

**CIRCULAR TO SHAREHOLDERS**

**NAIROBI BUSINESS VENTURES PUBLIC LIMITED COMPANY**

**In respect of the proposed investments**

## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations set out in Clause 4 of this Circular apply, *mutatis mutandis*, to this whole Circular.

If you are in doubt about what action you should take in relation to this Circular, please consult your independent professional advisor.

### **Action required of the Shareholders in respect of the Annual General Meeting**

If you have sold or otherwise transferred or disposed of all your shares in Nairobi Business Ventures Public Limited Company (**NBV**), please forward this document as soon as possible to the purchaser or transferee of such shares, or to NBV, investment bank, stockbroker or other agent through whom the sale or transfer was effected, for the transmission to such purchaser or transferee of such shares. If you have sold or otherwise transferred only some of your shares in NBV, you should retain this Circular.

The Annual General Meeting (**AGM**) of NBV will be convened electronically, on Wednesday 22<sup>nd</sup> September 2021 at 10.00 a.m. A notice of the AGM and the form of proxy for use by Shareholders who are unable to attend the AGM but wish to be represented thereat is annexed at the end of this Circular.

If you are a Shareholder and are unable to attend the AGM, but wish to be represented there at, please complete the proxy form annexed to this Circular according to the instructions printed thereon and return it to Image Registrars Limited for the attention of the Company Secretary to arrive not later than 10:00 a.m. on Monday 20<sup>th</sup> September 2021, that is, forty-eight (48) hours before the date of the AGM.

Shareholders are advised to read and satisfy themselves on the merits and risks involved in approving this transaction.

### **General information regarding this Circular**

This Circular is issued by NBV and has been prepared in compliance with the requirements of the Capital Markets Act (Chapter 485A, Laws of Kenya) and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002. No person has been authorised to give any information or to make any representation other than those contained in this Circular and if given, or made, such information or representation must not be relied upon as having been authorised.

The Capital Markets Authority has approved the issue of this Circular and the transaction described in it, on the terms described in this Circular. Approval of this Circular is not to be taken as an indication of the merits of the proposed transaction or a recommendation thereof by the Capital Markets Authority.

As a matter of policy, neither the Capital Markets Authority nor the Nairobi Securities Exchange assumes any responsibility for the correctness of any statements or opinions made or reports contained in this Circular.

**Date of issue: 31<sup>st</sup> August 2021**

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## 1. Key Dates and Times

Event	Date and Time
Approval of the Circular by the Capital Markets Authority	Friday 27 <sup>th</sup> August 2021
Latest time to return proxy forms for the AGM and registration to attend the AGM electronically	Monday 20 <sup>th</sup> September 2021 at 10.00am
Date and time of AGM	Wednesday 22 <sup>nd</sup> September 2021 at 10:00 a.m.
Press announcement of outcome of the AGM	Thursday 23 <sup>rd</sup> September 2021
Submission to CAK for Approvals	Thursday 23 <sup>rd</sup> September 2021
Execution of the Transaction Documents	TBA

### \*Note:

- (i) All dates and times as indicated above are local times in Kenya.
- (ii) The above times and dates are subject to change.

## 2. Directors of NBV

Name	Address	Position
Samuel Njuguna Kimani	P.O. Box 12523, 00100 Nairobi	Director
Haresh Vrajlal Damodardas Soni	P.O BOX 18291 00500 Nairobi	Director
Robert Kanda Nyasimi	P.O. Box 30397 - 00100 Nairobi	Director
Abotula Venkata Satyanarayana Vasu	P.O. Box 18638 – 00500 Nairobi	Director
Lukas F L O Meso	P.O. Box 30367 – 00100 Nairobi	Director
Naresh Jayantilal Ranpura	P.O Box 94007 – 80100 Mombasa G.P.O	Director
Dhaval Vinodbhai Soni	P.O Box 18291 – 00500 Nairobi	Director

### \*Note:

- (i) All directors of NBV are Kenyan.

### 3. Transaction Advisors

#### Transaction Advisor



ABC Capital Limited  
Mezzanine, ABC Bank House,  
Woodvale Grove, Westlands  
P. O. Box 34137-00100  
Nairobi

#### Legal Advisor



MW & Company Advocates LLP  
AK-119, House No.4, Adjacent to Malawi  
Chancery and Toyota Kenya,  
Slip Road off, Waiyaki Way, Westlands  
P.O Box Number 44468-00100  
Nairobi

#### 4. Definitions and Interpretation

In this Circular, unless otherwise stated or unless the context so requires, the terms in the first column shall have the meanings ascribed to them in the second column. All words and expressions made in the singular will include the plural and vice versa, while words that signify one gender shall include the opposite gender and all references to a 'person' shall include references to juristic persons and associations of persons unless the context otherwise requires.

<b>Annual General Meeting or AGM</b>	means the NBV AGM to be held electronically, on Wednesday 22 <sup>nd</sup> September 2021 at 10:00 a.m.;
<b>Board or Directors</b>	means the individuals named on Page 1 of this Circular as directors of NBV;
<b>Capital Markets Act</b>	means the Capital Markets Act (Chapter 485A, Laws of Kenya) as may be amended from time to time;
<b>Circular</b>	means this Shareholders' Circular dated 31 <sup>st</sup> August 2021 including the notice of the AGM and the form of proxy attached to this Circular;
<b>CMA</b>	means the Capital Markets Authority established under section 5 of the Capital Markets Act;
<b>Conditions Precedent</b>	means the conditions precedent to which the Issue is subject, as summarised in Clause 13 of this Circular;
<b>Targets</b>	means Air Direct Connect Limited, Aviation Management Solutions Limited, Delta Automobile Limited and Delta Cement Limited;
<b>Transaction Documents</b>	<p>means the share purchase agreements to be entered into between NBV and:</p> <ul style="list-style-type: none"><li>(a) Air Direct Connect Limited, a private limited company duly incorporated in Kenya with company number C. 109369 and which carries on the business of chartering aircraft for commercial cargo and commercial passengers;</li><li>(b) Aviation Management Solutions Limited a private limited company duly incorporated in Kenya with company number C. 126816 and which carries on the business of maintenance of aircrafts and owns aviation assets;</li><li>(c) Delta Automobile Limited, a private limited company duly incorporated in Kenya with company number CPR/2012/81781 and which carries on the business of sales and service of heavy vehicles and machinery including trucks, buses, construction machinery, marine engines and diesel generators, with bases at Nairobi and Mombasa in Kenya , and</li><li>(d) Delta Cement Limited, a private limited company duly incorporated in Kenya with company number PVT-5JUE582L and which owns the Property;</li></ul>

<b>KES or Kenya Shilling</b>	means Kenya Shillings, being the lawful currency of the Republic of Kenya;
<b>NBV</b>	means Nairobi Business Ventures Public Limited Company, a public company with limited liability incorporated under the provisions of the Companies Act (Act No.17 of 2015, Laws of Kenya) with incorporation number CPU/2015/187285;
<b>NSE</b>	means the Nairobi Securities Exchange, a public company incorporated in Kenya with registration number CPU/2014/144920 and approved as an exchange under the Capital Markets Act;
<b>Property</b>	means the property known as L.R. No. 11895/43 situate in Mavoko Municipality, Machakos;
<b>Proposed Transactions</b>	<p>means the share purchase transactions between NBV for the:</p> <ul style="list-style-type: none"> <li>(a) acquisition of 80,000 ordinary shares valued at (KES.125,000,000.00) constituting 100% of the issued share capital in Air Direct Connect Limited;</li> <li>(b) acquisition of 10 ordinary shares valued at Kenya Shillings four hundred and ninety-two million, five hundred and fourteen thousand, four hundred and ninety-six and forty cents (KES. 492,514,496.40) constituting 100% of the issued share capital in Aviation Management Solutions Limited;</li> <li>(c) acquisition of 10,000 ordinary shares valued at Kenya Shillings one billion, forty-three million, two hundred and eight thousand, two hundred and forty-five (KES. 1,043,208,245.00) constituting 100% of the issued share capital in Delta Automobile Limited; and</li> <li>(d) acquisition of 100 ordinary shares valued at Kenya Shillings one billion seven hundred and seventy million (KES. 1,770,000,000.00) constituting 100% of the issued share capital in Delta Cement Limited.</li> </ul> <p>In all the Proposed Transactions above, the consideration for the acquisition of the shares shall be non-cash consideration, being issuance of shares in NBV to the shareholders of Air Direct Connect Limited, Aviation Management Solutions Limited, Delta Automobile Limited and Delta Cement Limited.</p>
<b>Resolutions</b>	means the ordinary and special resolutions set out in the notice of the AGM attached and forming part of this Circular; and
<b>Shareholder(s)</b>	means a registered holder of the Shares.



