

INFORMATION MEMORANDUM



Seeking expression of interests in

CIMERWA Limited



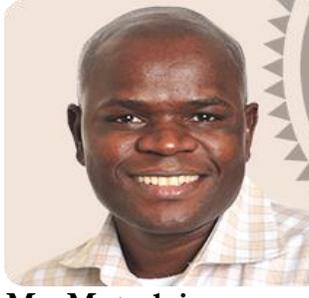
Table of Contents

Corporate information.....	3
List of Abbreviations	5
Letter from the Chairman	6
Legal Opinion.....	7
Section 1: Executive Summary	8
Section 2: Company overview	9
Section 3: Financial performance and Forecast	18
Section 4: Shareholding structure.....	22
Section 5. THE OFFER	23
Section 6. Terms and Conditions of the offer.....	24
Section 7: Risk Factors.....	26
Section 8: Reporting accountants' report and legal opinion	29
Section 9: Authorized selling agent	30
Section 10: Appendices.....	31

Corporate information

Name	CIMERWA Limited
Date of incorporation	1984
Registered head office	Western province/ Rusizi District PO Box 21 Rusizi/ Rwanda PO Box 644 Kigali/Rwanda
Financial Calendar	30 September
Website	www.cimerwa.rw

Directors

 <p>Mr. Richard Tusabe Board Chairman</p>	 <p>Mr. Johannes Theodorus Claassen Board member</p>	 <p>Mr. Christian Rugeri Board member</p>	 <p>Mr. Nyirimihigo Jean Marie Vianney Board member</p>
 <p>Mr. Mokate George Ramafoko Board member</p>	 <p>Mr. Matodzi Mukwevho Board member</p>	 <p>Ms. Tryphosa Ramano Board member</p>	 <p>Mr. Bhekizitha W. Mthembu CEO CIMERWA</p>

Company Secretary

Victoire Joyeuse Umukunzi

Cimerwa Limited

PO Box 644 Kigali/Rwanda

PO Box 21 Rusizi/Rwanda

Auditors and valuers

PricewaterhouseCoopers Rwanda Limited

5th Floor, Blue Star House Blvd de l'Umuganda, Kacyiru, P O Box 1495,
Kigali Rwanda

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Advisor to the Transaction

Rwanda Development Board (RDB)

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List of Abbreviations

TERMS	DEFINITION
AgDG	Agaciro Development Fund
RSSB	Rwanda Social Security Board
RIG	Rwanda Investment Group
PPC	Pretoria Portland Cement Limited
PWC	Pricewaterhousecoopers (Auditor and valuer)
MINECOFIN	Ministry of Economy and Finance
ISO	International Organization for Standardization (Quality Management System)
DRC	Democratic Republic of Congo
KM	kilometer
MW	Megawatt
JSE	Johannesburg Stock Exchange
CAGR	Compound Annual Growth Rate
GDP	Gross Domestic Product
PPP	Public Private Partnership
QTY	Quantity
IT	Information Technology
USD	United States Dollar
FRW	Frank Rwandais (Rwandan Francs)

Letter from the Chairman



Dear Investors,

It is with enormous pleasure that I present to you this Information memorandum for the offer for sale of shares of CIMERWA Limited. Agaciro Development Fund and other shareholders are giving all Rwandans and the investing community at large the opportunity to be owners in CIMERWA.

The Government of Rwanda has been a long standing shareholder in CIMERWA Limited since its inception. Today the government shares representing 16.54% were transferred to Agaciro Development Fund.

CIMERWA Limited, incorporated in 1984, is the only company in the country that manufactures cement in Rwanda, and our investment was driven by the importance we placed on the country having its own self standing company that manufactures the most critical item in the construction industry. Since that time, CIMERWA Limited has continued to be the pioneering name of this industry and with it has been an enormous contributor to our countries economic growth and social development.

It is now our desire to open this opportunity for indirect ownership in CIMERWA Limited to Rwandans and the investing community at large.

CIMERWA Limited is the market leading cement producer in the country, is one of our best loved and known brands. With its current production capacity of 600,000 Tons per year, I believe it represents a rare and exciting opportunity for investors

This Prospectus sets out the details of the Offer as well as all the important information regarding CIMERWA Limited. Please read the full Information Memorandum to obtain a better understanding of the potential rewards and risks relating to investing in CIMERWA Limited.

I look forward to welcoming you as a shareholder of CIMERWA Limited.

Yours Sincerely

Richard Tusabe
Chairman, CIMERWA Ltd

Legal Opinion

Re: Sale of shares in CIMERWA Ltd. by AgDF Corporate Trust

This legal opinion is prepared in connection with the proposed sale by AgDF Corporate Trust Ltd. ('AgDF') of its entire shareholding in CIMERWA Ltd (16.54% of the total shareholding) and further to the issuance of the information memorandum providing detailed information on the proposed sale (**'Information Memorandum'**)

Documents reviewed

The constitutional documents of AgDF as well as other key documents (collectively the **'Documents'**) have been examined for the purposes of the Information Memorandum. More specifically, the following:

- Incorporation certificate
- Trust Deed
- Board minutes and resolutions
- Cabinet decisions relating to AgDF
- Letter from MINECOFIN requesting CIMERWA to transfer shares of Government of Rwanda to AgDF.
- Incorporation Certificate of CIMERWA

Opinion

Based on our review of the Documents and subject to the information set out in the Information Memorandum, I hereby confirm the following:

- AgDF is duly incorporated and valid existing under the laws of Rwanda.
- AgDF is a valid shareholder in CIMERWA.
- AgDF has the power and capacity to enter into the transaction for the sale of its shares in CIMERWA.
- The proposed transaction as set out in this Information Memorandum is in full compliance with the laws of Rwanda.
- All authorizations and approvals related to the proposed transaction have been obtained and remain in force as at the date of the Information Memorandum.

Yours faithfully

Minega Isibo
Company Secretary-AgDF

Section 1: Executive Summary

CIMERWA Limited is the market leader and only integrated cement producer in Rwanda, with a well-established brand, which they intend to offer in its entirety.

CIMERWA products include 32.5N, an advanced formulation cement with broad applications ranging from domestic concrete to medium sized building projects and 42.5N, a premium cement made from high quality raw materials and is intended for use in masonry, structural concrete and precast concrete products.

CIMERWA historical revenue grew at a CAGR of 19% and is forecasted to grow at a CAGR of 6.2% between FY19 and FY25 due to an increase in local sales for 32.5N which is expected to be driven by public investments in infrastructure projects.

