availed to us, the property is registered in favour of **AGRICULTURAL AND COMMERCIAL SOCIETY OF ZAMBIA**, a Society duly registered under the Cooperatives Societies Act Chapter 397 of the Laws of Zambia and having its registered office at Lusaka, Hereinafter called the "Lessor" and **the ENGINEERING INSTITUTION OF ZAMBIA** a limited liability company incorporated in 1955 having its registered office at C/L7 Brentwood Drive, New Brentwood, Longacres at Lusaka. According to the terms and Conditions of the Lease agreement the **Lessor** has agreed to lease to the **Lessee** for a period of **Fifty years (50 years.)** effective **17<sup>th</sup> October 2011**. The current ground lease that was issued in **2011** still has about **38 years** to run before expiry in the year **2061**.

***We have further assumed that there are no onerous or unusual covenants or restrictions in the ground permit that would materially affect our valuation of the property.***

## LOCATION

The subject property is located fronting Kelvin Siwale Road in the Show Grounds, approximately 5 kilometres from the Central Business District of Lusaka (CBD). SEE LOCATION ON THE GOOGLE MAP BELOW:







## OCCUPIERS

The subject property is partly owner occupied as a business premises and partly leased out to different organisations.

## LAND EXTENT

The plot is irregular in shape and is about **6156 Square Metres (1.521181 Acres)** in extent and is fully enclosed in a Clearvu fencing in the front, concrete block work wall fence with rough cast on two sides topped with razor wire fence and pan brick interspaced with steel decorations on one side. Access to site is by sliding steel gate clad with clearvu panels.

## IMPROVEMENTS/PHYSICAL DEVELOPMENT

The physical developments/improvements on site comprise the following:

1. Four storey Office Block
2. Guard House

### Approximate Internal Floor Areas (m<sup>2</sup>):

We calculate the **Internal Floor Areas** of the **Four Storey Office Block** measured over the internal usable areas as tabulated below;

50	DESCRIPTION	FLOOR AREAS (M <sup>2</sup> )
<b>1</b>	<b>Ground Floor</b>	
	EIZ Secretariat Reception and Boardroom	108.00
	E-Props	26.50
	Di-chem Consultancy	30.00
	Thematic Resources Ltd	104.40
	Wiana Media	59.00
	Lobbies, Staircases, lifts, Restricted parking areas, Data, Electric and Service Ducts, fire escapes, & Zambia electricity Corporation Limited Substation	1,732.10
<b>2</b>	<b>First Floor</b>	
	EIZ Secretariat	510.00
	Lobbies, Staircases, lifts, Data, Electric and Service Ducts, fire escapes, Parking Area.	1,550.00
<b>3</b>	<b>Second Floor</b>	
	Higher Education Authority	952.02
	Lobbies, Staircases, lifts, Data, Electric and Service Ducts, fire escapes, Open Plan Office space, Auditorium	935.98
<b>4</b>	<b>Third Floor</b>	
	Diversity Financial Solutions Limited	181.65
	GBO- George, Baison & Obed	150.00
	Amazon Associates - Chartered Accountant	280.00

	Upmarket	83.00
	Lobbies, Staircases, lifts, Data, Electric and Service Ducts, fire escapes, Open Plan Office space, Auditorium Headroom Terrace etc.	527.35
Total Net Internal Floor Area (M <sup>2</sup> ):		<b>7,230.00</b>

## METHODOLOGY FOR VALUATION

The valuation is based on two methods – the conventional investment method of valuation, and the direct capital comparison approach:

- a) **The Conventional Investment Method of Valuation:** This method works on the premise that current market net rentals are receivable at current levels for the period of the lease. To that extent, the net rent is capitalized for that given remainder period of the lease at an appropriate yield that reflects all assumptions the Valuer makes regarding rental growth, general level of interest rates, inflation, state of repair and condition of the building, and other factors. This yield is a very important input into the valuation and is, therefore, computed with absolute care.
- b) Generally, the yield is found by multiplying income by 100 and dividing the result by the price or capital value. Thus:  
Capital Value = Net Annual Rent Multiplied by Years, Purchase. The YP is the inverse of the market yield.
- c) **The Direct Capital Comparison:** This is computed by analysis of similar properties sold or rented in recent past. These sales and rentals are broken down into small units of comparison, which are then adjusted for variations before being applied to the subject property.

