
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in CFI Holdings Limited (“CFI” or “the Company” or “the Group”), but is a document issued, in compliance with the Zimbabwe Stock Exchange (“ZSE”) Listing Requirements, to inform CFI Shareholders of proposed transactions whose bases, rationale and terms and conditions are more fully set out in this Circular.

Action required:

- Shareholders are invited to attend the Extraordinary General Meeting (EGM) convened by the EGM Notice contained herein;
- Shareholders who are unable to attend the EGM, but wish to be represented thereat should complete and sign the Proxy Form included in Appendix IV of this Circular and return to the Company Secretary by 1000 hours on 27 May 2020;
- Shareholders may attend the EGM in person, notwithstanding the completion and return of the Proxy Form;
- If you are in any doubt as to the action you should take, please consult your stockbroker, banker, accountant or other professional advisor immediately; and
- If you no longer hold any shares in CFI, you should send this Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in CFI was executed for onward delivery to the purchaser or transferee of your shares.



(A public company incorporated in the Republic of Zimbabwe on 6 May 1996 under company registration number 3403/96)

CIRCULAR TO SHAREHOLDERS

REGARDING REVISITING LEGAL MATTERS ARISING FROM THE PROPOSED DISPOSAL OF 81% OF LANGFORD ESTATES 1962 (PRIVATE) LIMITED (AN INVESTMENT PROPERTY COMPANY); and incorporating:-

a Notice to convene an EGM of the Members of CFI, to be held at the Farm & City Complex - 1st Floor, 1 Wynne Street, Harare on 29 May 2020 at 1000 hours, which notice was published on 8 May 2020 in accordance with the requisite provisions of the ZSE Listing Requirements and the Companies and Other Business Entities Act [Chapter 24:31], as set out at the end of this document. Shareholders are asked to complete and return the attached Form of Proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1000 hours on Wednesday, 27 May 2020.

VOTING PROCEDURE AND QUORUM FOR THE EXTRA GENERAL MEETING (EGM)

In terms section 42 of the Articles of Association of CFI Holdings Limited, the Chairman of CFI Holdings Limited has elected to call for a poll regarding the voting for each resolution to be voted for at the Extraordinary General Meeting to be held on Friday, 29 May 2020. On a poll, every CFI Holdings Limited shareholder present in person or represented by proxy and entitled to one vote at the EGM, will be entitled to one vote per CFI Holdings Limited share held by such CFI Holdings Shareholder.

The quorum for the Extraordinary General Meeting is at least three persons present in person or represented by proxy and entitled to vote on the resolutions proposed to be passed at the EGM by CFI Holdings Limited Shareholders.

Independent Property Valuers



Independent Auditors and Reporting Accountants



Financial Advisors



Legal Advisors



Sponsoring Brokers



Transfer Secretaries



All of the Directors of CFI, whose names are given in paragraph 1 on page 13 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in this Circular statement false or misleading and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

The Directors confirm that the information in the Circular, includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the state of affairs and prospects of CFI. Each of the Company's advisors in connection with the proposed transaction has consented in writing to act in the capacity stated and to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue: 8 May 2020

This Circular is only available in English. Additional copies of this Circular are available from the Company Secretary at the Registered Office of the Company.

Corporate information

Directors:

Ms. I.V. Pasi
Mr. S.N. Chibanguza
Mr. C. Mutevhe
Mr. S.D. Zinyemba
Mr. A. Denenga
Mr. A.S. Hamilton
Mr. R.L. Hamilton
Mrs. P Muzani

Acting Chairperson
Acting Group Chief Executive Officer
Acting Group Financial Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Company Secretary & Registered Office

P. Hare
CFI Holdings Limited
1 Wynne Street
Harare, Zimbabwe

Financial Advisors

Fincant Advisory Partners (Private) Limited
10 Londonderry Avenue, Eastlea
Harare, Zimbabwe

Independent Property Valuers

Quadstar Real Estate
6th Floor, Silinduka House
22 George Silunduka Avenue/First Street Harare, Zimbabwe