Gross profit margins are forecast to average 40% over the projection period, which is above with Management's reported 26% average over the years FY16 - FY18.

EBITDA margins are forecast to average 35% over the projection period, which is higher than the company's FY16 - FY18 average of 16%. According to management this will be achieved through cost savings in the clinker production process and the extension of cement at lower clinker factors.

The company is projecting to be profitable this year and is expecting to declare dividends from 2021.

Agaciro Development Fund (AgDF), a Rwanda's Sovereign Wealth Fund is offering its shares in CIMERWA Limited equivalent to 16.54% to any interested individuals, companies and consortium. Other shareholders are also willing to offer their shares where RSSB holds 20.24%, Rwanda Investment group with 11.45% and SONARWA group with 0.76%.

The Buyer shall pay to the Seller, by wire transfer of immediately available funds to the account specified by the Seller, an amount equal to the Purchase Price.

The Seller will deliver or transfer to the Buyer share certificates representing all of its Company Shares.

Other shareholders namely RSSB, RIG and SONARWA Group have expressed their interest to sell their shares at the same price.

Eligible investors can obtain this Information Memorandum from Rwanda Development Board (RDB) offices and AgDF offices or they can download it from www.rdb.rw or from www.agaciro.rw.

Section 2: Company overview

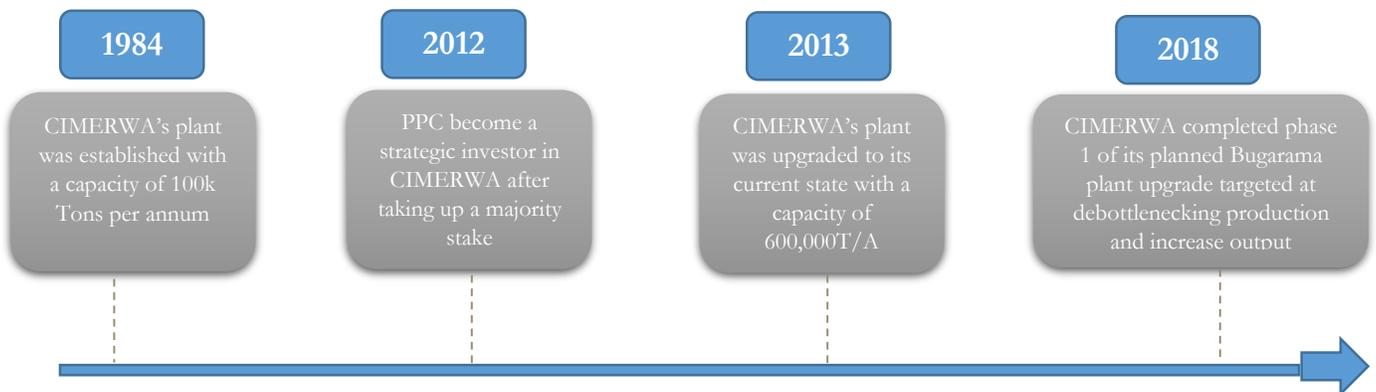
2.1 CIMERWA Limited Business Overview

CIMERWA (51% owned by PPC Ltd) is the market leader and only integrated cement producer in Rwanda, with a well-established brand. Established in 1984, its production plant is in Bugarama, Rusizi district, in the southern region bordering the DRC and Burundi.

In 2016, CIMERWA commissioned a technologically advanced 600,000tpa cement production plant in Bugarama. Post commissioning and ramp-up, processes have been optimized in line with growing volumes, and production capacity utilization is expected to rise from 65% to 80% by mid-2019.

In the March 2018 review period, CIMERWA received ISO 9001:2015 QMS certification from the Rwanda Standards Board.

CIMERWA Limited evolution



2.2 Review

CIMERWA since its establishment in 1984 was producing 70,000 tpa of clinker equivalent to 100,000 of cement using wet process of cement manufacture, Since commissioning the new plant in September 2015, when CIMERWA held 21% of the market, it has increased its market share to 55% by year-end. This growth came on the back of increased domestic infrastructure delivery with bulk cement sales and higher export sales volumes. CIMERWA's domestic sales volumes rose 19% year on year between FY 2016 to FY 2018, while export volumes were 17% above plan, particularly to eastern DRC.

The production volume growth was supported by implementing an innovative and adaptive route-to-market strategy, which includes initiatives to improve customer value-added service and reduce logistics costs by developing transport capacity in Rwanda.

Despite some reliability issues with critical equipment in the plant (typical of ramp-up phase) and power-supply interruptions late in the review period, overall plant performance was satisfactory to the management as well as shareholders of the company.

Emissions during the period were maintained below specification limits in compliance with permit conditions. CIMERWA also made good progress towards world-class safety standards. Through focused initiatives that include employee training and awareness, equipment redesign and engineering controls, the factory has exceeded 2 million hours (some 370 days) without a lost-time injury.

CIMERWA has revitalized its high-performance culture to enhance commitment to achieving company objectives that benefit all stakeholders. This has included setting performance targets and identifying the skills employees need to achieve high-performance standards. This process also helped CIMERWA systematically refine processes that entrenched a new work ethic to enhance its competitive advantage locally and in the region. Internally, the organizational structure was reviewed to support successful execution of the business strategy and achieve a high level of localization in 2020. Growing human capital and local talent remain a priority to advance the development of key technical skills.

As part of CIMERWA pledge to continue “Strengthening Rwanda”, CIMERWA has dedicated a significant amount of resources on initiatives to strengthen the community and its sense of aspiration. Through a strong socio-economic drive to empower and enable Rwandans in our local community in Rusizi district, CIMERWA has invested in the Education, Health, and Entrepreneurship and Sports sectors. CIMERWA also provides clean water to its surrounding areas. CIMERWA is also providing health insurance to most-in-need Rwandans in Rusizi.

2.3 Outlook

The Rwanda economy is projected to grow by 7.8% in 2020. Against expectations of higher international mineral prices and accelerating domestic production, cement growth in 2019 is forecast at 8,5% and to remain above 9% for the next five years. Public infrastructure investment will continue to stimulate cement demand, particularly transport, rail and road infrastructure projects. For example, the first phase of Bugesera airport will have capacity to handle 2 to 3 times the existing capacity. Million passengers a year, the Kigali arena sport complex that will have a capacity of 10,000 sits, Huye – Kitabi Road, Base-Butaro-Kidaho asphalt road of 66KM, three new stadiums (Nyagatare, Ngoma and Bugesera), 80MW peat power plant, and affordable housing developments.

