

SAMEER AFRICA PLC 56TH ANNUAL GENERAL MEETING

MEMBERS QUESTIONS AND ANSWERS



Category

Question

Answer

Arrangements for Annual General Meeting

Why not hybrid AGM and invite investors to the AGM?

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 in subsequent AGMs, in line with the Company's article of association.

Can you be holding physical meeting for AGM?

How are we going to vote for Directors?

Please refer to the AGM notice and notes available on the Company's website <https://sameerafrica.com/> for the procedure of voting during the AGM.

Can I get my financial statement?

The 2024 Annual report and financial statements are available for viewing on the Company's website <https://sameerafrica.com>.

Governance

Please share a policy statement on acquisition and disposal and other dealings of real estate in a manner that ensures that the interest and rights of minority shareholders are protected and upheld.

Kindly refer to the pages 21 to 26 of the 2024 Annual Report and financial statements for a detailed disclosure on the governance practices and policies of the Company.

Please disclose the CEO's previous leadership experience.

Kindly refer to page 18 of the 2024 Annual Report and financial statements.

Dividends

How much is the Dividend and when will it be paid?

Kindly note that the Directors have not recommended the payment of a dividend for the year ended 31st December 2024.

Are you paying out dividends and if so what percentage and when?

Financial Statements

What are the probable cause of financial loss for the year 2023/2024, and what should be the possible strategies to generate income? I thank you.

Kindly note that the Company was profitable in both the financial years ended 31st December 2023 and 31st December 2024. Kindly refer to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the 2024 Annual Report and financial statements.

What happened in 2018 do you think it will ever happen in the near future - enormous and unexplainable losses. Profits warning to your shareholders.

For discussion on the strategic plan of the Company, kindly refer to the Chairman's and the Managing Director's statements in the 2024 Annual Report.

Are the foreign subsidiaries active and what expenses are being incurred in them yet they were fully impaired in 2018? Why have they not been liquidated?

Kindly refer to Note 6 (b) and 18 (a) of the 2024 Annual Report and financial statements.

Note 8 – please disclose the volume of tyres sold in 2023 and 2024, and how and when these were sold given that the Company had in a prior period disclosed the closure of its tyre operations including tyre centres.

Tyres sold in 2023 and 2024 were 2,112 and 26 respectively, relating to tyre inventory held at the Company's premises in Nairobi.

Companies dealing in motor vehicles are reporting low sales, has this affected tyre sales ?

Why are expenses high for a rental business? There is a need to restructure the operations.

The expenses reported by the Company in 2024 increased by 5% compared to prior year. A provision for tax recoverable in a foreign subsidiary was taken in 2024 and is not expected to recur. Further, the Company, being a publicly listed company, incurs ongoing governance and compliance-related expenses. Kindly refer to Note 9 (c) of the 2024 Annual Report and financial statements.