## MARKET ANALYSIS OF COMPARABLE DATA/PROPERTIES

Our research and analysis show that rentals for commercial properties like the subject property in Lusaka range from K150.00 to K500.00 per square metre.

The Current Market Value was determined using the investment method of Valuation. The Cap Rate was determined by reference to the rate arrived at by analysis of the sales price and income from other similar properties sold in Lusaka. The analysis of the selling price and income from similar properties range between 10% and 13.5%. The subject property is of similar quality in comparison to (Commercial Properties) of the comparables used in this valuation. We have adopted a cap rate of 12% for the subject property.

The following therefore are the rentals and comparable sales data of similar properties on which we have based our valuation estimates and findings;

## **a) Rentals**

### ***I. CHIBESA KUNDA OFFICE SUITES***

Accommodation comprising of offices accommodation and rentals ranging from K300.00 to K350.00 gross rent per square metre. Similar to the subject property in terms of improvements on site.

### ***II. CORPORATE PARK***

Accommodation comprising of office, rentals ranging from K300.00 to K350.00 gross rent per square metre. Similar to the subject property in terms of improvements on site.

### ***III. COUNTING SQUARE***

Accommodation comprising of offices, rentals ranging from K200.00 to K300.00 gross rent per square metre. Similar to the subject property in terms of improvements on site.

### ***IV. CATHEDRAL OFFICE BUILDING***

Accommodation comprising of offices, rentals ranging from K245.00 to K300.00 gross rent per square metre. Similar to the subject property in terms of improvements on site.

## **b) Sales**

### **Comparable 1**

#### ***COMMERCIAL BUILDING LAKE ROAD SOLD FOR K90, 200, 000.00***

Accommodation comprising of offices with ancillary accommodation and lettable area of 4, 200 square metres. This property was sold at ZMK9, 700, 000.00 November 2020. This plot is smaller than subject property. Similar to the subject property in terms of improvements on site. Cap rate of 11.18 %

### **Comparable 2**

#### ***COMMERCIAL PROPERTY ALICK NKHATA ROAD SOLD FOR K38, 500, 000.00***

Accommodation comprising of offices with ancillary accommodation and lettable area of 2, 140 square metres. This property was sold at ZMK38, 500, 000.00 2018. This plot is smaller than subject property. Similar to the subject property in terms of improvements on site. Cap rate of 13.34%

### **Comparable 3**

#### ***COMMERCIAL PROPERTY (ORCA DECO) KAFUE ROAD - SOLD FOR K90, 000, 000***

Accommodation comprising of commercial shop, offices with ancillary accommodation and lettable area of 3,000 square metres. This property was sold at ZMK90, 000, 000.00 2020. This plot is smaller than subject property. Partly Similar to the subject property in terms of improvements on site. Cap rate of 10.14%.

## BRIEF PROPERTY ASSESSMENT INDICATORS

INDICATOR	VERY GOOD	GOOD	FAIR
Saleability		X	
Accessibility	x		
Location	x		
User Conformity	x		
State of Construction	X		
Environmental Setting	X		
Investment Potential	X		

## BASES OF VALUATION

This valuation report has been prepared in accordance with the Practice Statements and Guidance Notes published by the **International Valuation Standards Committee (IVSC)** and conform to stipulations of the **Royal Institution of Chartered Surveyors (RICS)**.