## 5. NBV's Corporate Information

Registration Number	CPU/2015/187285
Date of Registration	5 <sup>th</sup> March 2012
Directors	Samuel Njuguna Kimani Haresh Vrajlal Damodardas Soni Robert Kanda Nyasim Abotula Venkata Satyanarayana Vasu Lukas F L O Meso Naresh Jayantilal Ranpura Dhaval Vinodbhai Soni
Company Secretary	Lawrence Chelimo Kibet 5 <sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza) P.O. Box 72133-00200 Nairobi
Registered Office	Shreeji House Shreeji Road, Off Airport North Road Embakasi Nairobi Kenya
Registrar	Image Registrars Limited 5 <sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza) P.O. Box 72133-00200 Nairobi
Auditors	Jessie & Associates Certified Public Accountants Adabu House, General Mathenge Drive P O Box 43682-00100

	Nairobi.
Principal Bankers	Bank of Baroda (K) Limited Industrial Area Branch P.O. Box 18629-00500 Nairobi
	Diamond Trust Bank Kenya Limited Westgate Branch P.O. Box 66213, 00800 Nairobi
Nominal Share Capital	KES 250,000,000 divided into 500,000,000 ordinary shares of KES 0.50 each
Issued and Fully Paid Share Capital	Kes 246,100,000 divided into 492,200,000 ordinary shares of Kes 0.50 each
Financial Year End	31 <sup>st</sup> March

## 6. Letter from the Chairperson of NBV

To all Shareholders of NBV

Dear Shareholder/Investor,

### **PROPOSED INVESTMENTS BY NAIROBI BUSINESS VENTURES PLC INTO AIR DIRECT CONNECT LIMITED, AVIATION MANAGEMENT SOLUTIONS LIMITED, DELTA AUTOMOBILE LIMITED AND DELTA CEMENT LIMITED FOR NON-CASH CONSIDERATION (the Proposed Transactions)**

On behalf of the Board of Directors (the **Board**) of Nairobi Business Ventures Public Limited Company (**NBV**), I present to you this Circular relating to the approval of the following Proposed Transactions:

- (a) the acquisition of 100% of the issued share capital in Air Direct Connect Limited, a private limited company duly incorporated in Kenya with company number C. 109369 and which carries on the business of chartering aircraft for commercial cargo and commercial passengers;
- (b) the acquisition of 100% of the issued share capital in Aviation Management Solutions Limited, a private limited company duly incorporated in Kenya with company number C. 126816 and which carries on the business of maintenance of aircrafts and owns aviation assets;
- (c) the acquisition of 100% of the issued share capital in Delta Automobile Limited, a private limited company duly incorporated in Kenya with company number CPR/2012/81781 and which carries on the business of service and maintenance of heavy vehicles and machinery including trucks, buses, construction machinery, marine engines and diesel generators, with bases at Nairobi and Mombasa in Kenya; and
- (d) the acquisition of 100% of the issued share capital in Delta Cement Limited a private limited company duly incorporated in Kenya with company number PVT-5JUE582L and which owns the property known as L.R. No. 11895/43 situate in Mavoko Municipality, Machakos (the **Property**). The Property has already been master planned for a cement manufacturing plant. NBV's proposed strategy is to set up a clinker and cement manufacturing plant at the Property.

Following developments in NBV in the year 2020, leading up to the investment by Delta International FZE, NBV's shares value on the Nairobi Securities Exchange increased from 0.60 per share on July 1<sup>st</sup> 2020 before the bonus to Kes 10.20 on July 30<sup>th</sup> 2021 after the bonus registering a 3,400% rally in NBV's share price. In order to tap into the market, a new strategy has been forged towards its growth and expansion plans. The Proposed Investments are in line with the Company's strategy to increase shareholder value and diversify streams of income.

We remain committed to observing high standards of corporate governance and remain committed to growing the business by making available a diversified range of infrastructural and industrial products. We are keen in enhancing our shareholders' wealth. We seek to create rewarding opportunities and career growth for our staff as we continue to grow and remain committed to our shareholders who have stood by us and remain committed to NBV's vision.

In conclusion, I would like to take this opportunity to thank the shareholders, members of the board, management and staff for their commitment and dedication to duty especially during this period of transition. I look forward to scaling greater heights together.

**SAMUEL NJUGUNA KIMANI**  
**CHAIRPERSON OF THE BOARD**

## **7. Letter from the CEO of NBV**

Dear Shareholder,

2020 was a watershed year for Nairobi Business Ventures Public Limited Company (**NBV**). This was the year that Delta International FZE acquired majority shareholding of NBV setting the company on a new path.

### **NBV Share price**

Between January 1<sup>st</sup> 2021 and June 30<sup>th</sup> 2021, NBV shares at the NSE rose in value from Kes 4.65 to Kes 10 per share.

### **NBV performance**

During the year to March 31<sup>st</sup> 2021, NBV reported revenues of Kes 45 million in its trading business. The firm swung back to profitability on the back of derecognition of financial liabilities and bad debts recovered.

### **Acquisition and Expansion Plans**

In 2020, NBV management had to make drastic decisions by inviting financially strong and highly successful business groups to revive and grow NBV through diversification of its core business. This led to the investment by Delta International FZE in NBV as a strategic investor. This was the first phase of the transaction.

NBV is going to the second phase of the transaction. NBV will be acquiring four firms which will allow NBV to go into maintenance in aviation, cement manufacturing and truck maintenance in addition to the trading business which shall continue.

In the third phase, NBV will be coming back to the financial markets to raise funds to support the expansion of the truck fleet maintenance business, the aviation maintenance business, NBV's trading business and, most importantly, the cement manufacturing business.

I wish to thank all shareholders of NBV and to urge them support NBV as our company embarks on this new journey.

**HARESH V. SONI**

**CEO, NAIROBI BUSINESS VENTURES PUBLIC LIMITED COMPANY (NBV)**

## **8. Background to and Reasons for the Transaction**

NBV was initially established as a leather products retail chain operating under the brand name “K Shoe”.

### **History of NBV's performance**

During the year 2018-19 NBV reported negative growth in sales performance with 27% which translated to Kenya Shillings thirteen million two hundred and seventy thousand (KES. 13,270,000.00) (Kenya Shillings eighteen million one hundred and fifty thousand (KES. 18,150,000.00) in 2017-2018) and a loss of Kenya Shillings thirty four million seven hundred and thirty thousand (KES. 34,730,000.00) (Loss of Kenya Shillings seventy-six million five hundred and thirty thousand (KES. 76,530,000.00) in 2017-2018) respectively.

During the year 2019-20 NBV reported NIL sales as a result of closure of all its retail outlets and a net loss of KES. 39,450,000.00.

This continued negative performance, lead NBV management to make drastic decisions such as inviting financially strong and highly successful business groups to revive and grow NBV and through diversification of its core business. This led to the investment by Delta International FZE in NBV as a strategic investor.

Since the previous AGM, NBV's share price has increased and the future outlook of the company looks positive. The share price has increased showing the increased public confidence in NBV.

## **9. Strategic Outlook of NBV**

Nairobi Business Ventures was acquired by Delta International FZE because it was listed. The acquirers of NBV wanted to list some of their businesses so that they can secure the benefits of listing. This includes governance and access to capital.

After the acquisitions, NBV will have four verticals i.e. Aviation maintenance under both Aviation Management Solutions Limited and Air Direct Connect Limited, Trucks maintenance under Delta Automobile Limited, Cement Manufacturing under Delta Cement Limited and trading which will be carried out by Nairobi Business Ventures Limited.

### **9.1. Trucks Maintenance**

Delta Automobile Limited is an on-going concern and has healthy revenues having hit Kes 1bn in revenues for the year to 30<sup>th</sup> June, 2021. We anticipate this business will continue growing with the core customer, Shreeji Enterprises growing its fleet and we expect Delta Automobile's other logistics customers will be growing naturally and therefore their revenues will grow.

Delta Automobile has one of the best statistics on truck maintenance in the world. This is because they adhere to engineering excellence and have the appropriate equipment and required expertise to carry out heavy duty and light duty maintenance which serves to give trucks longer lives and are able to give more service to the truck owners.

Further, NBV has plans to put up facilities for light trucks maintenance along the southern corridor over time. This will make them the premier truck maintenance partner along the southern corridor.

In addition to this, Delta Automobile wishes to go into truck sales where those who would want to go into logistics business will be able to buy second hand trucks from Delta Automobile.

Delta has the capacity to fund this from internal resources but to speed this expansion up Delta might be a beneficiary of the NBV seasoned offer being planned for a later date.

## **9.2. Aviation Maintenance**

As observed earlier, NBV wishes to acquire Aviation Management Solutions Limited (AMS) and Air Direct Connect Limited (ADC) for the purposes of establishing an aviation maintenance business much like the truck maintenance business.

Towards this end, ADC has acquired an Aviation Maintenance Organization (AMO) license and is in the process of acquiring a Maintenance, Repair and Overhaul (MRO) license. The intention is to establish a facility that will engage in maintenance of Dash 8 Classic; 100,200,300 aircraft and Q400 aircraft, CRJ 100 & 200 & Boeing 737-200.

These are maintained largely in Europe or South Africa. Management believes that having an independently owned facility in Kenya that focuses on this business will offer a lot of comfort to operators in the area. Indeed, Kenya Civil Aviation Authority (KCAA) is very encouraged by this development as they believe this development will do a lot to improve aviation in the country.

The funding of this business initially is expected to come from internal resources.

## **9.3. Trading**

NBV has done some opportunistic trading that has seen it net some short term profits. NBV will continue with this trading when the opportunities present themselves.

The nature of this trading is largely procuring and availing to quality and stable manufacturers raw material that they may not be able to do so themselves for a short period. NBV will continue to take advantage of the inability of these manufacturers to secure working capital by securing the raw material themselves and availing the same to these manufacturers.

## **9.4. Cement Manufacturing**

This is expected to be the most significant business in Nairobi Business Ventures to be carried out by Delta Cement Limited.

NBV is looking to acquire Delta Cement Limited which will be manufacturing cement in Mavoko, Machakos County. Towards this end, Delta has already started implementing its business plan and has started pursuing the necessary licenses and authorizations to pursue the business. The technology has been identified and quite some resources have been spent to bring the project to where it is today.

Some funding has been secured from banking but in the future a seasoned offering by NBV is expected to help fund the project to complete it.

## 10. Overview

The companies that have been identified as suitable investment opportunities are as below:

**Air Direct Connect Limited** (Air Direct-Connect) is a private limited company duly incorporated in Kenya with company number C. 109369. The company carries on the business of chartering aircraft for commercial cargo and commercial passengers.

**Aviation Management Solutions Limited** (AMSL) is a private limited company duly incorporated in Kenya with company number C.126816. The company on the business of maintenance of aircrafts and holds aviation assets.

**Delta Automobile Limited** (Delta Automobile) is a private limited company duly incorporated in Kenya with company number CPR/2012/81781. The company carries on the business of service and maintenance of heavy vehicles and machinery including trucks, buses, construction machinery, marine engines and diesel generators, with bases at Nairobi and Mombasa in Kenya.

