



## Request for Expressions of Interest (“RFEOI”) for the dilution and recapitalisation of Chemplex Corporation Limited.

The Industrial Development Corporation of Zimbabwe Limited (“IDCZ”) has mandated Ernst & Young Advisory Services (Private) Limited (“EY”) to facilitate the recapitalisation of Chemplex Corporation Limited (“Chemplex”) in order to capacitate the fertilizer value chain. This is to be achieved through the dilution of IDCZ’s 100% shareholding in Chemplex and where appropriate, the dilution and/or disposal of its non-fertilizer businesses by identifying a potential strategic equity partner(s) for Chemplex.

Chemplex comprises of four subsidiaries namely: Zimbabwe Phosphates Industries Limited (“ZimPhos”) owned 100%, G&W Industrial Minerals (Private) Limited (“G&W”) owned 100%, ZFC Limited (ZFC) owned 50% Allied Insurance Company (Private) Limited (“Allied”) owned 64% plus two operating divisions namely Chemplex Marketing and Chemplex Animal & Public Health (CAPH).

ZimPhos in turn has two wholly owned subsidiaries: GD Haulage (Private) Limited (“GD”) and Dorowa Minerals Limited (“DML”). Chemplex also has one associate company Sable Chemical Industries (Private) Limited (“Sable”) owned 36%

- ZimPhos is the only producer of phosphatic fertilizer raw materials in Zimbabwe. The company also produces aluminium sulphate for municipal drinking water purification, sulphuric acid and other industrial chemicals.
- Chemplex Marketing trades in a wide range of locally produced and imported chemicals for the mining, water treatment and industrial sectors.
- CAPH manufactures cattle dips and other formulated veterinary products, grain protectants and other public health products.
- DML mines phosphate rock and magnetite. The phosphate rock concentrate produced is transported to ZimPhos by GD and by rail for processing into fertiliser whilst the magnetite is sold for coal washing locally and in the region.
- ZFC manufactures NPK compound fertilisers using phosphates from ZimPhos and other materials.

- Sable manufactures and imports ammonia for conversion to ammonium nitrate fertiliser.
- Allied is a short term insurance company.
- G&W mines and processes agricultural lime and other industrial minerals.

Accordingly, IDCZ is inviting herein potential Strategic Equity Partner(s) to invest in Chemplex’s fertilizer value chain and /or in any one or more of the Company’s non-fertilizer businesses. In order to be shortlisted the potential investor must provide the following:

1. Company profile that includes (this must be provided for each entity that is part of a consortium):
  - a. Ownership structure.
  - b. Names of Directors.
  - c. List of existing interests or operations in related sectors, if any.
  - d. Latest audited financial statements
  - e. Markets that the company operates in.
  - f. Proof or demonstration of capacity to provide financial backing for the potential transaction.
2. Indication of which entity/entities will be the subject of interest.
3. If interest is in the fertiliser chain businesses (ZimPhos, Sable, ZFC, Dorowa) please highlight current interests or existing operations in the fertilizer industry.
4. Indicate the extent of the interest or potential stake/shareholding desired in Chemplex or its subsidiaries.
5. Indicate the period of due diligence that may be required.
6. Briefly outline strategic intent for the business and:-
  - a. Highlight plans for technology transfer if any.
  - b. Highlight any access to wider markets for Chemplex products if any.
7. Indicate capacity and willingness to inject additional capital into the business.

“Expressions of interest” to be hand delivered or emailed to the address below by **20<sup>th</sup> of September 2018** at 1600 local Zimbabwe time (GMT + 2 hours) and mention **“Potential Strategic Equity Investor for Chemplex Corporation”**

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