### 1. CURRENT MARKET VALUE

The basis of the Valuation we have adopted is “**Current Market Value**”. **Current Market Value** is defined as:

‘The estimated amount for which an asset or liability should exchange on the **Valuation Date** between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.’

### 2. FORCED SALE VALUE (LIQUIDATION VALUE)

**Forced Sale Value (Liquidation Value)** is defined as:

‘The estimated amount for which an asset or liability should exchange **before deduction of costs of sale which the Valuer considers** on the **Valuation Date** between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.’

### 3. INSURANCE VALUE (REINSTATEMENT COST)

**Insurance Value (Reinstatement Replacement Cost)** is defined as;

- a) Where the property is destroyed, the re-building of the property in a condition equal to but not better or more expensive than its condition when new.

- b) Where the property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

#### 4. MARKET RENTAL VALUE

**Market Rental Value** is defined as;

‘The estimated amount for which a property would be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

For the purpose of this valuation, we have assumed the following:

- i. All information with which we have been supplied is complete and correct in all respects;
- ii. That the subject property is structurally sound and does not contain any deleterious material and that the services are functioning satisfactorily.

#### PROVISION

- i. This report and valuation is based on information supplied by the addressee of this report and that gathered through our property market intelligence network and research. We have assumed compliance with all relevant statutory ordinances and clear title.
- ii. Neither the whole nor any part of this Valuation Report, nor any references hereto, may be included in any published document, circular or statements nor published in any way without the Valuer’s written approval of the form and context in which it may appear.
- iii. This Report and Valuation has been carried out for and on behalf of our client to whom this report is addressed. No responsibility can be accepted for any other part relying on the contents of any part of this Report and Valuation
- iv. This report is not a result of a survey to ascertain the structural condition of the building nor have the services been tested; our valuation is, therefore, based on the assumption that the building is structurally sound and free from all defects which would materially affect the valuation and that all the services are in working order.
- v. This Report and Valuation is prepared on the basis of full disclosure of all facts that may influence our investigations and approach to the valuation. No responsibility can be accepted in the event of non-disclosure.
- vi. This valuation has been prepared on the basis of information available to us as at the date of preparation. Should further data be received which would materially affect the value stated herein, the client will be notified directly.

vii. Further, any reference to or reproduction of this report in any document, circular or statement must be agreed with us beforehand regarding the wording and contents of such reference or production.

## DECLARATION

We wish to declare as follows:

- ❖ That the Statements of Facts presented in this report are true and correct in every respect
  - ‡ All the limiting Conditions attached to our reporting have been disclosed as outlined in the Proviso given above.
  - ‡ Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favour the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
  - ‡ That none of the Partners, Associates and Employees of BITRUST real estate has any present or future interest in the assets value apart from the anticipated valuation fees as presented in our invoice and that we do not have any conflicting interest in undertaking this valuation.
  - ‡ Our engagement on this assignment was not contingent upon developing or reporting predetermined results.
  - ‡ In compiling this report, we have complied with all the real estate appraisal requirements as specified in the Statement of Asset valuation Practice and Guidance Notes published by the Royal Institution Chartered Surveyors of the United Kingdom (UK)
  - ‡ The property was physically inspected and valued by our Senior Property Consultant; Mr George Chanda, B.Sc. (Land Economy) under direct supervision of the Principal Consultant; Mr Holland C. Mulenga, B.Sc., M.Sc., SCV (IREI-USA), FSIZ, MZIEA, Registered Valuation Surveyor. Both persons have relevant experience and knowledge of valuing this type of property.

## VALUATION DATE

Our opinion of value has been formed as of **16<sup>th</sup> June, 2022**, this being the date that we carried out our survey and inspection of the property. In assessing the value of the property, we have assumed vacant possession and clear title.