2.4 Value Creation

The plant maintenance and upgrades will facilitate the use of alternative fuels and reduce electrical energy consumption. Localized procurement and optimized inbound/outbound logistics are expected to improve market competitiveness and grow secondary businesses. We will continue to focus on increasing localization of input materials to preserve foreign currency. Community development, advancement and empowerment initiatives have had a significant impact on the neighboring community.

CIMERWA remains committed to building strong partnerships with leaders and local community members to improve living conditions and quality of life.

The exposure to the training and development programme for the CIMERWA team has been well received. Benefits are already evident in a higher level of localization at supervisory and foreman level. To support this drive and enhance technical engineering skills, conversion of a workshop into a technical training center is well advanced.

2.5 PPC Ltd the managing partner

Established on the outskirts of Pretoria in 1892 as South Africa's first cement plant, PPC's story stretches back 126 years. Since the early gold-rush days, they have remained a resilient organization that has adapted and flourished through changing economic and political circumstances, becoming a leading provider of quality building materials and solutions.

Throughout, they have focused on quality in everything that they do, growing into a business dedicated to perfecting the science behind producing cement, aggregates, lime, ready-mix and fly ash. A business that has built more bridges to connect communities, the buildings we call home and work across the continent; a business that has built world-class stadiums filled with home-grown and international fans; and a business that has improved lives and built schools to empower our communities and mould the minds of Africa's future leaders.

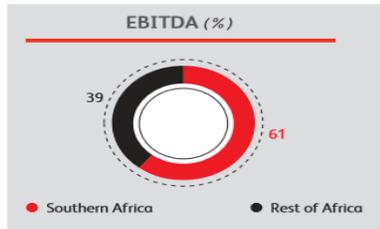
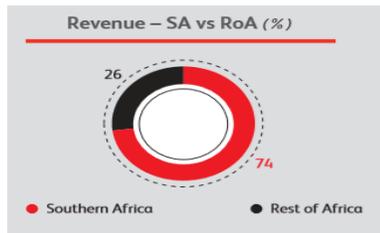
This dedication at PPC is embedded into their core business because they believe that every one of them deserves to live and build better for now, tomorrow and for generations to come. This belief ties into their company purpose to empower people to experience a better quality of life.

They bring this purpose to life by delivering on their brand promise of Strength Beyond (set out on the contents page) in turn guided by their organizational values.

In 1908, PPC Ltd declared the first dividend and the company has never failed to declare dividend since then. In 1910, the company was listed on the JSE.

- Last year's revenue split

2018 revenue split



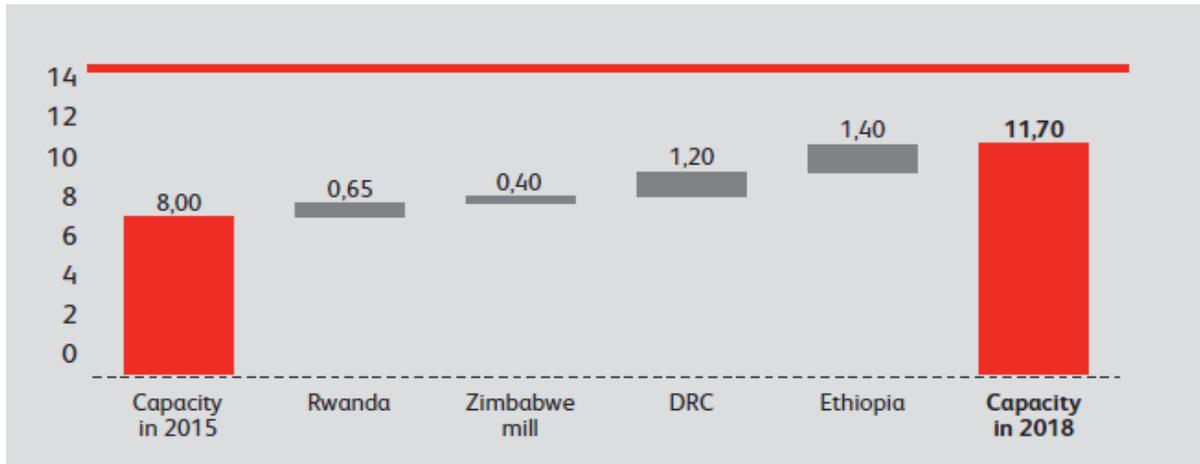
PPC produced a resilient performance against a challenging backdrop as the portfolio effect starts to bear fruit. The rest of Africa operations, particularly Zimbabwe and Rwanda, offset a more muted trading environment in South Africa.

	Twelve months ended March 2018	Twelve months ended March 2017
Revenue (Rm)	10 271	9 641
EBITDA (Rm)	1 880	2 065
EBITDA margin (%)	18,3	21,4
Operating profit (Rm)	956	1 027
Operating margin (%)	9,3	10,7
Assets (Rm)	16 212	18 035

- PPC Ltd Cement portfolio



- PPC Ltd quality assets base



3 Rwanda economic overview

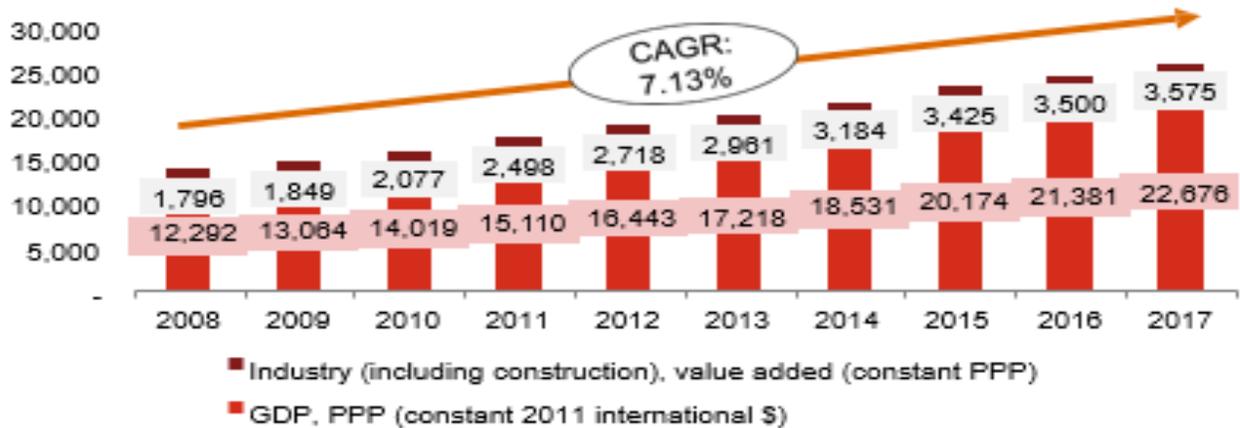
3.1 Positive economic outlook

In 2018, Rwanda's Gross Domestic Product, GDP (PPP) was 22bn, having increased at a CAGR of 7.12% over the past 9 years that Services sector contributed the largest share (47%), followed by agriculture (31%), industry (16%), and adjustments made for taxes and subsidies on products (7%).