Delta Automobile in Kenya is a unique company that has invested in advanced technology catering for transport and logistics sectors by setting up a state of art servicing and preventive maintenance facility for transporters between Mombasa and Malaba along the main highways and has plans to set up similar facilities every two hundred (200) kilometres between Mombasa and Kampala. Its servicing facility at Mlolongo on the Mombasa Highway in Nairobi, Kenya has been appreciated by VOLVO as the one and only high tech service station in East Africa.

### Delta Cement Limited

Delta Cement Limited is a private limited company duly incorporated in Kenya with company number PVT-5JUE582L. The company owns the Property located in Athi River. The Property has already been master planned for a cement manufacturing plant. NBV's proposed strategy is to set up a clinker and cement manufacturing plant at the Property.

### 10.1. Target's Corporate Information

Company Name	Air Direct Connect Limited
Registration Number	C. 109369
Date of Registration	22 <sup>nd</sup> April, 2004
Directors	Soni Umang Haresh Dhaval Vinodbhai Soni Haresh Vrajlal Soni Lionel John Smith
Registered Office	Shreeji House, Shreeji Road off Airport North Road, Embakasi P O Box 18291 - 00500 Kenya
Nominal Share Capital	KES. 8,000,000.00

Issued and Fully Paid Share Capital	KES. 8,000,000.00
Value per share	KES. 100.00
Number of shares	80,000 Ordinary Shares
Shareholders	Lionel John Smith 39,785 Ordinary Shares
	Haresh Virajlal Soni 39,785 Ordinary Shares
	Klasrissa Wills 430 Ordinary Shares
Financial Year End	30 <sup>th</sup> April

<b>Company Name</b>	<b>Aviation Management Solutions Limited</b>
---------------------	--

Registration Number	C.126816
Date of Registration	26 <sup>th</sup> July 2006
Directors	Haresh Virajlal Soni Lionel John Smith
Registered Office	Nairobi - Mombasa Highway Mlolongo P O Box 19252 – 00501 Nairobi, Kenya
Nominal Share Capital	KES. 100,000.00
Issued and Fully Paid Share Capital	KES. 1,000.00
Value per share	KES. 100.00
Number of shares	1,000 Ordinary Shares
Shareholders	Lionel John Smith 5 Ordinary Shares Haresh Virajlal Soni 5 Ordinary Shares
Financial Year End	31 <sup>st</sup> August

<b>Company Name</b>	<b>Delta Automobile Limited</b>
---------------------	---------------------------------

Registration Number	CPR/2012/81781
Date of Registration	15 <sup>th</sup> August 2012
Directors	Haresh Vrajlal Damodardas Soni Gaurang Vinodbhai Soni Umang Haresh Soni
Registered Office	Nairobi - Mombasa Highway Mlolongo P O Box: 815 - 00521



	Nairobi - Kenya	
Nominal Share Capital	KES. 1,000,000.00	
Issued and Fully Paid Share Capital	KES. 1,000,000.00	
Value per share	KES. 100.00	
Number of shares	10,000 Ordinary Shares	
Shareholders	Umangkumar Haresh Soni	2,500 Ordinary Shares
	Gaurang Vinodbhai Soni	2,500 Ordinary Shares
	Haresh Vrajlal Damodardas Soni	5,000 Ordinary Shares
Financial Year End	30 <sup>th</sup> June	

Company Name	Delta Cement Limited
Registration Number	PVT-5JUE582L
Date of Registration	2 <sup>nd</sup> August 2021
Directors	Gaurang Vinodbhai Soni Dhaval Vinodbhai Soni
Registered Office	Shreeji House, Shreeji Road off Airport North Road Embakasi P O Box 18291 - 00500 Nairobi - Kenya
Nominal Share Capital	KES. 100,000.00
Issued and Fully Paid Share Capital	KES. 100,000.00
Value per share	KES. 1,000.00
Number of shares	100 Ordinary Shares
Shareholders	Shreeji Enterprises (K) 100 Ordinary Shares Limited
Financial Year End	31 <sup>st</sup> August 2021

## 10.2. Public Disclosure

Pursuant to the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the **2015 Code**), the Board is required to disclose all related party transactions. The Proposed Transactions involve companies that are joined by a special relationship. In the Proposed Transactions, Mr. Haresh Vrajlal Soni, the sole shareholder of Delta International FZE holds shareholding in the companies listed below:

- (a) Air Direct Connect Limited;

- (b) Aviation Management Solutions Limited;
- (c) Delta Automobile Limited; and
- (d) Shreeji Enterprises (K) Limited, the sole shareholder of Delta Cement Limited.

## 11. Summary of the Transactions

<b>Description</b>	Purchase of shares by NBV in one of the Targets
<b>Target</b>	Air Direct Connect Limited
<b>Sale Shares</b>	80,000 ordinary shares
<b>Valuation</b>	Kes 125,000,000
<b>Subscription Shares</b>	thirty-one million, two hundred and fifty thousand (31,250,000) shares in NBV priced for proposes of the proposed transaction at KES. 4.00
<b>Currency</b>	The Share Purchase Amount will be denominated in Kenya Shillings and the consideration for the share purchase shall be non-cash consideration, being issuance of shares of equivalent value in NBV.

<b>Description</b>	Purchase of shares by NBV in one of the Targets
<b>Target</b>	Aviation Management Solutions Limited
<b>Sale Shares</b>	10 ordinary shares
<b>Valuation</b>	Kenya Shillings four hundred and ninety-two million, five hundred and fourteen thousand, four hundred and ninety-six and forty cents (KES. 492,514,496.40)
<b>Subscription Shares</b>	one hundred and twenty-three million, one hundred and twenty-eight thousand, six hundred and twenty-four (123,128,624) shares in NBV priced for proposes of the proposed transaction at KES 4.00 per share
<b>Currency</b>	The Valuation will be denominated in Kenya Shillings and the consideration for the share purchase shall be non-cash consideration, being issuance of shares of equivalent value in NBV.

<b>Description</b>	Purchase of shares by NBV in one of the Targets
<b>Target</b>	Delta Automobile Limited
<b>Sale Shares</b>	10,000 ordinary shares
<b>Valuation</b>	Kenya Shillings one billion, forty-three million, two hundred and eight thousand, two hundred and forty-five (KES. 1,043,208,245.00)
<b>Subscription Shares</b>	two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares in NBV priced for proposes of the proposed transaction at KES. 4.00 per share
<b>Currency</b>	The Valuation will be denominated in Kenya Shillings and the consideration for the share purchase shall be non-cash

consideration, being issuance of shares of equivalent value in NBV.

<b>Description</b>	Purchase of shares in one of the Targets
<b>Target</b>	Delta Cement Limited
<b>Sale Shares</b>	100 ordinary shares
<b>Consideration</b>	Kenya Shillings one billion seven hundred and seventy million (KES. 1,770,000,000.00)
<b>Subscription Shares</b>	Four hundred and forty-two million, five hundred thousand (442,500,000) ordinary shares in NBV priced for purposes of the proposed transaction at KES. 4.00
<b>Currency</b>	The Valuation will be denominated in Kenya Shillings and the consideration for the share purchase shall be non-cash consideration, being issuance of shares of equivalent value in NBV.

## **12. Basis for determination of Consideration**

The Consideration for Proposed Transactions is based on recent independent valuation by ABC Capital Limited appointed by NBV, the balance sheet of NBV and the market value of NBV shares.

## **13. Principal terms of the Proposed Transactions**

The Proposed Transactions will be undertaken in accordance with the Transaction Documents, which will include Conditions Precedent, such as:

- (a) Board approval of the Proposed Transactions;
- (b) Shareholders' approval of the Proposed Transactions
- (c) CMA and NSE approval of the Proposed Transactions;
- (d) Competition Authority of Kenya approval of the Proposed Transactions;
- (e) Any other relevant Condition to effecting the Proposed Transactions.

## **14. Benefits of the Proposed Transactions**

By approving the Proposed Transactions, the following benefits will accrue to NBV:

- (a) setting NBV on a new strategic path;
- (b) enabling NBV's diversification and growth; and
- (c) maximising shareholder value.

## **15. Recommendation**

The Board considers that the Proposed Transactions will contribute positively towards enabling NBV achieve its objectives of growth, diversification of the Company and setting the Company on a new strategy to enable it to generate income. The Board is also convinced that the Proposed Transactions are in the best interests of NBV and its Shareholders. Accordingly, the Board recommends that all Shareholders support the Proposed Transactions.

If you are in doubt as to any of the matters set out within this Circular, the Board recommends that you seek independent advice from your stockbroker, investment banker, lawyer or other relevant professional adviser in relation to the same.

## **16. Approvals for the Proposed Transactions**

An AGM will be held electronically, on Wednesday 22<sup>nd</sup> September 2021 at 10:00 a.m. for Shareholders of NBV to consider and if deemed fit approve entry of NBV into the Proposed Transactions and authorize the Board to implement the Proposed Transactions and to increase authorised share capital from Kshs. 500,000,000 to Kshs. 1,000,000,000 to enable it to issue and allot Shares to the shareholders of Air Direct Connect Limited, Aviation Management Solutions Limited, Delta Automobile Limited and Delta Cement Limited (the **Targets**) pursuant to each respective Transaction Document as NBV's non-cash consideration for the acquisition of shares in the Targets. An approval will also be sought to authorise the Directors of the Company to negotiate professional fees and allot shares to the Transaction Advisors as NBV's non-cash consideration for the professional services provided to NBV on this matter.

We intend to lodge the application for regulatory approvals by the CMA under the Capital Markets Act pursuant to the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002. In addition, a notification will also be made to the NSE in relation to the Proposed Transactions.