## VALUATION ASSESSMENT

### 1. CURRENT MARKET VALUE

Having inspected the subject property and taking all relevant facts into consideration such as location, condition of the property and the state of the property market, we are of the considered opinion that the **Current Market Value** of the subject property, being **PART OF**

**STAND NO. 2374, ON KELVIN SIWALE ROAD, AGRICULTURE AND COMMERCIAL SOCIETY OF ZAMBIA SHOW GROUNDS, LUSAKA PROVINCE** would be in the region of;

**K104, 870, 000.00 (One Hundred and four Million, Eight Hundred and seventy Thousand Kwacha) Only.**

This is broken down as follows:

ITEM	CATEGORY	CURRENT MARKET VALUE
(a)	Land only	<b>K7, 400, 000. 00</b>
(b)	Improvements (Buildings, Infrastructure and other developments)	<b>K97, 470, 000.00</b>
	<b>TOTAL VALUE</b>	<b>K104, 870, 000.00</b>

## **2. FORCED SALE VALUE (LIQUIDATION VALUE)**

Having inspected the subject property and taking all relevant facts into consideration such as location, condition of the property and the state of the property market, we are of the considered opinion that the **Forced Sale Value** of the subject property being **PART OF STAND NO. 2374, ON KELVIN SIWALE ROAD, AGRICULTURE AND COMMERCIAL SOCIETY OF ZAMBIA SHOW GROUNDS, LUSAKA PROVINCE**, would be in the region of;

**K83, 900, 000.00 (Eighty-Three Million, Nine hundred Thousand Kwacha) Only.**

## **3. INSURANCE VALUE (REINSTATEMENT COST)**

Having inspected the subject property and taking all relevant facts into consideration such as the cost of construction and the general state of the economy, we are of the considered opinion that the **Insurance Value** of the subject property being **PART OF STAND NO. 2374, ON KELVIN SIWALE ROAD, AGRICULTURE AND COMMERCIAL SOCIETY OF ZAMBIA SHOW GROUNDS, LUSAKA PROVINCE**, would be in the region of;

**K108, 950, 000.00 (One hundred and Eight Million, Nine Hundred Fifty Thousand Kwacha) Only.**

## **4. CURRENT MARKET RENTAL VALUE**

Having inspected the subject property and taking all relevant facts into consideration such as location, condition of the property and the state of the property market, we are of the considered opinion that the Rental Value of the subject **PART OF STAND NO. 2374, ON KELVIN SIWALE ROAD, AGRICULTURE AND COMMERCIAL SOCIETY OF ZAMBIA SHOW GROUNDS, LUSAKA PROVINCE**, would be in the region of;

**K1, 220,000.00 (One Million, Two Hundred and Twenty Thousand Kwacha) only per month.**

**CONCLUSION**

We thank you for the instructions and should you have any queries please do not hesitate to contact us.

Yours truly,

For and on behalf of

**BITRUST real estate**

**Holland C. Mulenga, B.Sc, M.Sc., SCV (IREI-USA), FSIZ, MZIEA, Registered Valuation Surveyor**

PRINCIPAL CONSULTANT

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# How to Invest?



## 14. ANNEXURE 7: APPLICATION FORM



### **EIZ PROPERTIES PLC**

(“EProps” or the “Company”)

(Incorporated in the Republic of Zambia as a public company)

(Date of incorporation: 24 January 2014)

(Registration number: 119088)

Share Code: EIZP

ISIN: ZM0000000474

### **INSTRUCTIONS**

Shareholder/s and or Renouncee /s should read carefully the Offer Document dated 04 March 2024 that accompanies this Application Form before deciding whether to take up their rights and exercising the options available to them. Non-shareholders who wish to participate in this Offer, should also read carefully the Offer Document and the instructions contained herein.

