

# CHOPPIES

*Great value for your money!*

CHOPPIES ENTERPRISES LIMITED

Co.Reg:2004/1681

Incorporated in the Republic of Botswana under Company Number 2004/1681

("the Company" or "the group")

BSE Share Code: CHOPPIES

JSE Share Code: CHP

ISIN Number: BW0000001072

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## RESIGNATION OF AUDITOR AND GENERAL UPDATE

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### **RESIGNATION OF AUDITOR**

In accordance with the BSE and JSE Listings Requirements, the Company hereby advises shareholders that the Company's external auditors, PricewaterhouseCoopers ('PWC') have resigned as auditors of the Company for the financial year that commenced on 1 July 2018 and ended on 30 June 2019. PWC remains committed to completing the Company and group's audits for the financial year ended 30 June 2018, as well as making themselves available for consultation and discussion with management and, once appointed, successor auditors in order to ensure the smooth transition to the newly appointed auditors.

PWC's reasons for resigning relate to their annual risk assessment associated with their continuing client engagements conducted by them following the Extraordinary General Meeting of shareholders of the Company held on 4 September 2019.

The Board will commence the process of appointing new auditors and will advise shareholders once the new auditors have been appointed.

### **UPDATE ON MATTERS RAISED IN THE ANNOUNCEMENT DATED 11 SEPTEMBER 2019**

The Board provides the following update on matters raised in the announcement of 11 September 2019:

1. The Board has, as a matter of priority, in order to stabilise of the businesses of the Company;
  - 1.1. engaged, and will continue to engage, with the lenders, in order to meet their demands and to bring stability to the business of the Company. The Board is hopeful that agreement will be reached shortly.
  - 1.2. engaged extensively with the group's auditors, PWC and has set management and PWC on a path that will result in expeditious completion of the audit of the outstanding 2018 financial statements.

- 1.3. continues to rectify the serious corporate governance deficiencies in the Company recognised and as recommended in the Desai Law Group Report, by way of an overhaul of the Company's corporate governance structures. These reviews are ongoing.
2. The Board continues to investigate the matters raised in the Desai Law Group and Ernst & Young Reports ("the Reports") and has determined, in the interests of fairness, transparency and the responsibility to uphold the law, to appoint an independent Senior Counsel to undertake a holistic review of the Reports, the current facts and available evidence, and then advise without fear or favour, objectively and impartially, on, inter alia: -
  - 2.1 the charges brought against Mr Ottapathu in the disciplinary proceedings against him;
  - 2.2 whether the Company should proceed against any directors; and
  - 2.3 whether the Company should proceed against any other person.

The Board will take steps to ensure that due and fair and equitable process is followed in each case so that any person against whom claims or charges are brought has proper opportunity to answer the claims and charges in order that all issues and facts can be properly ventilated and considered.

3. Mr Ottapathu has reconfirmed his preparedness to participate in disciplinary proceedings and to answer the charges that may be levelled against him.

The Company's primary listing is on the BSEL and its secondary listing is on the JSE. The listings on both exchanges are suspended.

By order of the Board

27 September 2019

BSEL Sponsoring Broker  
African Alliance Botswana Limited

JSE Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)