The per capita GDP in Rwanda was last recorded at USD 1,854.20. GDP per capita PPP in Rwanda averaged USD 1,112.76 over the period 2007 until 2017, reaching an all-time high of USD 1,854.20 in 2017.

In Q3 2018, Rwanda's GDP was 7.7% higher in real terms compared to Q3 2017, and is expected to grow at a rate of 7.8% in 2019.

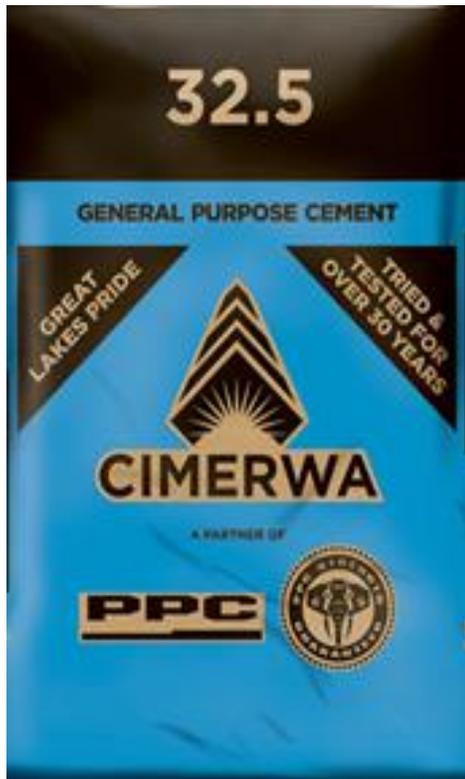
Rwanda GDP (m PPP)



Source: PwC Analysis, World Bank

4 CIMERWA Limited Products

4.1 CIMERWA 32.5N



CIMERWA 32.5N is an advanced formulation cement with broad applications ranging from domestic concrete to medium sized building projects. CIMERWA 32.5N is your proudly Rwandan general purpose cement for quality cost-effective mortar, plaster and concrete uses.

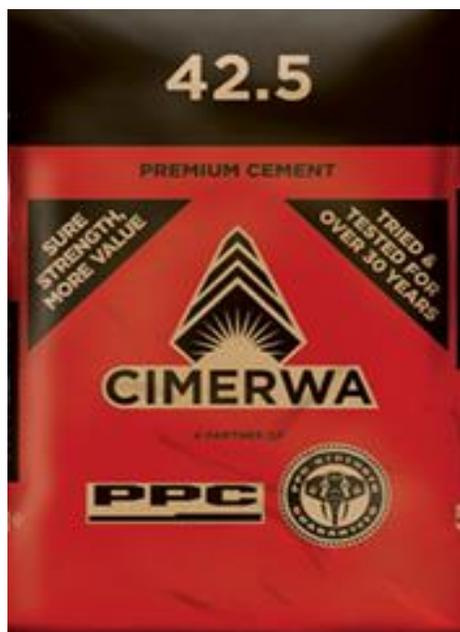
Product benefits

- Product of choice for all types of home and DIY building applications
- Consistent, convenient & cost-effective
- Improved workability and finishing

Applications

- Masonry work (Mortar and Plaster)
- Floor screed
- Concrete masonry (Brick, Block and Paver)
- Low strength concrete (10 MPa— 15 MPa)
- Medium strength concrete (20 MPa— 25 MPa)
- High strength concrete (30 MPa— 35 MPa)
- All types of contractors and DIY home builders
- Precast operations
- Soil stabilization

4.2 CIMERWA 42.5N



CIMERWA 42.5N is a premium cement made from high quality raw materials and is intended for use in masonry, structural concrete and precast concrete products.

Product Benefits

- Product of choice for structural concrete, precast as well as large residential building applications
- Consistent, convenient & cost-effective
- Improved workability and finishing

Applications

- Concrete products
- Precast operations
- Ready-mix concrete
- Grouts
- Shortcrete
- Reservoirs and swimming pools
- Specialized concrete

4.3 CIMERWA BULK CEMENT



A first of its kind in Rwanda. The CIMERWA bulk cement solution has been developed to cater to key customers in the construction industry because we understood that the cost of cement and delivery constitute significant costs to our customers.

Product/Solution benefits

Financial

- No packaging costs
- less associated costs of offloading
- Reduced costs of storage
- Improved efficiencies in operations
- No cement bag breakages

Quality

- Premium product to suit your needs
- Limited contamination of cement

Environment

- Management of litter (Zero empty bags)
- Less dust emissions on site

5 Rwanda Cement Industry

In 2018, Activity in the construction sector was recorded at RWF 463bn in 2018, having increased at a CAGR of 5.5% over the previous 5 years.

According to the Ministry of Trade and Industry, national cement demand was estimated at 50,000 tons per month at February 2018, with at least 23,000 tones being imported.

The 32.5N brand of cement is the most demanded product in Rwanda, which according to Management is used in non-housing construction projects such as schools, roads and bridges. Management expects a growth in demand for 42.5N (mainly for large infrastructure projects) in light of upcoming projects.

6 Local cement demand Analysis

There are several high value ongoing and planned infrastructure projects in Rwanda which are set to drive local demand for cement. These include:

The construction of the **Bugesera International Airport** in Eastern Province, **Gisagara peat energy plant** in Southern Province, and the construction of Base-Butaro-Kidaho tarmac road in Rwanda's Northern Province.

Bugesera International Airport, set to become Rwanda's largest International Airport. The new airport, once complete, will have a passenger terminal with 30,000 square meters and six passenger boarding bridges.

Construction is also underway for several stadiums across the country.