Copies of the Offer Document may be obtained from or inspected at the registered office of the Sponsoring Broker from 04 March 2024, during the normal business hours on any business day. Terms defined in the Offer Document shall where applicable, apply herein. The key dates with respect to this offer are depicted in the table below. It should be noted that the Offer period is from 04 March 2024 to 23 April 2024

<b>Activity</b>	<b>Date</b>
1 <sup>st</sup> Announcement- Salient features and dates of the Offer published	04 March 2024
Record Date	01 February 2024
Offer opens	04 March 2024
Offer Closes	23 April 2024
Last day for receiving postal acceptances	25 April 2024
Publication of results announcement	26 April 2024

If you are in any doubt about how to deal with this document, you should immediately consult your stockbroker, financial adviser or other professional adviser as this Offer will lapse on 23 April 2024 at 12:00 hours and if you have not acted by that time you will be deemed to have selected the option to sell all of your rights in the case that you are a Shareholder at the then prevailing price and, provided there are buyers for the rights, they will be sold by your broker or in the event you do not have a broker, by the Sponsoring Broker under this Offer. Postal acceptances received on or before 12:00 hours on 25 April 2024, and bearing a postmark dated 23 April, 2024 or earlier will be accepted.

An envelope should contain one Application Form and must be clearly marked “EProps Offer”. Application Forms should be accompanied by payment of the total price of the shares applied for by way of a manager’s cheque, deposit slip or bank draft, crossed “not negotiable” and drawn in favour of “EProps Offer”. Such cheques and/ or bank drafts will be deposited immediately for payment and will be held by the Receiving Agent with whom the application was submitted. Where an Applicant prefers to do a bank transfer or deposit, the payment can be made to the following account.

Account Name	EIZ Properties PLC
Account Number	9130006751931
Currency	Zambian Kwacha
Bank	Stanbic
Bank Code	040206
Branch	Kitwe

*In terms of the Offer Document to Shareholders dated 04 March 2024, you are hereby offered the right to subscribe, at ZMW 3.60 per New Ordinary Share in EProps. The New Ordinary Shares for which you may subscribe are in the ratio of 5 New Ordinary Shares for every 22 existing Ordinary Shares registered in your name in the Company as at the close of business on 28 February 2024 the Record Date.*

Below, we outline the respective procedures for Shareholders in EProps who intend to participate in the Rights Issue and the steps for EIZ members who plan to participate in the Offer.

### Shareholders of EProps

- x. Ensure that you are a current shareholder of EProps and are eligible to participate in the Rights Issue. Please consult the Company, Pangaea Securities or your sponsoring broker for confirmation if necessary.
- xi. Carefully read this Offer Document and seek expert advice in the event that further clarity is required. Once submitted it will be assumed that you understood all the terms and conditions contained herein. **The Application Form once submitted, cannot be withdrawn.**
- xii. Calculate the number of additional shares you are entitled to acquire based on the offer ratio. For every 22 shares you currently hold, you have the right to purchase 5 additional shares.
- xiii. EProps is committed to ensuring that its existing shareholders have a fair and transparent opportunity to participate in the Offer. To facilitate this process, we have prepared a table of entitlements that outlines the number of additional shares you are entitled to acquire based on your current holdings.

This table provides a clear reference for shareholders, helping them calculate their entitlements and make informed decisions regarding their participation in the Rights Issue. Please review the table below to determine your eligibility and entitlement.

Number of ordinary shares owned	Entitlement on 5 for 22 basis	Cost of Entitlement at ZMW3.60 per share
<i>Less than 22 Shares</i>	<i>Not Entitled to any shares</i>	<i>NA</i>
100	23	82
200	45	164
400	91	327
500	114	409
1,000	227	818
2,000	455	1,636
50,000	11,364	40,909
<i>...and so on</i>	<i>...and so on</i>	<i>... and so on</i>

To calculate what the number of shares needed to prevent dilution, use the formula below:

$$\text{Formula} = \text{Shares owned} \times (5/22)$$

- xiv. Complete the Application **Form A** at the end of this document.
- xv. Submit the Application Form and proof of payment to your personal stockbroker or Pangaea at the addresses in the “Corporate Information” and “Directory of Member Brokers and Receiving Agents” Sections of this document.
- xvi. Applicants must ensure to submit identification documents with the application.
- xvii. This information must be submitted by 23 April 2024 at 12:00 hours, and 25 April 2024 at 12:00 hours for postal deliveries.
- xviii. Confirmation of Allotment: Following the close of the Rights Issue, you will be informed of the number of shares allocated to you.

