CAUTIONARY ANNOUNCEMENT

Introduction

Sechaba shareholders ("Shareholders") are referred to the cautionary announcements released by the Company from 20 October 2016 up to 4 June 2018 (the "Announcements").

The Announcements advised Shareholders that on 11 October 2016, Anheuser-Busch InBev SA/NV ("ABI") confirmed receipt of notification from The Coca-Cola Company ("TCCC") regarding its intention to acquire the stake of ABI in Coca-Cola Beverages Africa Proprietary Limited ("CCBA").

Shareholders were also advised that the soft drinks business carried on by Kgalagadi Breweries (Proprietary) Limited ("KBL") does not form part of CCBA but that it does, however, operate in terms of bottler’s agreements that have been concluded between KBL and TCCC ("Bottler’s Agreements"). In this regard, TCCC has notified KBL of its intention to terminate the Bottler’s Agreements.

Furthermore, Shareholders were advised that ABI and TCCC reached an agreement in principle for TCCC (or an affiliate of TCCC) to acquire the non-alcoholic ready-to-drink business segment of KBL, subject to receipt of any requisite regulatory approvals and material consents.

Shareholders are advised that on 3 July 2018, AB InBev Africa BV ("ABI Africa"), AB InBev Botswana BV ("ABI Botswana", and, together with ABI Africa, the "Sellers"), KBL, Strategic Alliance J.V. (the "Purchaser"), along with TCCC and ABI, entered into a Master Purchase Agreement in terms of which the Sellers have agreed to dispose of their interests in KBL’s business of preparing, packaging, distributing, promoting and selling non-alcoholic ready-to-drink beverages in Botswana (such business, excluding the
manufacturing, distribution, marketing and sale of maheu beverages, being the "Business") to the Purchaser (the "Transaction").

The Purchaser is an investment holding company and is an indirect, wholly-owned subsidiary of CCBA. CCBA is, in turn, majority owned by subsidiaries of TCCC.

**Background**

As at the date of this announcement:

a. ABI Africa owns 2,298,016 issued ordinary shares with no par value in Sechaba, which shares constitute 16.839% of all of the issued shares in Sechaba (the “ABI Africa Ownership Interests”);

b. ABI Botswana owns 600,000 issued class B ordinary shares with no par value in KBL, which shares constitute 40% of all of the issued shares in KBL (the “ABI Botswana Ownership Interests”);

c. SBH owns of 900,000 issued class A ordinary shares with no par value in KBL, which shares constitute 60% of all of the issued shares in KBL;

d. the class A ordinary shares and the class B ordinary shares in KBL rank equally for dividends and *pari passu* with one another in all respects save that:
   i. the class A ordinary shares confer upon the holders thereof the right to: (i) one vote per share held by them but two votes per share in certain instances; and (ii) appoint three directors to the board of directors of KBL; and
   ii. the class B ordinary shares confer upon the holders thereof the right to: (i) two votes per share held by them; and (ii) appoint three directors to the board of directors of KBL, one of whom shall be the chairman of KBL who has a casting vote at meetings of the directors of KBL; and

e. Beverage Manufacturers (Botswana) (Proprietary) Limited ("SoftCo") is a dormant company with no material assets or liabilities and is a wholly-owned subsidiary of KBL.

**Salient Terms of the Transaction**

A summary of the various steps that will be taken in order to implement the Transaction is set out below. These steps include internal restructuring steps that will be implemented in order to re-organise the shareholding of KBL and SoftCo and to separate the Business
from KBL’s business of brewing, manufacturing, distributing, marketing and selling alcoholic beverages in Botswana.

f. **Step 1**

SoftCo will reorganise its share capital such that:

i. its issued shares will consist of 1500 000 ordinary shares with 900 000 class A ordinary shares with no par value and 600 000 class B ordinary shares with no par value;

ii. 900 000 class A ordinary shares of no par value, which shares constitute 60% of all of the issued shares in SoftCo (the “KBL Class A Shares”), and 600 000 class B ordinary shares with no par value, which shares constitute 40% of all of the issued shares in SoftCo (the “KBL Class B Shares”), all of which will be owned by KBL;

iii. the class A ordinary shares and the class B ordinary shares in SoftCo will rank equally for dividends and pari passu with one another in all respects save that:

1. the class A ordinary shares will confer upon the holders thereof the right to:
   (i) one vote per share held by them but two votes per share in certain instances; and
   (ii) appoint three directors to the board of directors of SoftCo; and

2. the class B ordinary shares will confer upon the holders thereof the right to:
   (i) two votes per share held by them; and
   (ii) appoint three directors to the board of directors of SoftCo, one of whom shall be the chairman of SoftCo who has a casting vote at meetings of the directors of SoftCo.

g. **Step 2**

KBL will sell the KBL Class A Shares to Sechaba and the KBL Class B Shares to ABI Botswana. The sale of the KBL Class A Shares and the KBL Class B Shares will be at a nominal value since SoftCo is a dormant company.

h. **Step 3**

KBL will sell and transfer to SoftCo, which will purchase and acquire from KBL, all of KBL’s right, title and interest in and to all of its assets, properties and rights to the extent primarily used or held for use in the Business, including, among other things, certain inventory, tangible personal property, contracts, intellectual property, records, coolers and real property identified in the MPA (the “SoftCo Assets”). The consideration to be paid by SoftCo to KBL in consideration for the sale and transfer of
the SoftCo Assets will be (i) an amount equal to BWP1.00; and (ii) the assumption by SoftCo of certain liabilities identified in the MPA.

i. **Step 4**

ABI Botswana will sell the KBL Class B Shares to the Purchaser and ABI Africa will sell the KBL Class A Shares that it will receive pursuant to the transaction contemplated under Step 6 (see paragraph k below) to the Purchaser. Completion of that sale will occur following the completion of the transaction contemplated under Step 6 (see paragraph 0k below).

j. **Step 5**

Immediately following the completion of Step 3 (see paragraph h above), ABI Botswana will sell the ABI Botswana Ownership Interests to ABI Africa.

k. **Step 6**

Immediately following the completion of Step 3 (see paragraph h above), Sechaba will sell (a): 151,500 issued class A ordinary shares of with no par value in KBL, which shares constitute 10.1% of all of the issued shares in KBL; and (b) 151,500 issued class A ordinary shares with no par value in SoftCo, which shares constitute 10.1% of all of the issued shares in SoftCo (the “SBH Shares”). As consideration for the sale of the SBH Shares, ABI Africa will transfer to Sechaba the ABI Africa Ownership Interests.

l. **Step 7**

Following the completion of Step 6 (see paragraph k above), completion of the sale contemplated under Step 4 (see paragraph i above) will occur.

**Shareholder Approval**

Pursuant to Step 6 (see paragraph k above), Sechaba will acquire a number of its own shares, namely the ABI Africa Ownership Interests.

In terms of Section 66 of the Botswana Companies Act 2003 (CAP. 42:01), the acquisition by Sechaba of the ABI Africa Ownership Interests (as contemplated in paragraph k above) requires the approval of an ordinary resolution of the Shareholders.

The Botswana Stock Exchange (“BSE”) has confirmed that no other approvals are required from Shareholders under the Listings Requirements of the BSE in connection with the Transaction. In addition, the BSE has waived the requirement for the Company to
obtain a fair and reasonableness opinion from an independent expert in connection with the acquisition by Sechaba of the ABI Africa Ownership Interests. However, ABI Africa and its associates will be excluded from voting on the resolution to approve the acquisition by Sechaba of the ABI Africa Ownership Interests.

**Extraordinary General Meeting**

The board of the Company has resolved to convene an Extraordinary General Meeting of Shareholders (the “EGM”) to consider and, if thought fit, to pass the resolution of Shareholders necessary for the acquisition by Sechaba of the ABI Africa Ownership Interests (as contemplated in paragraph k above) and will shortly issue a notice convening the EGM, with an explanatory circular.

**Further Cautionary**

Pending the holding of the EGM and the implementation of the Transaction, Shareholders are advised to exercise caution when dealing in the Company’s securities.

By order of the Board

Sponsoring Broker

4 July 2018