One such stadium is the proposed **10,000-capacity multisport arena** built specifically to cater for hand games in Rwanda. This stadium is being constructed by Summa Rwanda Ltd

The arena is located on Ferwafa artificial turf near the Amahoro National Stadium in Remera, a stadium which also currently underwent a significant infrastructural upgrade.

The planned **Kigali Innovation City** is another highly anticipated infrastructure project. The 61-acre development is expected to host world-class universities, technology companies, biotech firms, and commercial and retail real estate.

Demand for the 32.5N cement product in particular is forecast to be driven by real-estate construction such as low cost housing projects. **10,000 affordable houses** are set to be constructed in Rwanda.

According to a 2012 study conducted by Planet Consortium (An international consulting company) and the Ministry of Infrastructure (MININFRA), the annual demand for new dwellings in Rwanda was 31,279 housing units per year against the supply of about 1,000 units. This demand is expected to reach 340,000 units by 2022, mainly for affordable and mid-range housing.

7 Market size

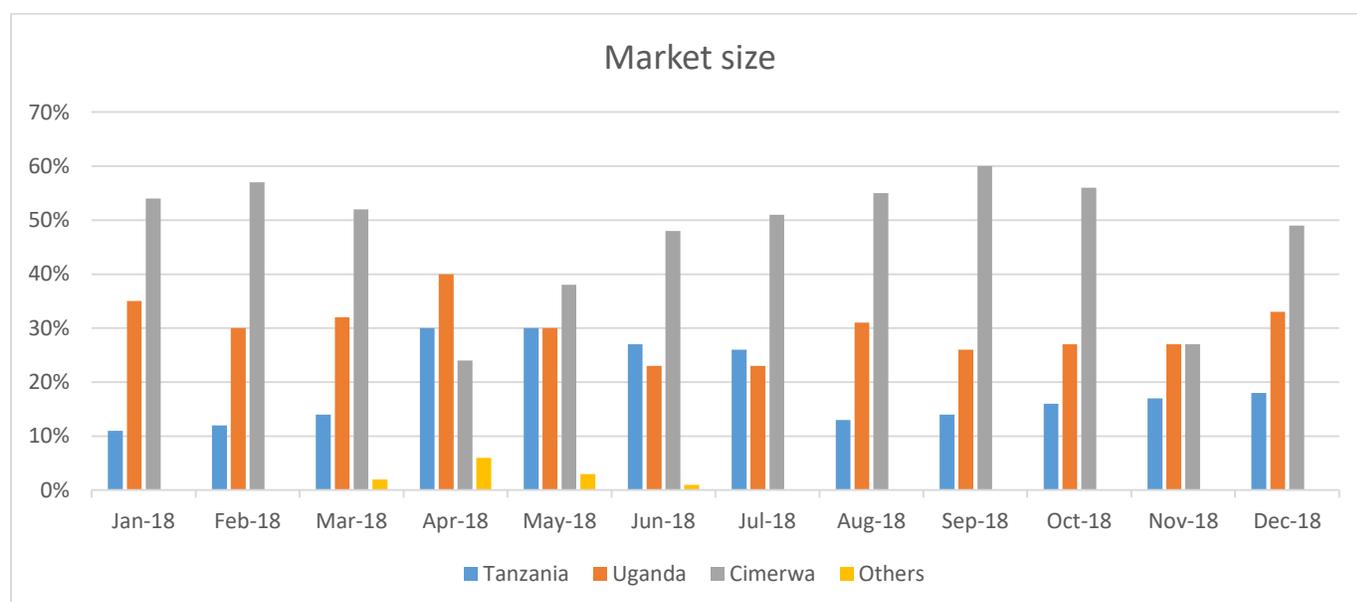
- According to a report by Eco Bank in 2016, East Africa's installed cement capacity was estimated at 15.6m tones, with 0.15m tones of that total being produced in Rwanda representing 0.9%, at the end of 2018, the plant produced
- It was also estimated that Rwanda was able to produce enough cement to meet approximately 54% of its national cement demand (27 metric tons per month), leaving 46% (23 metric tonnes per month), to imports from regional manufactures.
- In 2018 Rwanda's ministry of trade and industry indicated that the national demand for cement had reached 50,000 thousand tons. Only 50% of this demand was being met by local manufacturer CIMERWA.
- Hima Cement Rwanda, a subsidiary of Hima Cement Ltd has been one of CIMERWA's biggest competitors for the past years, particularly in the 32.5N brand (of which as per Management, CIMERWA controls 33% market share). Hima Cement doubled its production capacity to 1.7m tonnes annually with the launch of a new plant in Tororo in May last year.
- Dangote Cement in Tanzania operates a 3.0T pa plant in Mtwara (400km from Dar es Salaam), and is the largest cement manufacturer in Tanzania with access to roughly half a billion tons of limestone reserves (well over 100 years supply).

- Tanga Cement Public Limited Company manufactures, distributes, and sells cement and clinker under the Simba Cement brand name in Tanzania, Rwanda, and Burundi. Tanga's installation and commissioning of Kiln II in 2016 increased the company's design production capacity to roughly 1.25m tonnes per annum.

8 Market share

Comparison per country of origin (have figures for a year at least)

		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
		QTY IN TONS											
TYPE OF CEMENT	COUNTRY OF ORIGIN												
	KENYA		30	781	1,588	1,583	782	159	162	123	90	15	38
	TANZANIA	4,881	4,615	6,348	8,269	16,871	16,791	18,080	7,570	7,893	10,016	9,778	10,292
	UGANDA	15,546	11,259	14,582	11,096	16,573	14,636	16,005	18,190	14,244	17,073	15,334	18,743
	TOTAL	20,447	15,909	21,721	20,964	35,048	32,231	34,308	25,958	22,276	27,215	25,167	29,118
CIMERWA		23,943	21,495	23,627	6,629	21,048	30,053	35,075	31,950	32,869	35,245	32,554	28,348
	Domestic market	44,390	37,404	45,348	27,593	56,096	62,284	69,383	57,908	55,145	62,460	57,721	57,467
	Domestic market growth	-11%	-16%	21%	-39%	103%	11%	11%	-17%	-5%	13%	-8%	0%
	CIMERWA volume growth	-9%	-10%	10%	-72%	218%	43%	17%	-9%	3%	7%	-8%	-13%
	CIMERWA market share	54%	57%	52%	24%	38%	48%	51%	55%	60%	56%	56%	49%
	Country	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
	Tanzania	11%	12%	14%	30%	30%	27%	26%	13%	14%	16%	17%	18%
	Uganda	35%	30%	32%	40%	30%	23%	23%	31%	26%	27%	27%	33%
	Cimerwa	54%	57%	52%	24%	38%	48%	51%	55%	60%	56%	56%	49%
	Others	0%	0%	2%	6%	3%	1%	0%	0%	0%	0%	0%	0%