**Procedures for EIZ Members Participating in the Offer:**

- xii. Ensure that you are a fully registered member of the EIZ.
- xiii. Read carefully and in its entirety, this Offer Document and seek expert advice from your broker, legal counsel or financial advisor if necessary. In completing the application form, it will be assumed that the applicant sought the necessary advice and understands fully the terms of the Rights Issue.
- xiv. Decide on the amount you wish to invest in EProps shares. The minimum acceptable subscription is 600 Shares, which equates to a minimum investment of ZMW2,160.00.
- xv. The share purchase schedule in Annexure 3 of this document should be referred to, when determining the number of Shares to be purchased and the amount payable. In order to calculate the purchase price, the following formula should be used:

$$\text{Purchase price payable} = \text{New ordinary shares to be bought (minimum of 600)} \times \text{Offer price (ZMW3.60)}$$

- xvi. Fill in **Form B** of the detachable Application Form at the end of this document. Ensure all documentation is accurate and complete and accompanied by a copy of your identification document (NRC or Passport).
- xvii. Form A is only applicable to EProps’ shareholders, as such this section should be left blank.
- xviii. Section B of the form should be filled in, detailing the number of shares to be purchased and the purchase price payable in full.
- xix. Submit the completed Form B and proof of payment to the Receiving Agents (listed in Annexure 4 of this document), personal stockbroker or Pangaea at the addresses in the Corporate Information section of this document. Applicants must ensure to carry identification documents.
- xx. In the event that you are unsure as to how to correctly fill in the form, the Receiving Agents will be able to assist you, to ensure correctness.
- xxi. This information must be submitted by 23 April 2024 at 12:00 hours, and 25 April 2024 at 12:00 hours for postal deliveries.
- xxii. After the offer period concludes, you will be informed of the number of shares allotted to you.

*It should be noted that, in the event of an oversubscription, Shareholders of EProps and thereafter individual members of EIZ will be given priority and will be allotted the Rights Issue Shares first. Thereafter, the remaining Shares will be distributed to applicants who are not Shareholders but are corporate EIZ members on a first come first served basis. In the event that an application is only partially successful or unsuccessful, the applicant will be notified and refunded in full the amount paid for the Shares not allocated to the applicant, this refund will not be subject to interest.*

# EIZ PROPERTIES PLC RIGHTS OFFER APPLICATION FORM: FOR EPROPS SHAREHOLDERS

## FORM A

<b>SECTION A : PERSONAL INFORMATION</b>	
Title (Circle appropriate title(s) or fill in the blank if not listed)	Mr Mrs Miss Ms Dr Rev Prof Other.....
EIZ Registration Number	
Class	Fellow Eng Teg Tec Cra
First name(s) of applicant(s) in full, if individual(s)	
Surname(s) of applicant(s)	
Postal address (Please print only one address) (depository confirmation and/ or refund cheque will be delivered to this address)	
Physical address (Please print only one address)	
National Registration Card Number/ Passport Number (if not a Zambian passport, please state country of citizenship)	
Bank Account details (for refund purposes if applicant prefers bank transfer instead of cheque)	
Email:	Telephone No.:
<b>SECTION B: SHAREHOLDERS OF EIZ PROPERTIES PLC</b>	
Number of shares held (enter figures, not words)	
Number of shares accepted ( for which rights are being taken up)	
Number of shares renounced. (for which rights are not being taken up)	
Number of excess shares applied for (above entitled shares)	
Total number of shares applied for (enter figures, not words)	
Total purchase price payable at ZMW3.60 per share (enter figures, not words)	



I/we the shareholder(s) named above, hereby accept/ partially accept/ renounce my/our right to subscribe for the shares allocated to me/us as stated above.

