

**SIMBA
CEMENT**
STRENGTH WITHIN

CAUTIONARY NOTICE TO MEMBERS

TANGA CEMENT PUBLIC LIMITED COMPANY (DSE: TCPLC) **(Incorporated in the United Republic of Tanzania)** **("Tanga" or "the Company")**

Shareholders are advised that Tanga Cement PLC has embarked on a restructuring/refinancing of its existing debt facilities due to a change in market dynamics and the prevailing competitive landscape. The Company's highly geared balance sheet therefore needs to be restructured/refinanced to ensure its long-term competitiveness and sustainability ("the Proposed Transaction").

To address the above, Tanga appointed PriceWaterhouseCoopers Ltd ("PwC") as its debt restructuring advisor, and CMS RM Partners & Clyde & Co. as its legal advisor to assist with the above.

Tanga and its advisors have since had extensive engagements with all of its lenders and its majority shareholder to progress the Proposed Transaction.

Since the negotiations relating to the Proposed Transaction are ongoing, it is classified as a significant post balance sheet event, which impacts the external audit opinion regarding the annual financial statements for the year ended 31 December 2020.

In accordance with the Dar es Salaam Stock Exchange Rules, the Company is required to publish its audited annual financial statements within six (6) months of its financial year-end.

Tanga was not in a position to publish its audited annual financial statements for 2020 by 30 June 2021 and is still not in a position to do so as the independent auditors, EY, are still to be satisfied that the Proposed Transaction (as a post balance sheet event) will allow the Company to continue as a going concern. The conclusion of a formal standstill agreement (by Tanga and its lenders), as a minimum, is therefore required to address the above.

The senior majority lender has indicated its willingness to conclude a formal standstill (and Tanga is still engaging with the remaining lenders who are considering the request) to allow the Proposed Transaction to be progressed.

The Company is employing best endeavours to conclude a standstill agreement with its lenders in order to provide the external auditors with sufficient evidence to allow them to conclude on the Company's going concern assertion and thus provide an appropriate audit opinion in relation to the financial statements for the year ended 31 December 2020.

The conclusion of the standstill agreement and resultant publishing of its audited annual financial statements for the year ended 31 December 2020 is expected to occur by no later than 30 November 2021.

Shareholders are accordingly advised to exercise caution when dealing in Tanga's securities.

On behalf of the Board.

Lawrence Masha
Chairman of the Board
31 August 2021