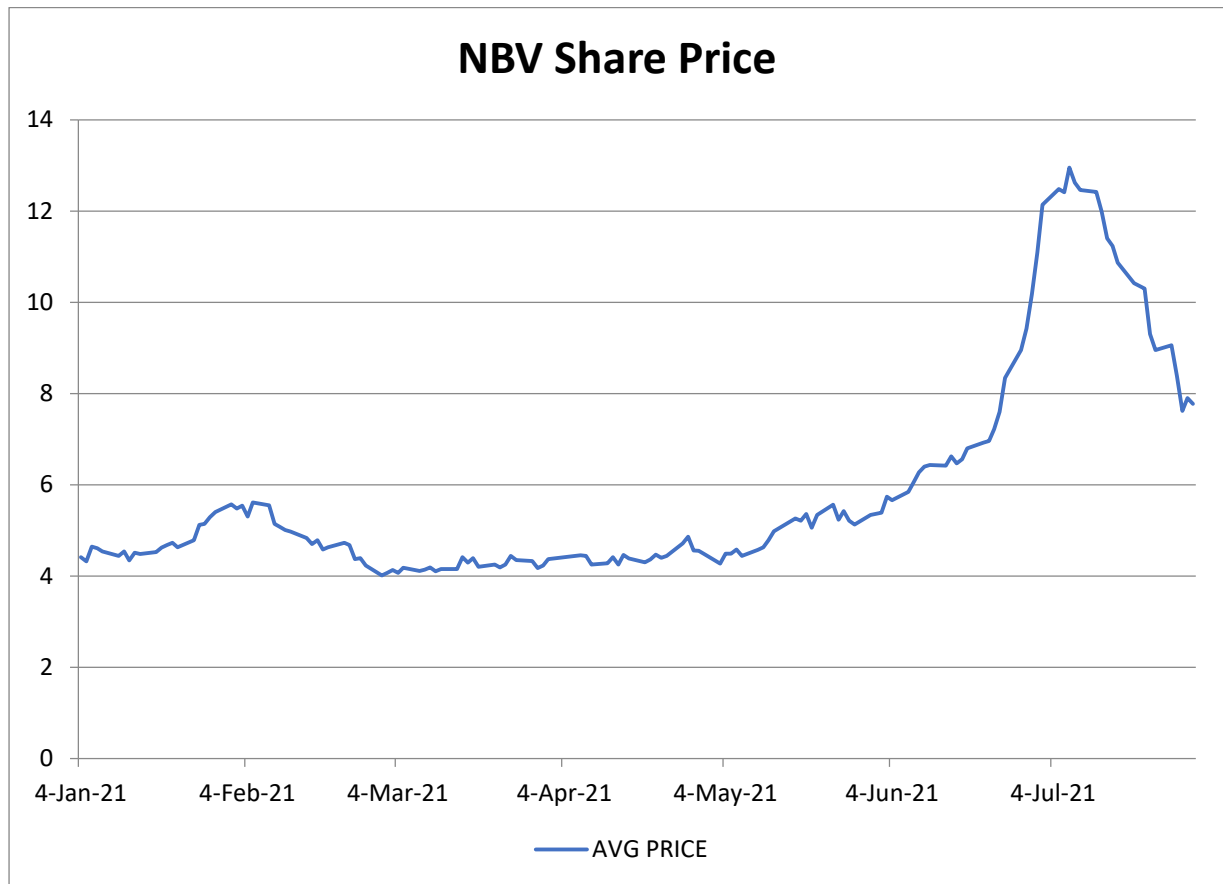
## 17. Full Year Financial Information of NBV

NAIROBI BUSINESS VENTURES		
BALANCE SHEET AS AT:	30.03.2021	30.03.2020
EQUITY AND FINANCING		
Share Capital	246,100,000	38,600,000
Share Premium Account	37,400,000	37,400,000
Accumulated Losses	(134,577,345)	(167,517,729)
<b>Total Equity</b>	<b>148,922,655</b>	<b>(91,517,729)</b>
Borrowings		
	-	64,465,690
Deferred tax liabilities		
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>64,465,690</b>
<b>Total Financing</b>	<b>148,922,655</b>	<b>(27,052,039)</b>
Represented By:		
Non-Current Assets		
Property, Plant and Equipment	57,116	22,295
Goodwill <sup>1</sup>	124,500,000	-
<b>Total Non-current Assets</b>	<b>124,557,116</b>	<b>22,295</b>
Current Assets		
Cash	21,036,982	20,241
Trade and other Receivables	32,246,424	551,081
Inventories		6,346,399
Current tax receivable		
<b>Total Current Assets</b>	<b>53,283,406</b>	<b>6,917,721</b>
Current Liabilities		
Borrowings		18,493,396
Trade and Other Payables	28,917,867	13,603,033
Current tax payable		1,895,626
<b>Total Current Liabilities</b>	<b>28,917,867</b>	<b>33,992,055</b>
<b>Net Current Assets</b>	<b>24,365,539</b>	<b>(27,074,334)</b>
<b>Net Assets</b>	<b>148,922,655</b>	<b>(27,052,039)</b>

<sup>1</sup> The Goodwill asset is an accounting consequence of section 356 and 358 of the Companies Act 2015.

### 18. NBV Share Price

Below is the history and movement of the NBV share price between January 1<sup>st</sup> 2021 and July 31<sup>st</sup> 2021.



## 19. Financial Information of the Targets

### 19.1. Statement of Financial Position

#### 19.1.1. Air Direct Connect Limited

##### AIR DIRECT CONNECT LTD

BALANCE SHEET AS AT	30.04.2021	30.04.2020
ASSETS		
<b>Current Assets</b>	<b>8,493,832</b>	<b>10,246,984</b>
Property and Equipment		
Furniture and Fixtures	286,380	327,291
Automobiles	46,458	61,944
Computers & Printers	328,108	99,506
<b>Total Property and Equipment</b>	<b>660,946</b>	<b>488,741</b>
<b>Total Assets</b>	<b>9,154,778</b>	<b>10,735,726</b>
LIABILITIES AND CAPITAL		
<b>Current Liabilities</b>	<b>(78,773,184)</b>	<b>(93,903,731)</b>
<b>Long-Term Liabilities</b>		
Capital		
Share Capital	8,000,000	8,000,000
Retained Earnings	(11,612,512)	(9,012,699)
Director's A/C- Haresh Soni	38,221,340	36,010,540
Director's A/C -Lionel Smith	70,879,264	72,241,429
Net Income	(17,560,130)	(2,599,813)
<b>Total Capital</b>	<b>87,927,962</b>	<b>104,639,457</b>
<b>Total Liabilities &amp; Capital</b>	<b>9,154,778</b>	<b>10,735,726</b>



### 19.1.2. Aviation Management Solutions Limited

#### AVIATION MANAGEMENT SERVICES LTD

DRAFT BALANCE SHEET AS AT

31ST AUGUST 2019

31ST AUGUST 2020

#### ASSETS

##### Current Assets

Cash on Hand	195,990	605,660
Equity Bank - USD Account	22,781	555,051
Equity Bank - Kshs Account	128	47,388
NCBA Bank - USD		1,563,721
NCBA Bank - KSHS		
Prepaid Expenses	188,270	948,273
Accounts Receivable	2,085,491	(2,955,941)
Account-AIRDC	(115,542,584)	(116,910,487)
Deferred Tax Asset	85,410	85,410
<b>Total Current Assets</b>	<b>(112,964,514)</b>	<b>(116,060,924)</b>

##### Non-Current Assets

VEHICLES	632,812	474,609
AIRCRAFT	2,597,936	1,948,452
HANGAR & BUILDINGS	134,892,212	580,000,000
<b>Total Property and Equipment</b>	<b>138,122,960</b>	<b>582,423,061</b>

<b>Total Assets</b>	<b>25,158,446</b>	<b>466,362,137</b>
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#### LIABILITIES AND CAPITAL

##### Current Liabilities

Accounts Payable	(2,010,959)	(1,884,995)
Accrued Expenses	150,380	
VAT CONTROL ACCOUNT	1,376,105	1,627,754
<b>Total Current Liabilities</b>	<b>(484,475)</b>	<b>(257,241)</b>

##### Long-Term Liabilities

Term Loan	92,084,462	88,008,680
<b>Total Long-Term Liabilities</b>	<b>92,084,462</b>	<b>88,008,680</b>

##### Capital

Share Capital	1,000	1,000
Retained Earnings	(125,570,569)	(125,570,569)
Share Holders Loan	30,519,835	30,519,835
Director's A/C	28,608,193	28,608,193
Revaluation Reserve	-	462,513,235
Net Income	-	(17,460,996)
<b>Total Capital</b>	<b>(66,441,541)</b>	<b>378,610,698</b>

<b>Total Liabilities &amp; Capital</b>	<b>25,158,446</b>	<b>466,362,137</b>
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### 19.1.3. Delta Automobile Limited

#### DELTA AUTOMOBILE

BALANCE SHEET AS AT: 30.06.2021 30.06.2020 30.06.2019

#### EQUITY AND FINANCING

Share Capital	1,000,000	1,000,000	1,000,000
Retained Earnings	138,744,706	32,806,947	23,837,844
<b>Total Equity</b>	<b>139,744,706</b>	<b>33,806,947</b>	<b>24,837,844</b>

Borrowings	348,114,169	294,271,587	233,797,963
Deferred Tax liability	17,506,086	17,506,086	11,130,291
<b>Total Non-Current Liabilities</b>	<b>365,620,255</b>	<b>311,777,673</b>	<b>244,928,254</b>

<b>Total Financing</b>	<b>505,364,962</b>	<b>345,584,620</b>	<b>269,766,098</b>
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Represented By:

#### Non-Current Assets

Property, Plant and Equipment	209,444,427	219,110,456	229,872,150
Intangible Assets	2,261,400	3,392,100	4,522,800
<b>Total Non-Current Assets</b>	<b>211,705,827</b>	<b>222,502,556</b>	<b>234,394,950</b>

