Choppies Enterprises Limited
(Incorporated in Botswana)
(Date of incorporation: 19 January 2004)
(Registration number 2004/1681)
JSE share code: CHP
BSE share code: CHOPPIES
ISIN: BW0000001072
(“Choppies” or the “Company”)

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ABRIDGED PRE-LISTING STATEMENT

This Abridged Pre-listing Statement relates to the secondary inward listing of Choppies in the “Food Retailers and Wholesalers” sector on the main board of the JSE, with effect from the commencement of business on Wednesday, 27 May 2015. The information in this Abridged Pre-listing Statement has been extracted from the full Pre-listing Statement issued by Choppies on Monday, 11 May 2015. The terms used in this Abridged Pre-listing Statement are as defined in the full Pre-listing Statement.

This Abridged Pre-listing Statement does not constitute an offer to the public in respect of the sale of or subscription for, or the solicitation of an offer to buy or subscribe for, shares in the Company but is issued in compliance with the Listings Requirements for the purpose of providing information to the public with regards to Choppies.

This Abridged Pre-listing Statement highlights selected information from the full Pre-listing Statement. It is not complete and does not contain all of the information that readers of the Abridged Pre-listing Statement and/or the full Pre-listing Statement should consider before investing in the Ordinary Shares. Investors should read the full Pre-listing Statement carefully in its entirety, including the “Risk Factors” section, the financial statements provided and the notes to those financial statements.

1. Offer and Listing

The Offer comprises an offer for subscription by the Company of up to 117 420 758 new Subscription Shares and a concurrent offer for sale of up to 160 000 000 existing Sale Shares by the Selling Shareholders. The Offer will be made, subject to certain conditions, to selected institutional investors in South Africa in terms of section 96(1)(a) of the Companies Act, selected institutional investors in Botswana (within the ambit of section 297(a) of the Botswana Companies Act), as well as to selected institutional investors in other jurisdictions. The 277 420 758 Offer Shares will rank pari passu with all of the other issued Ordinary Shares in all respects.

The Offer Price will be determined by way of a bookbuild process, managed by Rand Merchant Bank as the Bookrunner on behalf of Choppies and the Selling Shareholders. The Offer Price will be subject to the terms approved by Shareholders at an extraordinary general meeting held on 23 April 2015, including that the discount, if any, at which the Offer Shares are to be issued will not exceed
10% of the weighted average traded price of the Ordinary Shares over the 30 day period prior to the pricing date.

The JSE has granted the Company a listing in respect of up to 1 291 628 341 Ordinary Shares in the “Food Retailers and Wholesalers” sector on the main board of the JSE, under the abbreviated name “CHOPPIES”, share code “CHP”, and ISIN BW0000001072 subject to the JSE’s approval for the Listing not being revoked or withdrawn prior to the Listing.

2. **Use of proceeds**

The net proceeds of the Offer for Subscription will be used to partially settle existing borrowings and to accelerate the Company’s continued expansion into existing and new markets, which will include:

- organic growth through the continued roll-out of new stores;
- acquisitive growth; and
- entry into new geographic markets.
3. **Company overview**

Choppies is a Botswana-based mass grocery retailer, listed on the BSE. Choppies is the largest, most profitable and fastest-growing grocery retailer in Africa, outside of South Africa.

Choppies currently operates 125 retail outlets in Southern Africa, comprising 72 stores in Botswana, 35 stores in South Africa and 18 stores in Zimbabwe. Choppies employs in excess of 11 000 people across all of its operations.

The Company targets primarily lower to middle-income consumers (LSM 3-6), but is increasingly attracting upper-middle income customers in Botswana. Its supermarket retail offering includes FMCG products, including leading international food brands and Choppies’ own private-label products, as well as a strong focus on service offerings (fresh fruit and vegetables, butchery, bakery and takeaway).

Choppies is the leading supermarket chain in Botswana, with a market share of c.36% of the overall national food retail market for the 2014 financial year\(^1\). Choppies is growing rapidly in South Africa and Zimbabwe and is a recognised leading grocery retail brand in all the cities and towns in which it operates.

The Company is pursuing a number of opportunities to expand into new geographic markets in Southern and East Africa, and is well-positioned to achieve its target of over 200 stores across six countries by December 2016.

The summarised financial performance of Choppies, in terms of revenue, EBITDA and earnings per share for the six months to 31 December 2014 and for the financial years ending on 30 June 2014 and 30 June 2013 is set out below.