Signature.....

**PLEASE READ, SIGN AND DATE THE APPLICABLE SECTION LISTED BELOW.**

**EProps OFFER Declaration**

1. I/We, the undersigned, being duly authorised for this Application Form, confirm that I/we have full legal capacity to contract and, having read the Offer Document to which this Application Form is attached, hereby irrevocably apply for and request you to accept my/our application for the under mentioned number of Ordinary Shares at ZMW per Ordinary Share.
2. I/ We understand and accept that this Offer Document does not constitute an Offer, but is an invitation to make an Offer to EProps to purchase Ordinary Shares, which offer EProps may accept or reject, in part or in full, in its/ their sole discretion.

Applicant Signature

Applicant 2 signature (if joint application)

Date

*Acknowledgement – Please detach from the perforation and retain this portion for your records*

Name of applicant	Total shares applied for	Total payment (in figures)

Mode of payment (Cash/Cheque/Electronic Transfer).....

Broker:.....

Received by:.....

Signature:.....

Date received:.....

Receiving Agent's stamp

For use by the LuSE  
Details of Split Required

New Ordinary Shares  
Renounced.....

Split:	Number	Balance
1.		
2.		
3.		

*Acknowledgement – Please detach from the perforation and retain this portion for your record*



**EIZ PROPERTIES PLC RIGHTS OFFER APPLICATION FORM: FOR EIZ MEMBERS**

**FORM B**

<b>SECTION A: PERSONAL/COMPANY INFORMATION</b>	
Title (Circle appropriate title(s) or fill in the blank if not listed)	Mr Mrs Miss Ms Dr Rev Prof Other.....
EIZ Registration Number	
Class	Fellow Eng Teg Tec Cra
First name(s) of applicant in full, if individual or company	
Surname(s) of applicant(s)	
Postal address (Please print only one address) (depository confirmation and/ or refund cheque will be delivered to this address)	
Physical address (Please print only one address)	
National Registration Card Number/ Passport Number (if not a Zambian passport, please state country of citizenship), if company, insert registration number	
Bank Account details (for refund purposes if applicant prefers bank transfer instead of cheque)	
Email:	Telephone No.:
<b>SECTION B: NON-SHAREHOLDERS OF EIZ PROPERTIES PLC</b>	
Number of shares applied for (enter figures, not words) Note: Minimum application is for 600 shares valued at ZMW2,160.00	
Purchase price payable at ZMW3.60 per share (enter figures, not words)	
I/we the applicant named above, hereby declare my/our intention to subscribe for.....shares as stated above	
Signature.....	



**PLEASE READ, SIGN AND DATE THE APPLICABLE SECTION LISTED BELOW.**

**EProps OFFER Declaration**

1. I/We, the undersigned, being duly authorised for this Application Form, confirm that I/we have full legal capacity to contract and, having read the Offer Document to which this Application Form is attached, hereby irrevocably apply for and request you to accept my/our application for the under mentioned number of Ordinary Shares at ZMW per Ordinary Share.
2. I/ We understand and accept that this Offer Document does not constitute an Offer, but is an invitation to make an Offer to EProps to purchase Ordinary Shares, which offer EProps may accept or reject, in part or in full, in its/ their sole discretion.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Applicant 2 signature (if joint application)

\_\_\_\_\_  
Date

*Acknowledgement – Please detach from the perforation and retain this portion for your records*

Name of applicant	Total shares applied for	Total payment (in figures)

Mode of payment (Cash/Cheque/Electronic Transfer).....

Receiving Agent's stamp

Broker:.....

Received by:.....

Signature:.....

Date received:.....

*Acknowledgement – Please detach from the perforation and retain this portion for your records*