#### Current Assets

Cash at Bank and in-hand	(103,899,542)	1,697,480	2,491,261
Trade and other Receivables	348,487,766	126,943,757	113,348,627
Inventories	274,315,001	365,614,984	291,328,962
Prepayments and Advances	23,043,849	-	-
Current tax receivable	-	670,800	636,600
<b>Total Current Assets</b>	<b>541,947,074</b>	<b>494,927,021</b>	<b>407,805,450</b>

#### 19.1.4. Delta Cement Limited

<sup>2</sup>DELTA CEMENT

BALANCE SHEET AS AT: 20.08.2021

##### EQUITY AND FINANCING

Share Capital	100,000
Shareholder's Account	1,770,000,000
<b>Total Equity</b>	<b>1,770,100,000</b>

Represented By:

Non-Current Assets

Property, Plant and Equipment	1,770,000,000
<b>Total Non-Current Assets</b>	<b>1,770,000,000</b>

Current Assets

Cash at Bank and in-hand	100,000
<b>Total Current Assets</b>	<b>100,000</b>

<b>Net Assets</b>	<b>1,770,100,000</b>
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#### 19.2. Number of Shares to be allotted

For purposes of the Proposed Transactions, eight hundred and fifty seven million, six hundred and eighty thousand, six hundred and eighty five (857,680,685) shares will be allotted at completion as follows:

- thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares in NBV shall be allotted to the shareholders of Air Direct Connect Limited in exchange for 100% shares in Air Direct Connect Limited;
- one hundred and twenty-three million, one hundred and twenty-eight thousand, six hundred and twenty-four (123,128,624) ordinary shares in NBV shall be allotted to the shareholders of Aviation Management Solutions Limited in exchange for 100% shares in Aviation Management Solutions Limited;
- two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares in NBV shall be allotted to the shareholders of Delta Automobile Limited in exchange for 100% shares in Delta Automobile Limited; and
- four hundred and forty-two million, five hundred thousand (442,500,000) ordinary shares in NBV shall be allotted to Shreeji Enterprises (K) Limited in exchange for shares in the Subsidiary.

<sup>2</sup> Delta Cement Limited was incorporated on 15<sup>th</sup> August 2021. The balance sheet is indicative and has been included solely for purposes of information.

In addition, the Directors of the Company will be authorised to negotiate professional fees and allot shares to the Transaction Advisors as NBV's non-cash consideration for the professional services provided to NBV on this matter.

### 19.3. Independent Review of the Valuation



Dear Shareholders,

Nairobi Business Ventures ("NBV"), an investor looking to acquire Air Direct Connect Limited, Aviation Management Solutions Limited, Delta Automobile Limited and Delta Cement Limited ("acquisition targets"), appointed Callstreet Research and Analytics ("independent advisor") to undertake an independent audit of the process of valuation of the acquisition targets both on an going and non-going concern basis and provide an independent opinion to NBV shareholders.

Valuation of the entities utilized the following methodologies:

Acquisition target	Valuation Methodology	Description
Air Direct Connect Limited	Asset Accumulation Method	This approach determines the business value as the difference between the current value of all on-balance sheet and off-balance sheet business assets and the current value of all recorded and contingent liabilities.
Aviation Management Solutions Limited	Depreciated replacement cost approach	This approach values an (im)movable asset on the basis of the current cost of replacing it with a modern equivalent, inclusive of professional fees, loading and taxes
Delta Automobile Limited	Discounted Cashflow (DCF) approach	The present value of future cashflows discounted at cost of capital
Delta Cement Limited	Comparable Sales approach	This approach determines the value of an immovable asset based on precedent transactions of similar nature (typically within a radius of 10 kilometres from the subject asset)

### Basis for Valuation

The results of our interrogation of the basis for valuation methodologies are summarized below:

Acquisition target	Basis
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Air Direct Connect Limited	The acquisition target is not an on-going concern for now and the valuation approach assigns value to the licenses and the assembly of qualified personnel that must be maintained. The target is currently a third party Approved Aviation Maintenance Organization (AMO) and is soon acquiring an MRO (Maintenance Repair & Overhaul) License.
Aviation Management Solutions Limited	The acquisition target is an aviation service company with an aircraft maintenance hangar sitting on a plot of land extending an area of 2.4712 acres and situated on the western side of the Jomo Kenyatta International Airport (JKIA). The plot is on a leasehold property with a 20 year term effective October 1, 2007. It is expected that the lease will be renewed for a similar term upon expiry in 2027. The purchase considerations for NBV entail: hangar, attached office block and the leasehold for which value is assigned.
Delta Automobile Limited	Value is assigned to the present value of expected future cashflows.
Delta Cement Limited	The purchase consideration for NBV is an unencumbered industrial plot extending to an area of 27.996 acres located in Athi River area. The valuation approach assigns value to the same.

The resultant valuations, as provided by the transaction advisor, are listed as below:

All figures in Kshs	Valuation
Air Direct Connect Limited	125,000,000.00
Aviation Management Solutions Limited	492,514,496.40
Delta Automobile Limited	1,043,208,245.00
Delta Cement Limited	1,770,000,000.00

The market values are subject to the assumptions used. Further, having interrogated the basis for the valuations, letters of intent, valuation documents as well as actual and projected data provided for all the acquisition targets, it is our considered opinion that the transaction considerations represent fair value, being the price at which the acquisition targets would change hands between a willing buyer and a willing seller all parties having full and reasonable knowledge of the relevant facts and market conditions.

FA George Bodo



## 20. Impact of the Proposed Transactions on Financial Statement and Shareholders

### 20.1. Pro forma Financial Statement of Combined Entity

NAIROBI BUSINESS VENTURES		
	Current	Pro-forma
Shares	492,200,000	1,349,680,685
<b>BALANCE SHEET AS AT:</b>	<b>30.03.2021</b>	<b>30.03.2021</b>
Capital	246,100,000	680,090,343
<b>Total Equity</b>	<b>148,922,655</b>	<b>2,525,306,021</b>
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>453,628,935</b>
<b>Total Financing</b>	<b>148,922,655</b>	<b>2,978,934,956</b>
<b>Represented By:</b>		
<b>Total Non-current Assets</b>	<b>124,557,116</b>	<b>2,689,346,950</b>
<b>Total Current Assets</b>	<b>53,283,406</b>	<b>487,763,388</b>
<b>Total Current Liabilities</b>	<b>28,917,867</b>	<b>198,175,381</b>
<b>Net Current Assets</b>	<b>24,365,539</b>	<b>289,588,007</b>
<b>Net Assets</b>	<b>148,922,655</b>	<b>2,978,934,957</b>

### 20.2. Pro forma share issue

CONTEXT	Current (May 2021)	Adjusted upon increase and allotment
Shares	492,200,000	1,349,680,685

### 20.3. Effect on NAV per share

Current NAV per share (June 2021)	Adjusted NAV per share upon increase and allotment
Kes 0.30 per share	Kes 1.87 per share

## **21. Risks related to the transaction**

The following are the risks that we have identified related to the transaction and steps taken to mitigate the identified risks;

### **21.1. Risk of overvaluation of acquired assets**

The risk here is that overvalued assets will result in a weaker balance sheet and earning power for the investor in NBV. This means that the income to the investor will be lower than expected and consequently may suffer losses as a result.

We have taken a number of steps in an attempt to mitigate this risk that arises from bias in valuation done by the transaction advisors on behalf of NBV. The first is the Net Asset Value test. As can be seen in 20.3, the shareholder is certainly better off after the transaction compared to before the transaction.

Secondly, because the advisors are being paid in shares of NBV, it is to the best of the interests of the advisors to ensure that they get the valuation right in the sense that they don't overvalue the assets being acquired.

Third, the advisors relied upon third party professionals where it was appropriate. This means they relied on auditors, independent property valuers and an independent professional to audit the valuation process. All these were submitted to the authorities for review.

### **21.2. Business Risk**

Following the transaction, there is a risk that the business plan will not materialise as expected. This means that despite the investments made the businesses don't generate revenues or profits as anticipated. This would then result in lower returns than shareholders anticipated.

Our assessment is that this is normal business risk that is beyond the control of advisors. Advisors take comfort in the idea that the management of the Delta Group of Companies have a long history of excelling in the businesses they participate in as demonstrated by Shreeji Enterprises, Shreeji Chemicals and Delta Automobile. We expect to see the same character and discipline in Delta Cement and in their aviation business.

There is comfort in knowing that Delta Automobile is the best facility in the region and is world class in standards. The aviation business will also be a natural monopoly in Kenya owing to high barriers of entry into this business class and therefore we can take comfort in knowing that competition in the AMO/MRO business is muted and therefore the aviation business will have the space to thrive.

### **21.3. Regulatory risk**

This risk is especially critical in the aviation business which is a highly regulated business. The risk is changes in regulations can lead to NBV incurring a loss and therefore impacting shareholder value negatively.

This is a difficult risk to mitigate directly. There is comfort that Kenya Civil Aviation Authority is a keen supporter of this development as it will directly lead to an improvement of Kenya's airspace because a third party AMO/MRO within the country will be cheaper and easier to access for local airlines than further out service providers.

Secondly, this development offers the country a platform to grow its aviation industry and therefore the authorities are very supportive of this development.

Thirdly we know that there are efforts by management to keep lobbying the regulators to ensure that regulations remain business friendly so that job creation and economic expansion can continue in a sustained manner.

#### **21.4. Other risk mitigation measures**

NBV has embraced governance principles that will ensure that business is carried out with integrity. NBV has appointed three independent directors with broad knowledge in Kenya's corporate scene and with a lot of integrity to its board. As it stands, NBV 3 independent directors compared to 4 executive directors. These independent directors are the ones who chair all board committees and the board itself. In addition we understand that there will be more independent board members appointed.

Secondly, as is discernible, NBV has created all the necessary board committees to ensure that the board is more effective in analysing and understanding NBV operations and consequently will be in a better position to run the company according to best practices in corporate governance.