<table>
<thead>
<tr>
<th></th>
<th>6 months to 31 December 2014</th>
<th>12 months to 30 June 2014</th>
<th>12 months to 30 June 2013</th>
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<tr>
<td>Revenue (Pula ‘m)</td>
<td>3 008</td>
<td>5 012</td>
<td>4 029</td>
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<td>EBITDA (Pula ‘m)</td>
<td>206</td>
<td>352</td>
<td>274</td>
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<td>Earnings per share (thebe)</td>
<td>8.57</td>
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<td>13.06</td>
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</tbody>
</table>

### 3.1 **Service offerings**

To meet shoppers’ needs, Choppies focuses closely on service offerings in fresh fruit and vegetables, butchery, bakery and takeaway food, along with value added services, such as money transfers, mobile money, utility payments, travel arrangements, sim cards, etc.

- **Fresh Fruit and Vegetables**: Good quality fresh fruit and vegetables are sourced directly from farmers in South Africa and Botswana. Choppies receives strong support from the farming community, which translates into better pricing and quality. Approximately 75% of all fruit and vegetables produced in Botswana are distributed through Choppies outlets.

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\(^1\) Briggs & Associates, 2015
– **Butchery:** Choppies ensures that daily deliveries of fresh meat and poultry are made to stores. Local supply arrangements are in place with farmers and abattoir owners in all regions to ensure regular and consistent supply.

– **Bakery:** Choppies operates in-store bakeries in order to provide its customers with daily freshly-baked goods such as fresh bread, cakes and pastries. The bakery offering varies according to the profile of the stores and the region in which they operate.

– **Takeaway:** There are takeaway-food offerings in all stores, which include items such as fried chicken, chips and curries. The launch of a “store-in-store” takeaway concept, Choppies Fried Chicken, has been well received by customers in Botswana. There are plans in place to roll this concept out in South Africa and Zimbabwe. These higher-margin service offerings contribute almost 30% to revenues in Botswana and South Africa, a higher proportion relative to Choppies’ peers.

### 3.2 Value-added offerings

Some of the other new initiatives that Choppies has recently implemented in-store are: third-party ATMs, SIM cards/airtime, mobile money and money transfer, travel, local council payments, pension distributions and utility payments. These new initiatives are expected to drive footfall growth in stores, which will contribute to continued revenue growth.

### 3.3 Private-label offering

The Company has an extensive range of over 50 high-quality, affordable “Choppies”-branded products, in categories ranging from food and beverages to home cleaning products and cosmetics, targeted at value-minded customers. The private-label offering currently accounts for 19% of sales in Botswana, 10% in South Africa and 4% in Zimbabwe. In each case, private label delivers gross margins higher than those generated by branded products. In the medium term, the Company is targeting to generate 25% of its revenues from private label in all of its markets, supported by a plan to increase its offering to over 200 products.

### 4. Segmental overview

There are considerable opportunities for organic growth in the countries where Choppies has established operations, as well as in geographic markets earmarked for future expansion. In the year ahead, the Company expects to roll out additional stores in South Africa, Zimbabwe and Botswana and to initiate its entry into Zambia, Tanzania and, potentially, other sub-Saharan African countries.

#### 4.1 Botswana

Choppies is the leading supermarket chain in Botswana with a market share of c.36% of the overall national food retail market for the 2014 financial year\(^2\). Choppies currently operates 72 stores in Botswana with a large footprint in both urban and rural locations.

Choppies was founded by the Chopdat family and the first supermarket was opened in Lobatse, Botswana in 1986. CEO Mr Ramachandran (“Ram”) Ottapathu joined the Group in 1992 and the

\(^2\) Briggs & Associates, 2015
second store was opened shortly thereafter in Lobatse in 1993. The Company continued its strong growth with a Superstore and Hyperstore opening in Gaborone in 1999 and 2003, respectively. Choppies acquired MegaSave and SupaSave in 2013, further solidifying Botswana as its core market.

In Botswana each store, on average, employs 60 to 70 personnel with more than 98% of these being Botswana citizens. On average, each month the Botswana stores complete 6 million transactions (i.e., three times the population of Botswana). With more than 29 stores in the Gaborone area alone, Choppies has more outlets than any other retail chain represented in the city and its suburbs.

Choppies currently has three distribution centres in Botswana: 10 000m$^2$ in Gaborone, 3 000m$^2$ in Lobatse and 3 500m$^2$ in Francistown.

