



Choppies Enterprises Limited
(Registration number 2004/1681)
JSE share code: CHP
BSEL share code: CHOPPIES
ISIN: BW0000001072
Tax reference number: C08710401018
("Choppies" or the "Company", together with its subsidiaries the "Group")

SHAREHOLDER ANNOUNCEMENT: EGM

Further to the circular issued on 14 August 2019 (the "Circular") and subsequent announcement released on 27 August 2019, shareholders are advised as follows:

1. The board of directors of Choppies (the "**Board**") convened an emergency meeting on Sunday, 1 September 2019, which continued on 2 September 2019, and, of the 6 directors present, resolved by a majority vote of 5 directors to 1, to postpone the extraordinary general meeting of the Company ("**EGM**"), originally scheduled to be held at 10am tomorrow, 4 September 2019 at the Grand Aria Hotel in Gaborone, to 10am on Wednesday, 16 October 2019 at a venue to be announced (the "**Postponement of the EGM**")
2. However, taking into account the proximity of time in relation to the originally scheduled EGM, potential shareholder inconvenience and the requirement to comply with the Constitution of Choppies (the "**Constitution**"), the Board advises shareholders that the Postponement of the EGM in respect of the matters scheduled to be discussed and voted upon will be requested, with the permission of the meeting, as an adjournment resolution of the EGM by way of a majority vote at the EGM (the "**Adjournment Resolution**") in accordance with clause 19 of the Constitution. The Adjournment Resolution will be tabled at the appropriate time during the EGM. ***The EGM will therefore commence as scheduled at 10am tomorrow 4 September 2019 at the Grand Aria Hotel in Gaborone.***

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3. The reasons for the request for the Adjournment Resolution are set out below.
 - 3.1 It was the intention of the Board to update and engage with shareholders at the EGM, so as to allow them the benefit of full and complete information prior to casting a vote on the resolutions to appoint the various candidates for the office of director of the Company. The Board considers that such an update is in necessary discharge of its fiduciary duties and in the best interests of shareholders and the Company.
 - 3.2 In the Circular, at paragraph 2.6, the Board indicated that it expected the audited financial statements of the Group for the year ended June 2018 (the “**2018 AFS**”) to have been released within a 6-8 week period of the delivery to the Board on 6 August 2019 of the Forensic Report prepared by Ernst & Young (the “**Forensic Report**”). In subsequent further discussions with the external auditors of the Company, PricewaterhouseCoopers (“**PwC**”), it has become clear to the Board that the 2018 AFS will not be capable of finalisation until at least early November 2019. It is anticipated by the Board that the Postponement of the EGM will enable further and better information to be made available to shareholders by the time the postponed EGM occurs.
 - 3.3 Additionally, it has come to the Board’s attention that a vast number of shareholders have not had the opportunity to review the Forensic Report in light of the constraints imposed in relation to such review by Ernst & Young. The Board has now taken the decision to make the Forensic Report public and there will be a separate announcement by the Company as to the availability of the Forensic Report, including on the Choppies website.
 - 3.4 It is necessary for all shareholders to have unfettered access to the Forensic Report so that its full import is known to and assessed by each shareholder prior to any action by that shareholder. The Postponement of the EGM will achieve this.

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- 3.5 The CEO has been charged on 26 August 2019 with serious misconduct and with acts of dishonesty. His disciplinary hearing was scheduled to commence on 30 August 2019. Mr Ottapathu has however sought and obtained an interdict to postpone the disciplinary hearing until after the EGM as originally scheduled. Shareholders are advised that the disciplinary hearing will now take place between 30 September 2019 and 4 October 2019, before an independent and credible Senior Counsel, Advocate NA Cassim SC, in a transparent and fair manner. The Board has allowed Mr Ottapathu legal representation of his choice by senior counsel even though, in a disciplinary hearing of this nature, legal representation is not permitted in terms of the relevant Company policies written by the CEO himself.
4. The Board was ready and prepared to hold the EGM, as originally scheduled and in terms of its originally indicated agenda, on 4 September 2019, but it has become necessary for the Board to take into consideration the interdict and its effect.
5. In the event that the requisite majority decision of the meeting is achieved, the EGM will be postponed to the date indicated in paragraph 1 above. Should such a majority not be achieved, the EGM will continue as originally scheduled and in terms of its original agenda. All voting at the EGM, including in relation to the Adjournment Resolution, will be by way of poll.

Per the announcement published on 1 November 2018, the trading of the Company shares on both the Botswana Stock Exchange Limited (“BSEL”) and its secondary listing on the Johannesburg Stock Exchange (“JSE”) remains suspended until further notice.

The Company's primary listing is on the BSEL and its secondary listing is on the JSE.

By Order of the Board



3 September 2019

BSEL Sponsoring Broker
African Alliance Botswana Limited

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