## 22. Statutory and General Information

### 22.1. Responsibility Statement

The Directors, whose names appear in Clause 2 of this Circular, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors are the persons responsible for the application made to the CMA for the approval of the issue of this Circular.

### 22.2. Top Ten Shareholders

NBV is listed on the NSE. The top ten (10) shareholders own 480,279,800 NBV shares (97.58%) of the issued share capital of NBV. As at 30<sup>th</sup> June 2021, the major shareholders of NBV are as follows:

TOP 10 SHAREHOLDERS AS AT JUNE 30TH 2021			
1.	DELTA INTERNATIONAL FZE	415,000,000	84.32%
2.	SUNGARAPU, RAJA SEKHAR	16,396,700	3.33%
3.	ABOTULA, VENKATA SATHYA NARAYANA VASU	14,280,800	2.90%
4.	PATHIRAJU, MAHESWARA VARMA	10,000,400	2.03%
5.	VARM, BHUPATIRAJU RAMAKRISHNA SIVA PRASAD	8,643,400	1.76%
6.	SONI, GAURANG VINODBHAI	3,347,400	0.68%
7.	RANPURA, VIMAL NARESH	3,300,000	0.67%
8.	SONI, UMANGKUMAR HARESH	3,300,000	0.67%
9.	KANBI, JAYESHREEBEN SHIVJI; KERALI, SURESH KURJI JADVA	3,011,100	0.61%
10.	VITTAL, KOTHA PANDURANGA	3,000,000	0.61%
11.	OTHERS	6,554,400	1.33%
TOTAL		492,200,000	100%

After completion of the Proposed Transactions, the shareholding of NBV shall be as below:

SHAREHOLDING AT COMPLETION OF THE PROPOSED TRANSACTION			
1.	SHREEJI ENTERPRISES LIMITED	442,500,000	32.78%
2.	DELTA INTERNATIONAL FZE	415,000,000	30.74%
3.	HARESH VRAJLAL DAMODARDAS SONI	207,506,358	15.37%
4.	LIONEL JOHN SMITH	77,105,328	5.71%
5.	GAURANG VINODBHAI SONI	69,172,915	5.12%
6.	UMANGKUMAR HARESH SONI	69,125,515	5.12%
7.	SUNGARAPU, RAJA SEKHAR	16,396,700	1.21%

8.	ABOTULA, VENKATA SATHYA NARAYANA VASU	14,280,800	1.06%
9.	PATHIRAJU, MAHESWARA VARMA	10,000,400	0.74%
10.	VARM, BHUPATIRAJU RAMAKRISHNA SIVA PRASAD	8,643,400	0.64%
11.	RANPURA, VIMAL NARESH	3,300,000	0.24%
12.	KANBI, JAYESHREEBEN SHIVJI; KERAI, SURESH KURJI JADVA	3,011,100	0.22%
13.	VITTAL, KOTHA PANDURANGA	3,000,000	0.22%
14.	OTHERS	6,554,400	0.49%
TOTAL		<b>1,349,880,685</b>	

### 22.3. Directors' Interests

The following Directors have a direct or indirect beneficial equity interest in the Shares of NBV as at the date of this Circular:

DIRECTORS DIRECT SHAREHOLDING		
SHAREHOLDERS' NAME	NO. OF SHARES	%
SONI, HARESH VRAJLAL	415,492,800	15.37%
ABOTULA, VENKATA SATHYA	14,280,800	2.90%

### 22.4. Governing Law

This Circular is governed by and is to be construed in accordance with the laws of Kenya.

### 22.5. Consent

ABC Capital Limited and MW & Company Advocates LLP have given and not withdrawn their consents to the issue of this Circular and the inclusion herein of references to their reports in the form and context in which they appear.

### 22.6. Documents Available for Inspection

Copies of the following documents will be available for inspection by Shareholders, free of charge, at [www.nbvplc.com](http://www.nbvplc.com) and at Image Registrars Limited, 5<sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza), between 9.00 a.m. and 5.00 p.m., Monday to Friday (excluding public holidays) from the date of this Circular until 6<sup>th</sup> November 2021 at 10:00 a.m.:

1. The Board resolution 30<sup>th</sup> June 2021 relating to the Proposed Transactions;
2. The Targets' audited financial statements for the year ended 2020;
3. A copy of the Valuation report of the Property owned by Delta Cement Limited dated 15<sup>th</sup> June 2021;
4. A copy of the Valuation Report of the property owned by Aviation Management Solutions Limited dated 9<sup>th</sup> October 2017;
5. NBV's Memorandum and Articles of Association;

6. The approval of the CMA to issue this Circular; and
7. Previous circular related to the first phase of this transaction dated 14<sup>th</sup> October 2020.

## **AGM Notice**

### **NAIROBI BUSINESS VENTURES PUBLIC LIMITED COMPANY**

**Company Registration No. CPU/2015/187285 ("the Company")**

### **NOTICE & AGENDA OF GENERAL MEETING**

#### **TO ALL SHAREHOLDERS**

**NOTICE** is hereby given that due to the ongoing COVID-19 pandemic, the related Public Health Regulations and restrictions on public gatherings by the Government of Kenya, the Annual General Meeting (AGM) of the Company shall be held via Electronic Means on Wednesday 22<sup>nd</sup> September 2021 at 10.00 a.m. to consider and, if thought fit, to transact the following business:-

#### **Ordinary Business**

1. To read the notice convening the meeting, table the proxies received and confirm the presence of a quorum.
2. To receive and adopt the audited financial statements for the year ended 31st March 2021 together with the report of the Chairman, Directors and Auditors therein.
3. To note that the Company does not declare any dividend for the year under review.
4. To re-elect directors:
  - 4.1 Director retiring by rotation in accordance with the Articles of Association of the Company:
    - i. Mr. Abotula S. N. Vasu retires by rotation and being eligible, offers himself for re-election.
  - 4.2 Directors appointed during the year under review:
    - i. Mr. Samuel Njuguna Kimani was appointed during the year under review and in accordance with the Articles of Association, hereby retires and offers himself for re-election
    - ii. Mr. Haresh V. D. Soni was appointed during the year under review and in accordance with the Articles of Association, hereby retires and offers himself for re-election
    - iii. Mr. Lucas F. L. O. Meso was appointed during the year under review and in accordance with the Articles of Association, hereby retires and offers himself for re-election
    - iv. Mr. Dhaval Soni was appointed during the year under review and in accordance with the Articles of Association, hereby retires and offers himself for re-election
    - v. Mr. Robert K. Nyasimi was appointed during the year under review and in accordance with the Articles of Association, hereby retires and offers himself for re-election
    - vi. Mr. Naresh J. Ranpura was appointed during the year under review and in accordance with the Articles of Association, hereby retires and offers himself for re-election
5. In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors being members of the Board Audit Committee, be appointed individually to continue to serve as members of the said committee:
  - i. Mr. Lucas F. L. O. Meso
  - ii. Mr. Dhaval Soni
  - iii. Mr. Abotula S. N. Vasu
6. To note that the Directors did not receive any remuneration for the financial year ended 31st March 2021.

7. To re-appoint Messrs Jesse & Associates as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Kenyan Companies Act, 2015 and to authorize the Directors to fix the Auditors' remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Kenyan Companies Act, 2015.
8. To discuss any other business of which due notice has been received.

## **Special Business**

### **As ordinary resolutions**

#### **Resolution 1**

That the directors of the Company be and are hereby unconditionally authorised to increase the nominal share capital of the Company by the creation of one billion (1,000,000,000) new ordinary shares of Kshs. 0.50 each which shall rank pari passu with and have rights equal to the existing ordinary shares of the Company.

#### **Resolution 2**

That the proposed transaction between the Company and the shareholder of Delta Cement Limited, be and is hereby approved in accordance with the terms of the relevant share purchase agreement, the Transaction Documents (as defined in resolution (6) below) and applicable law and that further the entry by the Company into the share purchase agreement with the shareholder of Delta Cement Limited, be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum of four hundred and forty-two million, five hundred thousand (442,500,000) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company ("**New Shares**") to the shareholder of Delta Cement Limited, subject to the transfer of 100% of the issued share capital in Delta Cement Limited to the Company valued at Kenya Shillings one billion seven hundred and seventy million (KES. 1,770,000,000.00). On completion of the proposed subscription of shares in the Company by shareholder of Delta Cement Limited in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholder of Delta Cement Limited setting out the terms and conditions of the proposed transaction, such New Shares shall be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and
- (b) Take any ancillary actions as may be required in connection with the Purchase of the Property and the allotment and issue of the New Shares, including:
  - (i) entering the particulars of Shreeji Enterprises (K) Limited (the sole shareholder of Delta Cement Limited) into the register of members of the Company following the issue of the New Shares to Shreeji Enterprises (K) Limited,

Noting that upon issue of the New Shares, Shreeji Enterprises (K) Limited shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the Completion Date in accordance with the terms of this Agreement.

### **Resolution 3**

That the proposed transaction between the Company and the shareholders of Air Direct Connect Limited (**Air Direct Connect**), be and is hereby approved in accordance with the terms of the share purchase agreement, the Transaction Documents (as defined in resolution five (5) below) and applicable law and that further the entry by the Company into the share purchase agreement with the shareholders of Air Direct Connect be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum of thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES.4.00) each in the Company to the shareholders of Air Direct Connect subject to the transfer of 100% of the issued share capital in Air Direct Connect to the Company valued at Kenya Shillings one hundred and twenty five million (KES. 125,000,000) equal to the aggregate price of KES. 1,562.50 per share. On completion of the proposed transfer of shares in Air Direct Connect and in exchange the allotment of shares in the Company to the shareholders of Air Direct Connect in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholders of Air Direct Connect setting out the terms and conditions of the proposed transaction, such new shares shall be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and
- (b) Take any ancillary actions as may be required in connection with the purchase of the shares in Air Direct Connect and the increase and allotment of thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company, including:
  - (i) entering the particulars of Haresh Virajlal Soni, Lionel John Smith and Klasrissa Wills into the register of members of the Company following the issue of thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares Haresh Virajlal Soni, Lionel John Smith and Klasrissa Wills.

