

AGM Q&A



In regards to the 53rd Annual general meeting of 9th June 2022, we received a number of questions from our distinguished shareholders and we have proceed to respond as below:-

NAME OF SHAREHOLDER

ERASTUS WALUMORI
CHARLES ONCHIRI
ROBI MAGOKO
SAMUEL MUTHAKA GIKUMA
EDWARD MWIKYA MATINGI
CALEB ORENGE CHAURO
JAMES EDWIN ZALO OWINO
CHARLES MAINA KUNGU
CHAMWAMA GEOFFREY NANGELO
OJWANG TROON OTIENO

QUESTION 1

Why is the Company not paying dividends?

RESPONSE

The strategies being put in place have returned the Company to profitability, however our accumulated retained earnings are still in a negative position and it has not been possible to declare dividends.

The company's performance will continue to be evaluated and recommendations made should circumstances change positively.

QUESTION 2

From the look of things the company is in a shut down mode with skeleton staff including senior management. can management be clear on the strategy as no serious sales are being achieved currently?

RESPONSE

As part of our strategy the company has adopted a digitized low-opex business model that was necessary to return the company to profitability.

As our set objectives in both the property and tyre businesses are achieved, growth in turnover will be realized.

NAME OF SHAREHOLDER

ROBERT BARRACK HABWE

QUESTION 3

The CEO and Chairman reports hint on construction of new godowns for rental purposes. I would like to know the source of the funding as the last such project was Sameer Business Park where the Company's prime 8 acre property was pledged for Ksh 140 million for only 25% of the share of the project and to date after 10 years no dividends have been paid as the other party only assisted in securing a huge loan?

RESPONSE

The warehouses are proposed to be built with internally generated funds.

Reference should also be made to accounting policy 3(a)(iv) and Note 18 of the audited accounts.

The investment in the associate after accounting for the share of profits stands at Ksh 177.561M

QUESTION 4

Is the tyre business profitable

NAME OF SHAREHOLDER

NJERU CONSTANTINE RUTERE

RESPONSE

The tyre business is making a return to profitability, we have restructured how we operate the business with a concentration on high margin customers and category management based on fast moving sizes.

AGM Q&A



NAME OF SHAREHOLDER
JAMES EDWIN ZALO OWINO

QUESTION 5 1. Kindly share the market size of the tyre business in Kenya?
2. What is Sameer Africa Plc share of that market?

RESPONSE Market Size of the tyre business in Kenya is estimated at-Ksh 20 Billion with Sameer Africa Plc Share being approximately-1.5%

QUESTION 7 Note 32 on the proposed sale of property. Confirm which property is on sale and what will the proceeds of the sale be invested in?

RESPONSE The property is located at our Mombasa road complex. The sale has not been concluded but the property will be sold at the market price.

Proceeds from the sale are proposed for reinvestment in Industrial property and repayment of term loans

QUESTION 8 The completion of the express highway has added value on the property on Mombasa road but this has not been factored in the property valuation?

RESPONSE Refer to Note 3(h) (i) on the accounting policy and Note 15(c) (i) of the audited accounts where the current market values are indicated.

QUESTION 9 Kindly provide the current staff count?

RESPONSE We currently have 31 staff.

QUESTION 10 How much dividend has Sameer Business Park generated to the group since inception?

No dividends have been received from Sameer Business Park.

RESPONSE As per accounting policy, the company recognizes the share of profits of the associate in its audited accounts. The value of the investment is Ksh 177.561M as at 31 December 2021 (refer to Note 18 of the audited accounts) and the share of profit for the year 2021 was Ksh 8.454M

AGM Q&A

NAME OF SHAREHOLDER
JAMES EDWIN ZALO OWINO

QUESTION 11

The share price of the Company is trading below the par value of Ksh 5, what is the Board's view on this matter?

RESPONSE

The Board is confident with the new strategic direction taken and this will be reflected in the share price as our objectives are achieved.

QUESTION 12

Since the group is managed by SIL what safeguards have been taken to ensure the erosion of value seen in Eveready is not repeated here?

RESPONSE

The Company has strong corporate governance structures in place to ensure the strategic direction is implemented as approved by the Board of Directors.

NAME OF SHAREHOLDER
STEPHEN NGURE MUNYAKA

QUESTION 13

The government lifted the ban on meetings due to Covid-19. Why are we not meeting physically. We are using our data to attend this meeting-who is going to cater for it?

RESPONSE

We have taken into consideration the uncertainty surrounding the Covid-19 pandemic and further the numbers has started to rise again and therefore considered it prudent to defer physical meetings for the safety of all stakeholders that would be expected to attend our Annual General Meeting.