The extensive logistics infrastructure created by Choppies enables the Company to focus on rural expansion. A significant opportunity still exists to expand Formal Retail in Botswana, since Informal Retail is estimated to still account for c.40% of the overall retail market (a higher proportion than in South Africa). Overall, mass grocery retail sales are forecast to increase at a CAGR of 8.2% from 2014 to 2019$^3$.

Choppies intends to open five additional stores in Botswana by December 2015, and expects to operate up to 90 stores in Botswana in the medium term.

4.2 South Africa

Choppies’ success in Botswana has leveraged the traditional supply route between Johannesburg and Gaborone. The Company saw the opportunity to lower the cost of its supply chain by opening stores in the small towns in South Africa along that route. The first South African store was opened in Zeerust in 2008. The Company has since replicated the established and successful model of its activities in Botswana, in many small towns in several South African provinces. Choppies currently operates 35 stores in South Africa.

Given the highly competitive grocery retail environment in South Africa (the top five retailers account for approximately 75% of total mass grocery retail$^4$), Choppies invested in two state-of-the-art distribution centres (10 000m$^2$ and 8 000m$^2$) in Rustenburg that provide best-in-class logistics, and deliver goods to stores at the lowest price. The Rustenburg facilities were opened in 2013, and allow the Company to profitably service up to 100 stores in a 500 kilometre radius. The distribution centre currently utilises only about 35% of its capacity: its fixed costs will be spread over greater revenues as the South African footprint expands. The increased scale of operations should support increased profit margins from the South African operations.

Choppies has earmarked a strong pipeline of over 30 high-probability locations for expansion in South Africa, with 10 new stores expected to open by December 2015. Choppies expects to operate up to 80 stores in South Africa in the medium term. The focus remains on targeting small towns in Mpumalanga, Limpopo, northern Free State and the North West province.

4.3 Zimbabwe

Choppies acquired 10 Spar stores in Zimbabwe in late 2013. Most of the stores are in the vicinity of Bulawayo. All the acquired stores have been rebranded under the Choppies banner. Since the

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$^4$ Business Monitor International Research 2015 and IMF Research 2015
acquisition, eight more stores have been opened, five in Bulawayo and three in Harare, bringing the current total to 18 stores in Zimbabwe.

A new 6 850m$^2$ distribution centre was opened in Bulawayo in May 2014 and Choppies now also operates a 3 000m$^2$ distribution centre in Harare.

Zimbabwe is significantly underpenetrated by Formal Retail, making up only 25% of retail sales. There is substantial expansion potential from the hubs built in Bulawayo and Harare, and Choppies intends to exploit this opportunity and expand nationwide. New regions in Zimbabwe include Mutare, Gweru, Bindura and Masvingo. This expansion will ensure an extensive national footprint in Zimbabwe.

The Company operates smaller, lower-specification store formats in Zimbabwe than in Botswana, but still offers a full supermarket service offering. Private-label sales have demonstrated impressive growth.

In line with local indigenisation requirements, Choppies operates with local partners in Zimbabwe.

Choppies plans to open 12 new stores by December 2015 and expects to operate up to 50 stores in the medium term. There is an opportunity for over 30 stores in Harare alone.

5. Expansion into new geographic markets

Choppies is pursuing a number of opportunities to expand into new markets in sub-Saharan Africa.

5.1 Zambia

At only 14% Formal Retail penetration, Zambia represents huge potential for Formal Retail development. The grocery retail market is expected to grow at a CAGR of 13.4% from 2014 to 2019, compared to the overall economy which is expected to expand at 6.7% CAGR from 2014 to 2018.

Choppies expects to commence retail operations in Zambia by mid-2015, with its first stores to be opened in Ndola and Livingstone. The Company intends to open a further 10 stores by December 2016. Lease agreements have been signed for two sites with a further five lease agreements at advanced stages of execution. The longer term target for the Zambian market is 30 stores. Lease agreements are under negotiation in Ndola, Solwezi, Kapiri Mposhi, Lusaka, Kabwe and Chililabombwe, which will ensure an extensive footprint in Zambia.

Choppies will operate with a local partner in Zambia, and has recently concluded formal agreements with a prominent local entrepreneur and businessman, who will hold 10% of the equity of the Zambian entity.