Section 3: Financial performance and Forecast

3.1 Financial Performance Summary

The summarized consolidated statements of comprehensive income of CIMERWA Limited for the last three years ended 31st December 2018 are as follows:

Income Statement

RWF in 000s	FY16 Audited	FY17 Audited	FY18 Audited	CAGR FY16-FY18
Revenue	35,721,988	48,783,544	50,214,228	19%
Local sales	32,556,412	39,970,388	43,009,701	15%
Export sales	3,165,556	8,793,158	7,204,527	51%
Cost of Sales	(26,720,412)	(33,373,235)	(39,529,906)	22%
Gross Profit	9,001,556	15,390,309	10,684,322	5%
Other income	135,368	59,818	155,171	7%
Administrative expenses	(4,411,142)	(4,154,966)	(4,447,317)	0%
EBITDA	4,725,782	11,294,961	6,392,176	16%
Interest income	42,462	89,400	139,618	81%
Foreign exchange losses	(3,012,974)	(810,911)	(817,984)	(48%)
Depreciation	(482,442)	(335,807)	(340,573)	(16%)
EBIT	1,272,828	10,437,643	5,373,235	105%
Finance costs	(7,134,088)	(7,438,185)	(7,072,380)	(0%)
Profit(loss) before income tax	(5,861,240)	2,999,458	(1,699,125)	(46%)
Income tax (expense)/ credit	1,609,748	(1,130,727)	97,008	(75%)
Profit(loss) after income tax	(4,251,492)	1,868,731	(1,602,119)	(39%)

Key performance indicators

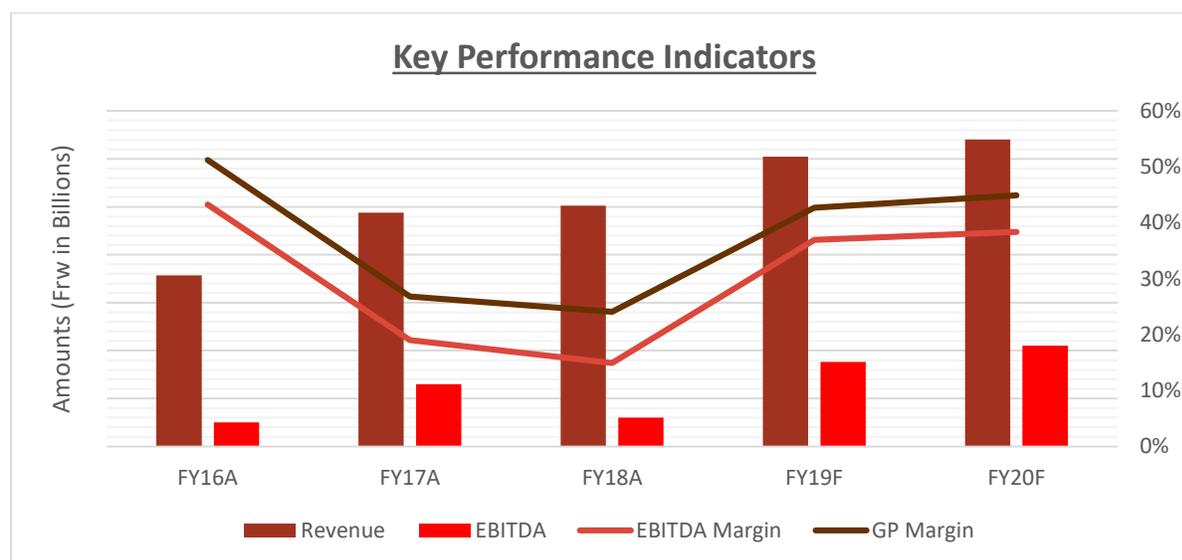
Revenue y-o-y growth	N/A	37%	3%
EBITDA y-o-y growth	N/A	130%	(43%)
PBT y-o-y growth	N/A	720%	(40%)
PAT y-o-y growth	N/A	(144%)	(180%)
Gross profit(loss) margin (%)	25%	32%	21%
EBITDA margin (%)	13%	23%	13%
Net profit(loss) margin (%)	(12%)	4%	(3%)

3.2 Summary of Three Years Balance Sheet

The summarized consolidated Balance Sheet of CIMERWA Limited for the last three years ended 31st December 2018 are as follows:

Balance Sheet	31 Sep 2016	31 Sep 2017	31 Sep 2018	31 Dec 2018
RWF in 000s	Audited	Audited	Audited	MA
Non current assets				
PPE	106,025,167	99,970,327	95,889,352	95,889,000
Exploration and evaluation assets	103,141	88,404	73,881	129,000
Intangible assets	89,528	72,254	54,972	-
Total non-current assets	106,217,834	100,130,985	96,017,985	96,018,000
Current assets				
Inventories	4,936,233	4,426,232	4,959,261	4,959,000
Current Income Tax	35,443	35,443	35,443	-
Prepayments and Other Receivables	1,814,776	4,060,503	5,603,071	5,616,000
Cash and cash equivalents	12,331,661	13,646,914	8,120,420	8,122,000
Total current assets	19,118,113	22,169,092	18,718,195	18,732,000
Total assets	125,335,947	122,300,077	114,736,180	114,750,000
Equity and liabilities				
Share capital	35,160,976	35,160,976	35,160,976	35,161,000
Revaluation reserve	22,251,408	22,251,408	22,251,408	22,251,000
Share premium	5,426,513	5,426,513	5,426,513	5,427,000
Accumulated losses	(7,416,214)	(5,547,483)	(7,149,802)	(6,377,000)
Total equity	55,422,683	57,291,414	55,689,295	56,462,000
Liabilities				
Non-current Liabilities				
Deferred income tax	224,051	1,354,778	1,257,772	(348,000)
Borrowings	56,808,366	49,951,147	43,609,351	43,117,000
Total non-current liabilities	57,032,417	51,305,925	44,867,123	42,769,000
Current Liabilities				
Bank borrowings	7,033,896	8,197,021	8,121,801	8,122,000
Intercompany payables	174,521	249,988	228,082	-
Total current liabilities	12,880,847	13,702,738	14,179,762	15,516,000
Total Equity and Liabilities	125,335,947	122,300,077	114,736,180	114,747,000
Net Assets	55,422,683	57,291,414	55,689,295	56,465,000

4 Projected performance



The above performance indicators will be driven by the following:

- Increased plant reliability as a result of annual maintenance in the period of 2018
- Increase in export has been projected to increase in FY19 and FY20
- Local sales growth is forecast to be driven by commercial and retail construction such as low cost housing projects, model villages, secondary cities masterplan etc.

