

AGM Q&A



In regards to the 55th Annual general meeting of 20th June 2024, we received a number of questions from our distinguished shareholders and we have proceed to respond as below:-

Category	Question	Answer
General meetings	<p>When do you plan to hold physical meeting for the shareholders?</p> <p>Why no physical AGM?</p> <p>Facilitation to visit company and participate in the online meeting.</p>	<p>This year's AGM has been convened through electronic means in line with the Articles of Association of the Company. Virtual AGMs have enabled wider participation by shareholders at their convenience and given an opportunity for more effective engagement. The Board will continue to evaluate the most appropriate format to hold the AGM as provided for in the Companies Articles of Association.</p>
Dividends	<p>When will you pay dividends? In which year is the company projecting / envisaging to resume paying dividends?</p>	<p>The strategy adopted by the Board has returned the Company to profitability. However, the retained earnings are still in a negative position and it has not been possible to declare dividends.</p> <p>The Company's performance will continue to be evaluated and recommendations for payment of dividends considered when the Company has sufficient retained earnings.</p>
	<p>How much is dividend and paid when?</p>	
	<p>Is there any hope for the company to start giving dividends in near future? Can the company also consider to give bonus shares to shareholders since we have seen anything from the company for the past years.</p>	
Strategy	<p>Why is the company always in losses?</p>	<p>Sameer Africa Plc has reported a profit after tax for each of the last four years (2020, 2021, 2022, and 2023). In the year ended 31st December 2023, Sameer Africa Plc reported a profit after tax of KShs. 46.3 million. The strategy adopted by the Board has returned the Company to profitability.</p> <p>Please refer to the Annual reports posted on the Company's website (www.sameerafrica.com) to view the detailed financial reports.</p>
	<p>What is the update on the sale of the land to clear outstanding debt?</p> <p>The Company had previously mentioned that it plans to dispose off some of its investments in land. In which year is this land envisaged to be sold?</p>	<p>Refer to the Chairman's statement in the 2023 Annual Report published on the Company's website (www.sameerafrica.com) for an update on the sale of land.</p>
	<p>Effects of new taxes</p>	<p>The introduction of the mandatory Affordable Housing Levy from July 2023 resulted in a 1.5% increase in the employment cost borne by the Company. The increase in the Capital Gains Tax levied on gains made from the transfer of property from 5% to 15% effective January 2023 will result in lower net proceedings from sale of property. There was no transfer of property in the year ended 31st December 2023.</p>
	<p>What is the future of Sameer Africa?</p> <p>What are the current long-term goals of the group in terms of products diversification?</p> <p>Has the board given a clear picture of the vision and mission of the company?</p>	<p>Refer to the Chairman's statement in the 2023 Annual Report published on the Company's website (www.sameerafrica.com) for a detailed update on the strategy and outlook for the Company. The Annual Report also details out the mission and values of the Company, in line with the strategy adopted by the Board.</p>

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Strategy	<p>On 29 October 2013 Sameer Investments Ltd (SIL) published a notice under Regulation 4(3) of the Capital Markets Authority (Take-overs & Mergers) Regulations, 2002, on the purchase of 41,485,056 shares of Sameer Africa Ltd (SAL) from Bridgestone Corporation (BC) on the understanding that the additional holding would be used to acquire a technical partner following the exit of BC from SAL. In this regard, please let us know</p> <p>1) What is the status of this strategy of seeking a technical partner?</p> <p>2) In the event the strategy has been abandoned, what will be the fate of the additional shares being held by SIL as the same were acquired against Section 3(1) and (2) of the Capital Markets Regulations?</p> <p>Can they be floated in the market due to preemptive rights held by the other shareholders?</p>	<p>The acquisition of the ordinary shares held by Bridgestone Corporation by Sameer Investments Limited was a private transaction between the two parties, and received relevant regulatory approvals. The Company was not a party to the transaction.</p> <p>The Board reported on the status of discussions to contract a technical and equity investor in the 2015 Annual Report and Financial Statements. In summary, a revised strategy was adopted by the Board that entailed off-shoring the production of YANA tyres to more cost friendly jurisdictions in China and India. Please refer to the Chairman's Statement in the 2015 Annual Report and Financial Statements.</p> <p>A shareholder of the Company is at liberty to dispose their shares by offering them for sale through the Nairobi Securities Exchange, where the shares are publicly traded, or through a private transaction. Shareholders in the Company do not have preemptive rights over the ordinary shares held by other shareholders of the Company.</p>
	<p>Note 15 (C) (i) on the policy of accounting for investment property at cost. Please clarify the appropriateness and benefits of this outdated policy as it misrepresents and understates the value of the assets in the balance sheet by Ksh 8 billion.</p>	<p>The Company has adopted the cost model policy for its investment property and has consistently applied it to all issued financial statements.</p> <p>Refer to Note 3(i) on the accounting policy and Note 15(c) (i) where the fair value is disclosed.</p>
Financial Report	<p>The accounts reflect a 90% drop in the tyre business revenue in 2023 vs 2022. At what point will the company prepare discontinuing accounts as per IFRS 5?</p>	<p>The operations in the tyre business segment do not meet the criteria for recognition as discontinued operations under IFRS 5. Refer to Note 6(b) on information about reportable segments.</p>
	<p>Please share the potential Capital Gain Tax and other incidentals costs relating to the planed sale of land.</p>	<p>Sale of land in Kenya is subject to Capital Gains Tax (CGT) payable by the seller at the point of transfer of property. The current rate of CGT is 15% of the net gain, payable to the tax authority.</p>
Others	<p>I Registration</p>	<p>Specific shareholder queries to be addressed by the Company's share registrars, C&R Group.</p>
	<p>How much dividends do I have?</p>	
	<p>Have you ever issued any dividends over the past years? If yes, please let me know where to follow up since I have never received any.</p>	