5.2 Tanzania

There is significant potential for Formal Retail development in Tanzania with currently only 13% of the total retail market being Formal Retail. The grocery Formal Retail market is expected to grow at a CAGR of 24% from 2014 to 2019. The economy is expected to expand at a real CAGR of 7.0% from 2014 to 2018. Choppies believes that the lower end of the market is under-serviced by existing Formal Retail channels, which presents an attractive opportunity to enter the market.

The Company will operate with a strong local partner in Tanzania, and has recently concluded a memorandum of understanding with the promoters of Export Trading Group, a leading agricultural commodities trading and logistics business, long-established in the region. The 75% (Choppies) - 25% (promoters of Export Trading Group) joint-venture will extend to other markets in East Africa.
The challenge in Tanzania is the availability of suitable store locations and retail developments. Choppies is currently developing two smaller-size stores (less than 750m$^2$) in Dar Es Salaam, which are envisaged to be open by mid-2015. The aim is to have a total of 40 stores in Tanzania in the longer term.

5.3 Kenya

Kenya's forecast GDP growth of 6.4% CAGR from 2014 to 2018, and an underpenetrated Formal Retail market provides Choppies with a compelling opportunity. The Formal Retail market is expected to grow at a CAGR of 32.4% from 2014 to 2019.

Choppies is assessing the timing and method of its entry into the Kenyan market, which may include an acquisition of existing stores in order to establish a footprint and platform for growth. The Company will enter the Kenyan market in terms of the memorandum of understanding that governs its entry into East Africa.

5.4 Namibia

The Namibian market demonstrates similar characteristics to Choppies’ core market, Botswana, in also having a smaller population and small populated towns located far apart. The Namibian economy is amongst the best performing and most stable economies in the region and it should give Choppies a steady growth market on a long term basis. Namibia's proximity to Choppies' Botswana and South Africa markets will allow Choppies to leverage existing infrastructure alongside outsourced distribution.

The formal grocery retail market is expected to grow at a CAGR of 11.5% from 2014 to 2019 with forecast GDP growth of 4.5% CAGR from 2014 to 2018.

Choppies is assessing entry into the Namibian market and has identified locations for future stores. Preliminary indications show that the Company will be able to operate up to 20 stores in the longer term.

6. Key investment highlights

The Company believes that the following factors contribute to its success and distinguish it from its competitors:

6.1 Occupies attractive positions in markets with significant further growth potential

Choppies is the leading supermarket chain in Botswana, with opportunities for further growth as Botswana continues to transition from Informal to Formal Retail.

In South Africa, the Company has experienced strong growth in its business, and the significant investment in infrastructure is beginning to generate profits as economies of scale benefits are realized.

The expansion into Zimbabwe has exceeded expectations, with attractive levels of profitability and cash generation, and significant potential for further rapid growth.
6.2 Well-positioned for expansion and growth in new markets across sub-Saharan Africa

Choppies is the largest retailer in Africa (excluding South Africa domiciled retailers), with successful and proven execution in multiple jurisdictions. The differentiated approach of partnering with local operators and sourcing from local suppliers has proven to be successful in expanding into new countries.

Choppies is pursuing a number of opportunities to expand into new markets in sub-Saharan Africa. The Company will be operating its first stores in Zambia and Tanzania by mid-2015, with agreements having been concluded with local partners. Choppies is also well-advanced in its plans to enter the Namibian and Kenyan markets.

Choppies is well-positioned to achieve its target of over 200 stores across at least six countries by December 2016 - a true African growth story.

6.3 Superior track record of rapid, profitable growth

The rapid roll-out of new stores, and the successful entry into the South African and Zimbabwe markets, has delivered strong growth in revenues for Choppies (27% CAGR in revenue from 30 June 2011 to 30 June 2014). This growth significantly exceeds the top-line growth of Choppies’ competitors.

Choppies’ strong revenue growth has been achieved simultaneously with steady expansion in gross margins, which are the best-in class across the grocery retailer peer group. Current gross margins are sustainable, and there is scope for further improvement as the contribution from private label products and high-margin service offerings increases.

Despite investing heavily in growth, Choppies has also continuously grown its operating profits and net profit. There is significant operating leverage within the Company and higher capacity utilisation at all distribution centres will deliver economies of scale as store roll-outs increase. The South African distribution centre, for example, is capable of servicing up to 100 stores. Store growth will lead to higher utilization. There is, accordingly, scope for expansion in operating profit and net profit margins as economies of scale and cost benefits are achieved in South Africa and Zimbabwe.