Margin drivers

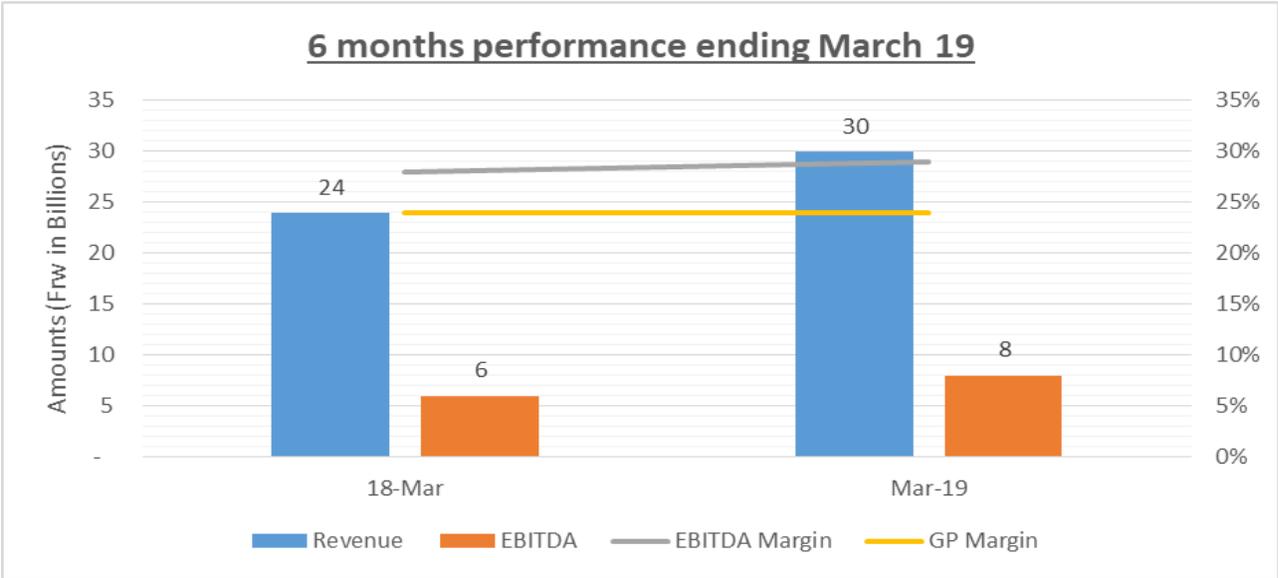
Revenue is forecast to grow at a CAGR of 6.2% between FY19 and FY25. Historically revenue grew at a CAGR of 19%. This growth is largely attributable to an increase in local sales for 32.5N which is expected to be driven by public investment in infrastructure projects.

Local sales growth is forecast to be driven by commercial and retail construction such as low cost housing projects, model villages, secondary cities masterplan etc.

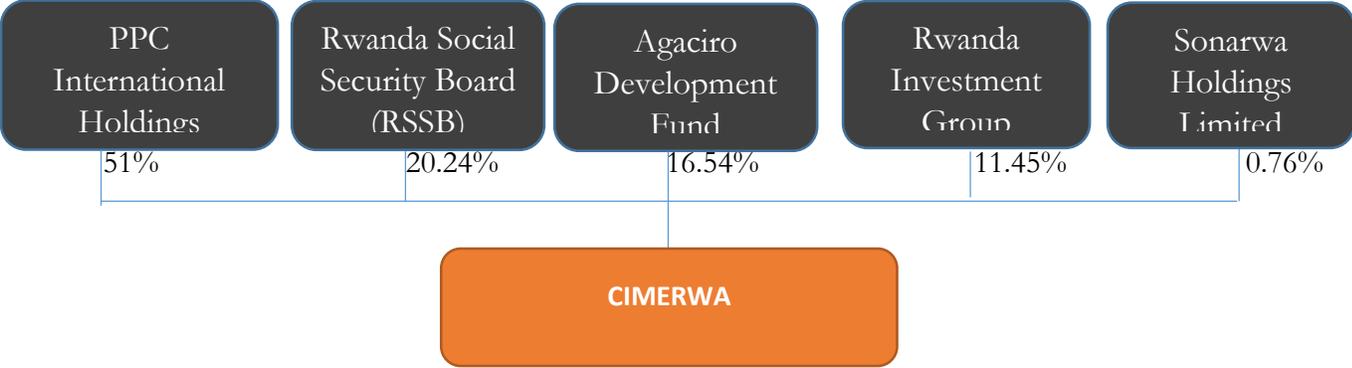
Administrative expenses (including sales and marketing) have been projected at 4.3% of revenue for the period FY19 – FY20 which is lower than the historical average of 10% between FY16 – FY18. Administrative expenses are expected to remain relatively stable over the projected period.

Below is the financial performance for the first six months of the year 2019:

1



Section 4: Shareholding structure



Section 5. THE OFFER

Introduction

Agaciro Development Fund (AGDF), is Rwanda's sovereign wealth fund initiated by Rwandans in 2011 and launched officially by H.E President Paul Kagame in 2012. The fund seeks to build public savings in order to achieve self-reliance, maintain stability in times of shocks to the national economy and accelerate Rwanda's development goals.

AgDF presently invests in term deposits, fixed income government securities and equities. The entity purposes to take on equity investments held by the Government of Rwanda thus enlarging the fund's current portfolio size and diversifying its investments.

AgDF has 16.54% shareholding in CIMERWA Limited which they intend to offer in its entirety.

Other shareholders namely RSSB, RIG and SONARWA Group have expressed their interest to sell their shares at the same price.

	Shareholders	% shareholding	Number of shares
Percentage share offered	AgDF	16.54%	5,817,543
	RSSB	20.24%	7,115,303
	RIG	11.45%	4,027,530
	SONARWA Group	0.76%	268,502
TOTAL		49%	17,228,878

Reasons for selling

We are offering our shareholding in CIMERWA Limited for the following reasons:

- Exit strategy for mature investments
- Raise resources for other investments
- Level the playing field for all players in the cement industry

Investor's benefits

- Be part of a cement market leader in the country.
- The company is projecting to be profitable this year and is expecting to declare dividends from 2021.