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Financial Statements

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<p>Note 9 (b) shows the company incurred the following expenses in 2024; Cost of sales of Ksh 15.9 million; Selling expenses of Ksh 17.6m; Marketing expenses of Ksh 1.9m in 2024 to generate sales of Ksh 873,000. Any justification for these expenses? Are they expected to recur in future? What measures have been put in place to ensure they do not recur? The expenses are abnormally too high for a real estate company. A forensic audit is required to release the legacy/ tyre manufacturing contracts/ expenses that are still being borne by the company.</p>	<p>The expenses reported by the Company in 2024 increased by 5% compared to prior year. A provision for tax recoverable in a foreign subsidiary was taken in 2024 and is not expected to recur. The Board and management reviews and approves all expenses incurred by the Company and is actively involved in identifying opportunities to make the Company more efficient. Please refer to the Governance section of the 2024 Annual Report and financial statements for further details on the Company's governance practices.</p>
<p>Please explain the basis of the following expenses shown in note 9 (c); I. Employee benefits of ksh 74.9 m for 16 employees II. Legal and professional fees Ksh 36.2 m bearing in mind this is a property company. III. Repairs and maintenance 27.9 m? IV. Sales commission and bonuses 15.7m? V. Rent and rates 12.8m? VI. Telephone and postage 2.4 m for 16 staff? VII. Transport and traveling 15.4m?</p>	
<p>How many acres of land does the company have?</p>	<p>Kindly refer to the 2024 Annual Report and financial statements.</p>
<p>Given the companies real estate operations being the main business, the accounting policy of showing the land and investment property at cost is misleading the users of the financial statements.</p>	<p>Kindly refer to Note 3 (h) of the 2024 Annual Report and financial statements for disclosure on the recognition and measurement criteria for property, plant and equipment adopted by the Company.</p>
<p>Please explain why the cost of land being sold is Ksh 15,000, was it bought at that amount?</p>	
<p>Historically the company has sold land 3 times and on all occasions there has been no gainful return to Sameer PLC shareholders as shown below; A. Investment in Sameer Business Park by contributing 8 acres for the business park - No financial return has been received since 2008. B. Sale of land at the junction of Enterprise road - Funds utilised/ lost in the loss making tyre trading business that has since closed. C. The current sale of land 2025 - The deposit has been used to pay off a loan. The above instances indicate that management (investment committee) has been approving imprudent projects, thus failing the test of utmost good faith.</p>	<p>The Company's share of profit in the associate and the carrying amount of the investment are reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and on Note 19 in the 2024 Annual Report and financial statements. The sale of land reported under Note 16 is ongoing and expected to conclude in the second half of 2025. The Board and committees are guided by the Company's articles of association and Board Charter in the discharge of their duties. Kindly refer to the Governance section of the 2024 Annual Report for further details on the Company's governance practices.</p>
<p>Note 15 on valuation of property - you refer to a current Valuation Report by Knight Frank Ltd - please share it with us.</p>	<p>Kindly refer to Note 15 (c) of the 2024 Annual Report and financial statements for disclosure on fair value of investment properties based on the most recent valuation report.</p>
<p>On the same note 15, what would be the notional Net Asset Value had the Fair Value of the properties been incorporated in the books of the accounts?</p>	<p>Kindly note that such an assessment of Net Asset Value has not been carried out as it is not consistent with our accounting policies. Kindly refer to Note 3 (h) of the 2024 Annual Report and financial statements for disclosure on the recognition and measurement criteria for property, plant and equipment adopted by the Company.</p>
<p>Note 16 – please disclose the details of the purchaser and of the property being disposed. Now that the end of the 2nd quarter is literally ten days away, has this transaction been completed or likely to be completed by the expected date? Please provide a detailed estimation of the financial impact on the Income Statement, Balance Sheet and Cash Flow statement upon completion of the transaction.</p>	<p>The property being disposed is located at our Mombasa Road Complex. Further details are disclosed under Note 16 of the 2024 Annual Report and financial statements. The sale is to a third-party purchaser and is subject to customary terms and conditions. The transaction is expected to be concluded in the second half of the year 2025 as noted in the Chairman's remarks during the Annual General Meeting held on 19th June 2025.</p>

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Financial Statements	Note 19 refers to the 25% equity investment in an associate - Sameer Business Park Ltd - which persons own the 75% balance, and if a company (ies), who are their directors and beneficial owners?	Kindly note that verified details of shareholding and directorship of companies in Kenya can be accessed from the Business Registry Services portal on https://brs.go.ke/ .
	Please disclose the lender and the loan repayment period for Sameer Business Park based on note no 19 a (i).	The loan at the associate is a shareholder loan provided by the majority shareholder pursuant to a shareholders' agreement between the parties.
Strategy and Outlook	When will the company resume dividends payments.	Kindly note that the Board will continue to evaluate the Company's performance and consider recommendations for payment of dividends in line with the provisions of the Companies Act of Kenya. Among other conditions in the Act, dividends can only be paid from accumulated positive realised earnings.
	With the Company now profitable, the shareholders patience should be rewarded with a dividends.	
	What is the Outlook of the company?	For discussion on the outlook of the Company, kindly refer to the Chairman's and the Managing Director's statements in the 2024 Annual Report and financial statements.
	Apart from the parcel of land (3.75 acres) whose sale is currently progressing, is the Company envisaging to put up for sale any other vacant land in the near term (in 2025 or 2026)?	
	The company now has changed the business to real estate.Do you have plans to change it to reits?	
	Note 25 - Deferred Income Tax - you refer to a strategic plan in the notes - please share this strategic plan with us.	For discussion on the strategic plan of the Company, kindly refer to the Chairman's and the Managing Director's statements in the 2024 Annual Report and financial statements.
What is the immediate, medium and/or long-term plan for the property that is situated off Waiyaki Way in Westlands? What does it currently generate in income and net profit? What is its value as per the recent Valuation Report?		
Investor Relations	How much is my shares?	Kindly contact the Company's share registrars, Custody and Registrar Services Limited, to confirm your shareholding.
	Can I be receiving my dividends through mpesa?	Kindly note that the Directors have not recommended the payment of a dividend for the year ended 31st December 2024. To update your details, kindly contact the Company's share registrars, Custody and Registrar Services Limited.
	We trade at how much per share?	The Company's shares are traded on the Nairobi Securities Exchange (NSE) and current prices are published on their website.
	Please advise shareholders who the person in charge of Investor Relations in the Company is, and their full contact details ?	Kindly contact the Company on info@sameerafrica.com for any enquiries related to investor relations.
	Arrangements should be made where interested shareholders can meet with the Board and senior management from time to time, to raise any questions and concerns.	The Board made arrangements for a more interactive annual general meeting held on 19th June 2025 compared to previous general meetings. The Board will continue to evaluate the most appropriate format to hold the annual general meetings in the future, and the possibility of engaging the shareholders beyond the annual general meetings.