6.4 Providing a competitive value proposition for customers

Choppies has been able to operate successfully in highly competitive markets, both as the market-leader (in Botswana) and as a new entrant (South Africa and Zimbabwe). It has been able to do so by offering a compelling value proposition to its customers.

Choppies is keenly focused on customers’ needs, and prides itself in providing an enjoyable shopping experience at affordable, competitive prices. Stores are well-lit, spacious, fully-stocked, immaculately clean and open for longer hours than its peers. Choppies offers comprehensive service segments such as butchery, bakery, takeaway and fresh fruit and vegetable offerings. Furthermore, Choppies offers a higher proportion of private label products compared to its peers, thus appealing to the more value-conscious customers. In addition to this, value added services such as mobile money, in store ATM, utility payments, travel services and sim cards are also offered.

Choppies’ market leadership in Botswana strengthens its position with suppliers, and has enabled the Company to compete on equal terms, as a new market entrant, in South Africa and Zimbabwe. The Group’s regional distribution and logistics infrastructure provides greater flexibility and a competitive advantage, enabling the Company to meet most of its needs internally without having to outsource. This allows management to keep costs as low as possible.
6.5 Experienced management team with proven track record of delivery

The Company has a highly experienced management team. CEO Ram Ottapathu is largely credited with growing Choppies from one store in the early 1990’s, to 125 stores today. He has received numerous awards for entrepreneurship and leadership, and is acclaimed as one of the best operators in the industry. He is currently, and will remain, a major shareholder in Choppies with his interests significantly aligned with shareholders.

The senior management team is highly qualified, and includes 80 MBAs, 16 Chartered Accountants, 25 Engineers and numerous university graduates. There is sufficient management depth and experience within Choppies to deliver on the planned rapid expansion in existing and new markets.

Operational managers across the region are youthful and energetic, and there is a store-level incentive scheme in place which drives operational and financial performance. Choppies has one of the lowest levels of staff attrition in the industry.

6.6 Highly cash generative and dividend paying

Cash sales and attractive supplier terms have created a favourable working capital profile, and cash generation has funded historical store growth in each market. Choppies has a low level of leverage, thus providing financial flexibility to pursue strategic opportunities.

Choppies has maintained a dividend pay-out ratio consistently above 30% since its listing on the BSE in 2012. As the business matures, the dividend pay-out ratio is expected to increase towards 50%.

7. Update on current trading since 31 December 2014

The group is trading well across all regions and financial performance is in line with management expectations.

Botswana profitability has shown some improvement, due to the implementation of a centralised ERP system, which has increased efficiencies.

The South African business shows continuous improvement. Gross margins have been sustained; however labour costs have increased due to a new wage agreement in February.

Operations in Zimbabwe continue to show improvement in dollar terms. Some new stores have experienced lower margins since opening; however this is counterbalanced by some of the older stores exhibiting improved margins.
8. Directors and management

The directors of Choppies are set out below:

<table>
<thead>
<tr>
<th>Name (age)</th>
<th>Nationality</th>
<th>Business address</th>
<th>Function/Occupation</th>
<th>Date of appointment as Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>His Excellency Festus Gontebanye Mogae, Former President of the Republic of Botswana (75)</td>
<td>Botswana</td>
<td>Plot 169, Gaborone International Commerce Park, Botswana</td>
<td>Independent Non-Executive Director (Group Chairman)</td>
<td>20 October 2008</td>
</tr>
<tr>
<td>Farouk Essop Ismail (61)</td>
<td>Botswana</td>
<td>Plot 169, Gaborone International Commerce Park Botswana</td>
<td>Executive Director (Group Deputy Chairman)</td>
<td>7 July 2004</td>
</tr>
<tr>
<td>Ramachandran Ottapathu (50)</td>
<td>Botswana</td>
<td>Plot 169, Gaborone International Commerce Park Botswana</td>
<td>Executive Director (Group CEO)</td>
<td>7 July 2004</td>
</tr>
<tr>
<td>Manikandan Madakkavil (41)</td>
<td>India</td>
<td>Plot 169, Gaborone International Commerce Park Botswana</td>
<td>Executive Director (Group CFO)</td>
<td>18 March 2015</td>
</tr>
<tr>
<td>Dorcas Ana Kgosietsile (55)</td>
<td>Botswana</td>
<td>Plot 1046, Sefoke Tlokweng, Gaborone Botswana</td>
<td>Independent Non-Executive Director</td>
<td>2 November 2011</td>
</tr>
<tr>
<td>Robert Neil Matthews (71)</td>
<td>Britain</td>
<td>Plot 29, 10 Ko Mokolodi, Gaborone Botswana</td>
<td>Independent Non-Executive Director</td>
<td>7 March 2012</td>
</tr>
<tr>
<td>Sydney Alan Muller (65)</td>
<td>South Africa</td>
<td>Swift Lane Steenberg Estate, Tokai Road, Tokai 7945</td>
<td>Independent Non-Executive Director</td>
<td>15 May 2014</td>
</tr>
<tr>
<td>Peter Walther Baird (48)</td>
<td>USA</td>
<td>3rd Floor, 4 Sandown Valley Crescent, Sandton , Johannesburg</td>
<td>Non-Executive Director</td>
<td>17 December 2013</td>
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9. Important dates and times