Legal Advisors

Nyawo Ruzive Legal Practice
No. 38 Northampton Crescent
Eastlea, Harare, Zimbabwe

Reporting Accountants and Auditors

Baker Tilly Zimbabwe
8 Fletcher Road
Mt. Pleasant
Harare, Zimbabwe

Sponsoring Brokers

EFE Securities (Private) Limited
26 Cork Road, Belgravia
Harare, Zimbabwe

Transfer Secretaries

First Transfer Secretaries
No. 1 Armagh Avenue
off Enterprise Road, Eastlea
Harare, Zimbabwe

Table of contents

SECTION	Page
Corporate information	1
Definitions	2-3
Important dates	4
Salient information	5
Part 1: Chairman's Letter to Shareholders	6
1. Background	7
2. The proposed Transaction	7
3. Rationale for the proposed Resolutions	7
4. Conditions precedent	7
5. Regulatory issues	7
6. Summary information on CFI	7
7. Effects of the Transactions	8
8. Effects of the reversal of the transaction	8
11. Implications of not implementing the Transaction	8
13. Working capital adequacy statement	9
14. Experts' consents	9
15. Documents available for inspection	10
15. Directors' recommendations	10
16. Directors responsibility statement	10
Part II: Appendices	
Appendix I: Information on CFI	11-15
Appendix II (a): Accountants Report on the historical financial information for CFI	16-21
Appendix II (b): Accountants Report on the historical unaudited pro forma financial position of CFI	22
Appendix III: Letter from Messina Investments Ltd dated 17 January 2020	23-27
Appendix IV: Notice of CFI Extraordinary General Meeting	28-29
Notes to the form of proxy	30-31
Appendix V: Previous Circular to Shareholders Issued in 2015	

Definitions

In this Circular the following definitions apply, unless otherwise stated or the context indicates otherwise, the words in the first column have the meanings stated opposite them in the second column. Words in the singular shall include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa, and all monetary values unless expressly stated otherwise are in United States dollars and cents.

'Articles'	The Articles of Association of CFI.
'Baker Tilly'	Baker Tilly Zimbabwe, Independent Auditors and Reporting Accountants to CFI
'Board' or 'Directors'	The Board of Directors of CFI Holdings Limited.
'CFI' or 'the Company' or 'the Group'	CFI Holdings Limited, a public company incorporated in Zimbabwe whose ordinary shares are listed on the ZSE.
'Circular'	This Circular to CFI Shareholders which sets out the details of the proposed disposal of Langford Estates plus all notices, letters and appendices relating to the Transaction.
'Companies and Other Business Entities Act'	The Companies and Other Business Entities Act [Chapter 24:31].
'EFE" or 'Sponsoring Brokers'	EFE Securities, the sponsoring brokers of the proposed Transactions.
'EGM'	The Extraordinary General Meeting of CFI Shareholders to be held in CFI Retail Boardroom, at the Farm & City Complex - 1st Floor, 1 Wynne Street, Harare on Friday, 29 May 2020 at 1000 hours, for purposes of considering the proposed disposal of Langford Estates.
'Exchange Control Regulations'	The Exchange Control Regulations prevailing in Zimbabwe.
'Fincent'	Fincent Advisory Partners (Private) Limited, the Financial Advisors to CFI on the proposed Transaction
'Fidelity'	Fidelity Life Assurance Company of Zimbabwe Limited, a Zimbabwean company listed on the Zimbabwe Stock Exchange.
'Form of Proxy'	The form accompanying this Circular, which provides for CFI Shareholders to appoint a proxy to attend the EGM and vote on their behalf on the Resolutions proposed.
'FTS'	First Transfer Secretaries (Private) Limited, transfer secretaries to CFI.
'Government'	The Government of the Republic of Zimbabwe.
'Langford Estates'	Langford Estates 1962 (Private) Limited, a wholly-owned property investment subsidiary of CFI that owns 834 hectares of undeveloped urban land located in Harare South.
'NAV'	Net Asset Value.
'Messina'	Messina Investments Limited, a UK based company, which is a shareholder in CFI and a member requisitioning the EGM.
'Non-resident Shareholder'	Shareholders with non-resident status in terms of Exchange Control Regulations of Zimbabwe.
'Nyawo Ruzive' or Legal Advisors	Nyawo Ruzive Legal Practice, the legal advisors to CFI on the proposed Transaction.
'Shareholders' or 'Members'	Holder of CFI ordinary shares.