Noting that upon allotment of the new shares, Haresh Virajlal Soni, Lionel John Smith and Klasrissa Wills, the shareholders of Air Direct Connect shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the completion date of the share purchase transaction in relation to Air Direct Connect in accordance with the terms of the relevant share purchase agreement.

### **Resolution 4**

That the proposed transaction between the Company and the shareholders of (**AMSL**) be and is hereby approved in accordance with the terms of the relevant share purchase agreement, the Transaction Documents (as defined in resolution (5) below), and applicable law and that further the entry by the Company into the share purchase agreement with the shareholders of AMSL be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum of one hundred and twenty-three million, one hundred and twenty eight thousand, six hundred and twenty four (123,128,624) ordinary shares priced for

purposes of the proposed transaction Kenya Shillings four KES 4.00 each in the Company to the shareholders of AMSL, subject to the transfer of 100% of the issued share capital in AMSL to the Company valued at Kenya Shillings four hundred and ninety-two million, five hundred and fourteen thousand, four hundred and ninety-six and forty cents (KES. KES. 492,514,496.40) equal to the aggregate price of Kenya Shillings four hundred and ninety-two five hundred and fourteen (KES. 492,514.00) per share. On completion of the proposed transfer of shares in AMSL and in exchange the allotment of shares in the Company to the shareholders of AMSL in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholders of AMSL setting out the terms and conditions of the proposed transaction, such new shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and

- (b) Take any ancillary actions as may be required in connection with the purchase of the shares in AMSL and the increase and allotment of one hundred and twenty-three million, one hundred and twenty-eight thousand, six hundred and twenty-four (123,128,624) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES.4.00) each in the Company, including:
  - (i) entering the particulars of Haresh Virajlal Soni and Lionel John Smith into the register of members of the Company following the issue of one hundred and twenty-three million, one hundred and twenty-eight thousand, six hundred and twenty four (123,128,624) ordinary shares to Haresh Virajlal Soni and Lionel John Smith.

Noting that upon allotment of the new shares, Haresh Virajlal Soni and Lionel John Smith, the shareholders of AMSL shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the completion date of the share purchase transaction in relation to AMSL in accordance with the terms of the relevant share purchase agreement.

#### **Resolution 5**

That the proposed transaction between the Company and the shareholders of Delta Automobile Limited (**Delta Automobile**) be and is hereby approved in accordance with the terms of relevant share purchase agreement, the Transaction Documents (as defined in resolution (5) below), with the shareholders of Delta Automobile be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum of two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company to the shareholders of Delta Automobile, subject to the transfer of 100% of the issued share capital in Delta Automobile to the Company valued at Kenya Shillings one billion, forty-three million, two hundred and eight thousand, two hundred and forty-five (KES. 1,043,208,245.00) equal to the aggregate price of Kenya Shillings one hundred and four thousand three hundred and twenty (KES. 104,320.00) per share. On completion of the proposed transfer of shares in Delta Automobile and in exchange the allotment of shares in the Company to the shareholders of Delta Automobile in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholders of Delta Automobile setting out the

terms and conditions of the proposed transaction, such new shares shall be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and

- (b) Take any ancillary actions as may be required in connection with the purchase of the shares in Delta Automobile and the increase and allotment of two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company, including:
  - (i) entering the particulars of Haresh Vrajlal Damodardas Soni, Gaurang Vinodbhai Soni and Umang Haresh Soni into the register of members of the Company following the issue of two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares to Haresh Vrajlal Damodardas Soni, Gaurang Vinodbhai Soni and Umang Haresh Soni.

Noting that upon allotment of the new shares, Haresh Vrajlal Damodardas Soni, Gaurang Vinodbhai Soni and Umang Haresh Soni, the shareholders of AMSL shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the completion date of the share purchase transaction in relation to Delta Automobile in accordance with the terms of the relevant share purchase agreement.

#### **Resolution 6**

That the Board of Directors of the Company be and are hereby authorised to prepare, amend, execute, deliver and implement, in addition to the share purchase agreements, any other or further ancillary or administrative agreements and / or documents which will be required to be prepared and executed in order to implement the proposed transaction subject to the above resolutions, including ancillary documents and applications for various regulatory approvals and consents ("**Transaction Documents**") and undertake such further acts on behalf of the Company which are necessary or desirable to give effect to the Transaction Documents or to implement the proposed transaction.

#### **Resolution 7**

That the Board of Directors of the Company be and are hereby authorised to negotiate professional fees and allot not more than six million (6,000,000) shares in aggregate to all the Transaction Advisors as non-cash consideration for the professional services provided to NBV on this matter.

The authority given under the above resolutions shall expire, unless renewed, varied or revoked by the Company, on the earlier of the completion of the proposed transactions and the close of business on the fifth anniversary of the date of these resolutions.

#### **As special resolutions**

#### **Resolution 8**

That in accordance with section 348 of the Companies Act, the pre-emption right set out in section 338 of the Companies Act be and is hereby dis-applied in relation to the Company in respect of the allotment and issue of the New Shares to the shareholders of Delta Cement Limited, Air Direct Connect Limited, Aviation Management Solutions Limited and Delta Automobile Limited and the Professional Advisors pursuant to resolution 2, 3, 4, 5 and 7 above, to the effect that the directors of



the Company are hereby authorised to allot and issue the New Shares to the shareholders of Delta Cement Limited, Air Direct Connect Limited, Aviation Management Solutions Limited and Delta Automobile Limited and the Professional Advisors without first having to offer such shares to the existing shareholders of the Company.

**As an ordinary resolution**

**Resolution 9**

That the directors and the company secretary of the Company be and are hereby authorised to prepare and execute such documents and effect such filings as are required to give effect to the above resolutions.

BY ORDER OF THE BOARD

**LAWRENCE KIBET**

**COMPANY SECRETARY**

Date: 30<sup>th</sup> August 2021

## NOTE

1. Nairobi Business Ventures Plc has convened and will conduct its Annual General Meeting via virtual/electronic means in line with the Companies Act 2015.
2. Shareholders wishing to participate in the meeting should register for the AGM by dialling **\*483\*903#** on their mobile telephone and follow the various prompts on the registration process.
3. To complete the registration process, shareholders will need to provide their National ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: (+254) 709 170 000 from 9:00 a.m. to 5:00 p.m. from Monday to Friday. Shareholders outside Kenya should dial the helpline number for assistance during registration.
4. Registration for the AGM opens on Wednesday 1<sup>st</sup> September 2021 at 9:00 am and will close on 20<sup>th</sup> September 2021 at 5.00pm.
5. The following documents may be viewed on the following website [www.nbvplc.com](http://www.nbvplc.com) (a) a copy of this Notice and the proxy form; (b) Annual Report and Audited Financial Statements for the year ended 31<sup>st</sup> March 2021 (c) the Shareholders Circular (d) a copy of the No Objection issued by the CMA.
6. Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.
7. A proxy form is provided with the Annual Report. The proxy form can also be obtained from the Company's website [www.nbvplc.com](http://www.nbvplc.com) or from Image Registrars offices at Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street, P. O. Box 9287 – 00100, Nairobi, Kenya. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the proxy form to Image Registrars Limited, or alternatively to the Registered Office of the Company so as to arrive not later than 10.00 a.m. on 20<sup>th</sup> September 2021.
8. Duly signed proxy forms may also be emailed to [info@image.co.ke](mailto:info@image.co.ke) in PDF format. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
9. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so on or before 21<sup>st</sup> September 2021 at 5.00 pm by: (a) submitting their questions via the USSD platform by dialling the code **\*483\*903#** (b) sending their written questions by email to [info@image.co.ke](mailto:info@image.co.ke); or (c) to the extent possible, physically delivering or posting their written questions with a return physical, postal or email address to Image Registrars Ltd P.O. Box 9287-00100, Nairobi, or to Image Registrars offices at the address above.  
Shareholders must provide their full details (full names, National ID/Passport Number/CDSC Account Number) when submitting their questions or clarifications.

The Company's directors will provide written responses to the questions received to the return physical, postal or email address provided by the Shareholder no later than 12 hours before the start of the AGM. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 12 hours before the start of the AGM.

10. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, as a reminder that the AGM will begin in an hours' time and providing a link to the live stream.
11. Shareholders and proxies who have registered to attend the AGM may follow the proceedings using the live stream platform, access the agenda and vote (when prompted by the chairman) via the USSD prompts.
12. Results of the resolutions voted on will be published on the Company's website i.e. [www.nbvplc.com](http://www.nbvplc.com) within 24 hours following conclusion of the AGM.

Shareholders will be notified on any updates relating to the AGM owing to the changing situation arising from the COVID-19 pandemic. We appreciate the understanding of our shareholders as we navigate the evolving business conditions posed by COVID-19.

## Proxy Form

The Company Secretary,  
Nairobi Business Ventures Public Limited Company,  
P.O. Box 9287-00100,  
Nairobi, Kenya

I/WE \_\_\_\_\_  
\_\_\_\_\_

Of \_\_\_\_\_  
\_\_\_\_\_

Being a shareholder of **Nairobi Business Ventures Public Limited Company** hereby appoint the  
Chairman of the Meeting or (see notes 3 and 5)  
\_\_\_\_\_ (Name of proxy) in respect of my  
\_\_\_\_\_ (Number of shares).

Please indicate here if you are appointing more than one proxy  
\_\_\_\_\_ (see note 5) as my/our proxy to attend, represent  
and vote for me/us on my/our behalf at the General Meeting of the Company to be held  
electronically on Wednesday 22<sup>nd</sup> September 2021 at 10:00 am and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature(s)

\_\_\_\_\_  
\_\_\_\_\_

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

Please clearly mark the box below to instruct your proxy how to vote

**RESOLUTION**

**FOR**

**AGAINST**

**WITHHELD**

**THAT** the directors of the Company be and are hereby unconditionally authorised to increase the nominal share capital of the Company by the creation of one billion (1,000,000,000) new ordinary shares of Kshs. 0.50 each which shall rank pari passu with and have rights equal to the existing ordinary shares of the Company.