<table>
<thead>
<tr>
<th>Event</th>
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<tbody>
<tr>
<td>Opening date of the Offer at 09:00 on</td>
<td>Monday 11 May</td>
</tr>
<tr>
<td>Closing Date of the Offer at 12:00 on</td>
<td>Wednesday 20 May</td>
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<tr>
<td>Successful applicants advised of allocations on</td>
<td>Wednesday 20 May</td>
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<tr>
<td>Publication date of the final Offer Price and final number of Offer</td>
<td>Thursday 21 May</td>
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<tr>
<td>Shares released on SENS and X-News on</td>
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<td>Listing Date at 09:00 on</td>
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<td>Accounts of dematerialised shareholders will be credited with the</td>
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<td>shares on</td>
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10. Copies of the Pre-listing Statement

The Pre-listing Statement is only available in English and copies may be viewed by eligible investors on the Company’s website (www.choppies.co.bw) or, during normal business hours from Monday, 11 May 2015 until Wednesday, 27 May 2015 from Choppies, RMB and Computershare Investor Services (Proprietary) Limited as follows:

**Choppies**

<table>
<thead>
<tr>
<th>Address</th>
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<tr>
<td>Plot 115, Unit 5, Kgale Mews</td>
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<tr>
<td>Kgale Hill</td>
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<td>Gaborone</td>
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**RMB**

<table>
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<tr>
<td>1 Merchant Place</td>
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<tr>
<td>Cnr Rivonia Road and Fredman Drive</td>
</tr>
<tr>
<td>Sandton 2196</td>
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**Computershare Investor Services (Proprietary) Limited**

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<tr>
<td>Ground Floor</td>
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<tr>
<td>70 Marshall Street</td>
</tr>
<tr>
<td>2001</td>
</tr>
<tr>
<td>Johannesburg</td>
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<td>South Africa</td>
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Gaborone

11 May 2015
**Bookrunner and JSE Sponsor**
Rand Merchant Bank (a division of FirstRand Bank Limited)

**Attorneys**
Collins Newman and Co, Botswana Legal Counsel to Choppies
Webber Wentzel, South African Legal Counsel to Choppies
Linklaters LLP, International Legal Counsel to the Bookrunner

**Independent Reporting Accountants**
KPMG Inc.

**Communications Adviser to Choppies**
Instinctif Partners
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The distribution of this Abridged Pre-listing Statement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Abridged Pre-listing Statement does not constitute an offer to the public for the sale of or subscription for, or the solicitation of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act, No. 71 of 2008 (as amended) or otherwise (the “South African Companies Act”) and will not be distributed to any person in South Africa in any manner which could be construed as an offer to the public in terms of the South African Companies Act. This Abridged Pre-listing Statement does not constitute a prospectus registered and/or issued in terms of the South African Companies Act.

This Abridged Pre-listing Statement does not constitute an offer to the public for the sale of, or subscription for, shares as defined in Part XXII of the Botswana Companies Act or otherwise and will not be distributed to any person in Botswana in any manner which could be construed as an offer to the public in terms of Part XXII of the Botswana Companies Act. This Abridged Pre-listing Statement is not a prospectus registered and/or issued in terms of Part XXII of the Botswana Companies Act.

Prospective investors in the Ordinary Shares of Choppies, as with any other listed company, should ensure that they fully understand the nature of the Company’s operations, its valuation and the extent of their exposure to risks, and that they consider the suitability of the Company’s Ordinary Shares as an investment in light of their own circumstances and financial position. The BSE’s approval of the admission of the Company’s securities on the JSE should not be taken in any way as an indication of the merits of the Company. The BSE has not verified the accuracy and truth of the contents of the documentation submitted to it and, the BSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the said securities.

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