Section 6. Terms and Conditions of the offer

5.1 Availability of Information Memorandum

Eligible investors can obtain this Information Memorandum from Rwanda Development Board (RDB) offices and AgDF offices or they can download it from www.rdb.rw or from www.agaciro.rw

5.2 Shareholding on offer

The following are shares that are being offered:

	Shareholders	% shareholding	Number of shares
Percentage share offered	AgDF	16.54%	5,817,543
	RSSB	20.24%	7,115,303
	RIG	11.45%	4,027,530
	SONARWA Group	0.76%	268,502
TOTAL		49%	17,228,878

5.3 Eligible shareholders

The shares are available for individuals, companies and consortium

5.4 Payment and transfer of ownership

The Buyer shall pay to the Seller, by wire transfer of immediately available funds to the account specified by the Seller, an amount equal to the Purchase Price.

The Seller will deliver or transfer to the Buyer share certificates representing all of its Company Shares.

5.5 Status of the shares sale shares

The Offer Shares rank pari passu in all respects with the Issued Shares, including the right to participate in full in all dividends and/or other distributions declared in respect of such Share upon the distribution of the Offer Shares.

5.6 Minimum number of shares per application

The minimum number of Shares per application is 16.54% of the total shares. Applicants applying for more than the minimum number of Offer Shares may apply for such higher number in addition to the minimum number of shares **but no more than 49% of the total company shares.**

Section 7: Risk Factors

Risk management framework

Sustainable performance can only be achieved through disciplined risk management. It is part of our corporate culture that every employee at every level of the organization is accountable for risk management. This approach has enabled CIMERWA to overcome the challenges of a changing global, regional and domestic macroeconomic environment.

1. General risks

Macro & Economic Risk

The operational results, income and growth of assets by CIMERWA may depend to an extent on the stability of the Country's macro-economy. The company like all entities operating within Rwanda is exposed to macro-economic risks associated with the country. The company's management team has put in place a robust business strategy, systems and procedures to minimize its exposure to adverse economic condition however, this cannot provide an assurance that adverse economic conditions will not hamper the company's performance.

Political Risk

Potential political unrest is a risk to the operations of any business operating in Rwanda and in the region, including CIMERWA as it could adversely impact the economy and the demand for products and services. However, Rwanda has had a stable political system, supported by a prevailing democratic process in the country with the support from the international community which reduces the risk of significant political unrest. While the CIMERWA has systems, controls and procedures designed to mitigate political risk, there can be no assurance that any adverse political events will not have a negative impact on the company's business.

2. Risk relating to General Business

Operational Risk

Operational risk arises from inadequate or failed internal processes, people and systems or from external events. The company strives to ensure that its internal processes are handled professionally, to ensure operational run as smoothly as planned. It maintains a comprehensive operational risk management framework that is subjected to periodic independent reviews by Internal Control and Compliance in order to obtain an independent opinion on the effectiveness and efficiency of the framework. Further, the findings of the Internal Audit department are reviewed by the Board Audit Committee and recommendation made implemented in line with the findings of the department.

Technology Risk

The Company's operations rely heavily on the functionality of its information technology systems. It is therefore imperative that the systems perform optimally at all time. Any disruption to the functionality of the IT system, e.g. during a system upgrade or normal maintenance routine may lead to important business decisions being delayed or business opportunities forgone. Such a disruption may impact directly on the final performance of the company. CIMERWA makes every effort to ensure that its IT systems are always fully functional and will continue to invest in the latest technology to enhance reliability, efficiency and customer experience.

Litigation Risk

From time to time the company may be involved in litigation, receive claims from tax authorities or claim arising from the conduct of its business. The occurrence of potential proceedings, or other claims leading to a substantial legal liability could have a material adverse effect on the company's overall business, results, operations, reputation and financial conditions. CIMERWA acts within the applicable laws and thus whilst litigation may arise in the conduct of its business, it is carefully monitored to ensure there isn't any material impact on the business.

Compliance & Regulatory Risk

Compliance and regulatory risk include the risk of bearing the consequences of non-compliance with applicable laws in the various sectors within which CIMERWA operates. CIMERWA carries its business under the regulation and guidelines laid down by the relevant regulators. Each of those regulations subject the entities to certain requirements, restrictions and guidelines designed to create market transparency. While the each of the entities always ensures to be in compliance with all laid out rules and regulations one may inadvertently find itself in non-compliance and therefore risk losing its business license. CIMERWA however endeavors at all time to run its business according to the laid down guidelines and thus minimizing the risk of losing any of its licenses.

Competition Risk

Increasing competition may mean that the Company is unable to implement its growth strategy fully. A good number of competitors across the cement manufacturing industry, making the industry in Rwanda very competitive. Any erosion of the company's market share could result in negative performance. CIMERWA will always strive to be the top on the market by increasing its market share and this has been emphasized by the investment made last year to make sure the company reach its full production capacity.

Reputational Risk

Reputational risk is the potential that negative stakeholder impressions or perception whether true or not, regarding the company's business practices actions or inactions will or may cause a decline in its value, brand, liquidity or customer base.

It is a resultant effect of all other risks highlighted in this document and therefore cannot be managed in isolation. Therefore, when all the other risks are managed well, this risk is substantially minimized. CIMERWA's reputation is an invaluable business asset essential for optimizing shareholder value. The company's services and activities, ensure its good reputation is always maintained or enhanced. Nonetheless, every employee and representative of the company has a responsibility to contribute positively to our reputation. This is through ensuring ethical practices are always adhered to, interaction with all stakeholders are positive, and compliance with applicable policies, legislations and regulations.

Reputational risk is most effectively managed when every individual works continuously to protect and enhance CIMERWA's reputation.

Section 8: Reporting accountants' report and legal opinion

Price Waterhouse Coopers (PWC) as the reporting accountants have prepared and produce the annual report and financial statements for the year ended September 2018. PWC have not expressed an audit opinion in the report. Based on their review, PWC has confirmed that nothing has come to their attention that causes them to believe that the audited financial statements of CIMERWA Limited for 2018 do not give a true and fair view in accordance with the International Financial Reporting Standards.

Section 9: Authorized selling agent

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E-mail: cimerwa.cement@rdb.rw



Section 10: Appendices