**THAT** the proposed transaction between the Company and Delta Cement Limited, be and is hereby approved in accordance with the terms of the relevant share transfer agreement, the Transaction Documents (as defined in resolution (5) below) and applicable law and that further the entry by the Company into the share purchase agreement with Delta Cement Limited, be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to: -

- (a) Allot and issue up to a maximum of four hundred and forty-two million, five hundred thousand (442,500,000) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company ("**New Shares**") to the shareholder of Delta Cement Limited, subject to the transfer of 100% of the issued share capital in Delta Cement Limited to the Company valued at Kenya Shillings one billion seven hundred and seventy million (KES. 1,770,000,000.00). On completion of the proposed subscription of shares in the Company by shareholder of Delta Cement Limited in accordance with the terms of the share purchase agreement to be entered into between the Company and the Delta Cement Limited setting out the terms and conditions of the proposed transaction, such New Shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with

section 329 of the Companies Act 2015;  
and

(b) take any ancillary actions as may be required in connection with the allotment and issue of the New Shares, including:

- (i) entering the particulars of the shareholders of Shreeji Enterprises (K) Limited Limited (the sole shareholder of Delta Cement Limited) into the register of members of the Company following the issue of the New Shares to the shareholders of Shreeji Enterprises (K) Limited.

Noting that upon issue of the New Shares, Shreeji Enterprises (K) Limited shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the Completion Date in accordance with the terms of this Agreement.

**THAT** the proposed transaction between the Company and the shareholders Air Direct Connect Limited (**Air Direct Connect**) be and is hereby approved in accordance with the terms of the share purchase agreement, the Transaction Documents (as defined in resolution five (5) and applicable law and that further the entry by the Company into the share purchase agreement with the shareholders of Air Direct Connect Limited be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum of thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company to the shareholders of Air Direct Connect subject to the transfer of 100% of the issued share capital in Air Direct Connect to the Company valued at KES. [125,000,000] equal to the aggregate price of KES. 1,562.50 per share. On completion of the proposed

transfer of 100% of the issued share capital in Air Direct Connect and in exchange the allotment of shares in the Company to the shareholders of Air Direct Connect in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholders of Air Direct Connect setting out the terms and conditions of the proposed transaction, such new shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and

- (b) Take any ancillary actions as may be required in connection with the purchase of the shares in Air Direct Connect and the increase and allotment of thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company, including:
  - (i) entering the particulars of Haresh Virajlal Soni, Lionel John Smith and Klasrissa Wills] into the register of members of the Company following the issue of thirty-one million, two hundred and fifty thousand (31,250,000) ordinary shares to Haresh Virajlal Soni, Lionel John Smith and Klasrissa Wills.

Noting that upon allotment of the new shares to Haresh Virajlal Soni, Lionel John Smith and Klasrissa Wills , the shareholders of Direct Connect shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the completion date of the share purchase transaction in relation to Air Direct Connect in accordance with the terms of the share purchase agreement.

**THAT** the Proposed Transaction between the Company and the shareholders of Aviation Management Solutions Limited (**AMSL**) be and is hereby approved in accordance with the terms of the share purchase agreement, the Transaction Documents (as defined in resolution five (5)) and

applicable law and that further the entry by the Company into the share purchase agreement with AMSL be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum of one hundred and twenty-three million, one hundred and twenty eight thousand, six hundred and twenty four (123,128,624) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four KES 4.00 each in the Company to the shareholders of AMSL, subject to the transfer of 100% of the issued share capital of in AMSL to the Company valued at KES. Kenya Shillings four hundred and ninety-two million, five hundred and fourteen thousand, four hundred and ninety-six and forty cents equal to the aggregate price of Kenya Shillings four hundred and ninety-two five hundred and fourteen (KES. 492,514.00) per share. On completion of the proposed transfer of shares in AMSL and in exchange the allotment of shares in the Company to the shareholders of AMSL in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholders of AMSL setting out the terms and conditions of the proposed transaction, such new shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and
- (b) Take any ancillary actions as may be required in connection with the purchase of the shares in AMSL and the increase and allotment of one hundred and twenty-three million, one hundred and twenty-eight thousand, six hundred and twenty-four (123,128,624) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES.4.00) each in the Company, including:
  - (i) entering the particulars of Hareesh Virajlal Soni and Lionel John Smith into the



register of members of the Company following the issue of one hundred and twenty-three million, one hundred and twenty-eight thousand, six hundred and twenty four (123,128,624) ordinary shares to Haresh Virajlal Soni and Lionel John Smith.

Noting that upon allotment of the new shares to Haresh Virajlal Soni and Lionel John Smith, the shareholders of AMSL shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the completion date of the share purchase transaction in relation to AMSL in accordance with the terms of the share purchase agreement.

**THAT** the proposed transaction between the Company and the shareholders of Delta Automobile Limited (**Delta Automobile**) be and is hereby approved in accordance with the terms of the share purchase agreement, the Transaction Documents (as defined in resolution six (6) below) and applicable law and that further the entry by the Company into the share purchase agreement with the shareholders of Delta Automobile be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

That the directors of the Company be and are hereby unconditionally authorised to:

- (a) Allot and issue up to a maximum two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings Four (KES. 4.00) each in the Company to the shareholders of Delta Automobile, subject to the transfer of 100% of the issued share capital in Delta Automobile to the Company valued at Kenya Shillings one billion, forty-three million, two hundred and eight thousand, two hundred and forty-five (KES. 1,043,208,245.00) equal to the aggregate price of Kenya Shillings one hundred and four

thousand three hundred and twenty (KES. 104,320.00) per share. On completion of the proposed transfer of shares in Delta Automobile and in exchange the allotment of shares in the Company to the shareholders of Delta Automobile in accordance with the terms of the share purchase agreement to be entered into between the Company and the shareholders of Delta Automobile setting out the terms and conditions of the proposed transaction, such new shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and

- (b) Take any ancillary actions as may be required in connection with the purchase of the shares in Delta Automobile and the increase and allotment of two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares priced for purposes of the proposed transaction at Kenya Shillings four (KES. 4.00) each in the Company, including:
  - (i) entering the particulars of Haresh Vrajlal Damodardas Soni, Gaurang Vinodbhai Soni and Umang Haresh Soni into the register of members of the Company following the issue of two hundred and sixty million, eight hundred and two thousand and sixty-one (260,802,061) ordinary shares to Haresh Vrajlal Damodardas Soni, Gaurang Vinodbhai Soni and Umang Haresh Soni.

Noting that upon allotment of the new shares to Haresh Vrajlal Damodardas Soni, Gaurang Vinodbhai Soni and Umang Haresh Soni, the shareholders of Delta Automobile shall be entitled to the voting rights in the Company equivalent to their shareholding, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the completion date of the share purchase transaction in relation to Delta Automobile in accordance with the terms of the share purchase agreement.

**THAT** the Board of Directors of the Company be and

are hereby authorised to prepare, amend, execute, deliver and implement, in addition to the share purchase agreement, any other or further ancillary or administrative agreements and / or documents which will be required to be prepared and executed in order to implement the proposed transaction, including ancillary documents and applications for various regulatory approvals and consents ("**Transaction Documents**") and undertake such further acts on behalf of the Company which are necessary or desirable to give effect to the Transaction Documents or to implement the proposed transaction;

**THAT** the Board of Directors of the Company be and are hereby authorised to negotiate professional fees and allot not more than six million (6,000,000) shares in aggregate to the Transaction Advisors non-cash consideration for the professional services provided to NBV on this matter;

The authority given under the above resolutions shall expire, unless renewed, varied or revoked by the Company, on the earlier of the completion of the proposed transactions and the close of business on the fifth anniversary of the date of these resolutions;

**THAT** in accordance with section 348 of the Companies Act, the pre-emption right set out in section 338 of the Companies Act be and is hereby dis-applied in relation to the Company in respect of the allotment and issue of the New Shares to the shareholders of Delta Cement Limited, Air Direct Connect Limited, Aviation Management Solutions Limited and Delta Automobile Limited and the Professional Advisors pursuant to resolution 2, 3, 4, 5 and 7 above, to the effect that the directors of the Company are hereby authorised to allot and issue the New Shares to the shareholders of Delta Cement Limited, Air Direct Connect Limited, Aviation Management Solutions Limited and Delta Automobile Limited and the Professional Advisors without first having to offer such shares to the existing shareholders of the Company;

**THAT** the directors and the company secretary of the Company be and are hereby authorised to prepare and execute such documents and effect such filings as are required to give effect to the

above resolutions.

## ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in BLOCK CAPITALS

Full name of

Proxy(s): \_\_\_\_\_

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

Mobile Number

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Please tick **ONE** of the boxes below and return to Image Registrars  
at P.O. Box 9287- 00100 Nairobi, 5<sup>th</sup> floor, Absa Towers (formerly  
Barclays Plaza), Loita Street:

### Approval of Registration

I/WE approve to register to participate in the virtual General Meeting to  
be held on Wednesday 22<sup>nd</sup> September 2021 at 10.00 a.m.

☐

### Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number  
provided for purposes of communication.

☐

Notes:

1. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company but, if not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.
2. This proxy must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be under the hand of an officer or duly authorized attorney of such body corporate.

3. To be valid the form of proxy should be completed, signed and delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to info@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than Monday 20<sup>th</sup> September 2021 at 10.00 a.m.
4. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Monday 20<sup>th</sup> September 2021 at 10.00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Tuesday 21<sup>st</sup> September 2021 at 10.00 a.m. to allow time to address any issues.
5. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words “the Chairman of the Meeting or” and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
6. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

A “vote withheld” option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.