



CRYSTAL TELECOM.

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21 December 2020

Chief Executive Officer
Rwanda Stock Exchange
Head Office
Kigali- Rwanda



Dear Sir,

RE: SUBMISSION OF CRYSTAL TELECOM LTD PUBLIC ANNOUNCEMENT PROPOSING REPURCHASE/BUYBACK BY THE COMPANY OF 100% OF ITS SHARES IN EXCHANGE FOR SHARES OWNED IN MTN RWANDACELL PLC (SHARE SWAP)

The management of Crystal Telecom Ltd hereby submits a copy of the public announcement proposing a transaction to repurchase/buyback by the company of 100% of its shares in exchange for shares owned in MTN Rwandacell plc (share swap) as per the requirements of publicly listed companies.

The communication also provides a statement of caution that the proposed transaction is subject to prior shareholder and the regulatory approvals.

By order of
The Board of Directors
Crystal Telecom Limited

David Karima
Company Secretary



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PUBLIC ANNOUNCEMENT

CRYSTAL TELECOM LTD

(the "Company" or "CTL")

COMPANY CODE: 103092048

NYARUGENGE PENSION PLAZA - KIGALI-RWANDA

PROPOSED REPURCHASE/BUYBACK BY THE COMPANY OF 100% OF ITS SHARES IN EXCHANGE FOR SHARES OWNED IN MTN RWANDACELL PLC (SHARE SWAP); AND (ii) PROPOSED DELISTING OF THE COMPANY FROM THE RWANDA STOCK EXCHANGE; AND (iii) PROPOSED DEREGISTRATION OF THE COMPANY FROM THE REGISTRY OF COMPANIES IN RWANDA (THE TRANSACTIONS) IN VIEW OF THE LISTING BY INTRODUCTION OF MTN RWANDACELL PLC ON THE RWANDA STOCK EXCHANGE

Pursuant to Regulation No 07 on Capital Markets (Public Offer and Issue of Securities) 2012 rules and Section 5 (b) (6.4) of the Rwanda Stock Exchange Rule Book, the Board of Directors of Crystal Telecom Ltd hereby announces to the public;

- 1 **The Proposed Repurchase/Buy-back by the company of 100% of its shares in exchange for shares owned in MTN Rwandacell PLC (Share Swap)**
 - 1.1 MTN Rwandacell PLC (MTN Rwanda), announced its intention to go public through a listing by introduction on the Rwanda Stock Exchange (RSE) in H1 2021, subject to applicable regulatory and governance approvals and conducive market conditions.
 - 1.2 MTN Rwanda is a public limited company licensed by the Rwanda Utilities Regulatory Authority and the National Bank of Rwanda to provide telecommunications and mobile money services in Rwanda.
 - 1.3 The Company holds 20% of the shares in MTN Rwanda as a Special Purpose Vehicle Company (SPV), and has no other activities or assets, other than cash for working capital purposes. The Company was registered as an SPV to provide an avenue for the CTL shareholders to indirectly own shares in MTN Rwanda.
 - 1.4 Should the MTN Rwanda listing on the RSE proceed, it will provide the opportunity for CTL shareholders to own MTN Rwanda shares directly and will be able to trade their MTN Rwanda shares from the date of conclusion of the share swap.
 - 1.5 By owning shares directly in MTN Rwanda, the Board believes that CTL shareholders will be able to benefit from potentially improved valuation due to the removal of the holding company structure and the associated costs.
 - 1.6 The Board of CTL therefore recommends the Shareholders of CTL to become direct shareholders in MTN Rwanda, subject to the MTN Rwanda listing proceeding, through a transaction where the Company shall repurchase all its shares from its Shareholders in exchange for MTN Rwanda shares as consideration (share swap).

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- 1.7 The share swap is proposed to be done on a 1:1 ratio basis, with each Shareholder receiving 1 MTN Rwanda share for every share repurchased by the Company.
 - 1.8 The share swap and the approval thereof, shall be conditional upon the successful listing of MTN Rwanda on the RSE.
 - 1.9 Immediately ahead of the share swap, the Company shall also pay a dividend of any net cash held by the company, net cash being the cash balance minus any outstanding or budgeted costs for completion of the deregistration of the Company.
 - 1.10 The Board engaged Faida Securities Rwanda Ltd, an independent financial advisor who has issued a Fairness Opinion to the effect that the swap and direct ownership of shares in MTN Rwanda as proposed by the Board would be fair and reasonable for the CTL Shareholders.
 - 1.11 The share swap is subject to the approval of 75% of the CTL shareholders in the Extraordinary General Shareholders Meeting (EGM) to be held on a date in accordance with the Mermarts on the provisions related to notice period or any such waiver granted by CMA.
 - 1.12 The trading in the shares of CTL shall be suspended in order to enable the swap to be effected in the Central Securities Depository upon listing of MTN Rwanda.
 - 1.13 This Transaction is furthermore subject to conditions that are customary to transactions of this nature including all regulatory approvals from the Capital Markets Authority in Rwanda.
- 2 Proposed Delisting of the Company from the Rwanda Stock Exchange**
- 2.1 Upon conclusion of the share swap, the Company shall not meet the requirements for a listed company, specifically relating to minimum number of Shareholders required for a company to retain listed status. The purpose of the Company as an SPV which is to hold shares in MTN Rwanda on behalf of the public shall be extinguished upon the successful listing of MTN Rwanda as the public will be able to own shares directly in MTN Rwanda. The Board therefore recommends that the Company be delisted from the RSE immediately after completion of the share swap process. This recommendation shall be subject to the approval of 75% of CTL Shareholders in the EGM to be held on a date in accordance with the Mermarts on the provisions related to notice period or any such waiver granted by CMA
 - 2.2 The delisting shall thus be conditional upon the successful listing of MTN Rwanda on the RSE and the successful completion of the swap of CTL shares for MTN Rwanda shares.
 - 2.3 This Transaction is furthermore subject to conditions that are customary to transactions of this nature including all regulatory approvals from the Capital Markets Authority in Rwanda and the RSE.

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- 3 **Proposed deregistration of the Company from the Registry of Companies in Rwanda and closure of the Company**
- 3.1 Upon completion of the delisting of the Company from the RSE, the Board has recommended for approval by the Shareholders for the Company to be deregistered from the Registry of Companies in Rwanda.
- 3.2 The purpose of the Company as an SPV which is to hold shares in MTN Rwanda on behalf of the public shall be extinguished upon the listing of MTN Rwanda as the public will be able to own shares directly in MTN Rwanda, and therefore it is in the best interest of the Company and its Shareholders for the Company to be deregistered and closed.
- 3.3 This recommendation shall be subject to the approval of 75% of the CTL Shareholders in the EGM to be held on a date in accordance with the Mermarts on the provisions related to notice period or any such waiver granted by CMA.
- 3.4 This Transaction is furthermore subject to conditions that are customary to transactions of this nature including all regulatory approvals from the Capital Markets Authority in Rwanda, the Office of the Registrar General and the Rwanda Revenue Authority.

Until further announcements regarding the Transactions are made, the shareholders of CTL and other investors are advised to exercise caution when dealing in CTL ordinary shares on the Rwanda Stock Exchange.

For Crystal Telecom Ltd

By order of the Board



David Karima

Board Secretary



DISCLAIMER: This announcement is for information purposes only. The transactions shall be subject to the approval of the Capital Markets Authority.