'Transaction'	The approval of the Resolutions proposed by Messina as set out in this circular. The approval will result in the setting aside of the defective Resolutions tabled at the EGM on the 16th of October 2015.
'ZWL\$'	The Zimbabwe Dollar, the approved legal tender in Zimbabwe.
'US\$'	The United States dollar, which was allowable trading currency up to June 2019 under the multi-currency trading system in Zimbabwe.
'ZSE'	The Zimbabwe Stock Exchange where CFI's shares are listed and traded.

Important dates

Extraordinary General Meeting

A member in CFI Holdings Limited, Messina Investments Limited, ('the Requesting Shareholder') holding 19,820,814 ordinary shares of the issued share capital of the Company, comprising 18.56% of the entire share capital of the Company, has requisitioned the Company's Directors to convene an Extraordinary General EGM' of the members of the Company in terms of Section 168 (1) of the Companies and Other Business Entities Act [Chapter 24:31], and the Company acting on this requisition have convened an EGM of the Company.

The EGM of the Company will be held in the CFI Retail Boardroom, at the Farm & City Complex - 1st Floor, 1 Wynne Street, Harare at 1000 hours on Friday, 29 May 2020. The meeting has been convened by the EGM Notice dated 8 May 2020 to table specific Resolutions as set out in Appendix V of this circular.

Transactions' timetable

Event	Date
CFI Abridged Circular published and EGM Notice published	Friday, 8 May, 2020
CFI Circular distributed to shareholders	Friday, 15 May, 2020
Last day of lodging Forms of Proxy for the EGM (at 1000 hours)	Wednesday, 27 May, 2020
CFI EGM (at 1000 hours)	Friday, 29 May, 2020
Publication of EGM Resolution results	Wednesday, 3 June, 2020

Note: The dates stated above are subject to change at the discretion of the Directors and any such change will be communicated through the Zimbabwean press.

Salient information

This summary presents the salient information in relation to the meeting, the detailed terms and conditions of which are more fully set out in this CFI Circular. Accordingly, this Circular should be read in its entirety for a full appreciation of the rationale for, and the implications of the Resolutions, as well as with regard to determining the actions required from Shareholders.

The proposed Transaction

On 17 January 2020, Messina Investments Ltd requisitioned CFI to hold an EGM for the setting aside of the defective Resolutions tabled on the 16th of October 2015 for the reasons set out in their letter which is provided as Appendix III to this circular. Subject to Shareholder approval, the Board is proposing that the Resolutions tabled on the 16th of October 2015 be set aside and for the sale of 81% of Langford Estates to be reversed for reasons set out in this circular.

Effects of the proposed Transaction

The share capital of the Company will remain unchanged as shown below

Ordinary share capital	Before and after the Transaction		
	Issued	Authorised	Unissued
CFI@ZWL 1 cent nominal value each	106,820,875	200,000,000	93,179,125

CFI NAVs per share before and after the Transaction

NAV CFI Holdings Limited	Before Transaction	Proforma after Transaction
NAV as at 30 Sept. 2019 ZWL\$	145,741,496	1,779,381,562
Issued ordinary shares	106,820,875	106,820,875
CFI NAV per share ZWL\$	1.36	16.66

The rationale, sequencing, financial effects and other consequences of the Transaction are fully explained in this Circular.



(Incorporated in Zimbabwe on 6 May 1996 under company registration number 3403/96)

Directors: Ms. I. V. Pasi (Acting Chairperson), Mr. S.N. Chibanguza (Acting GCEO)*,
Mr. C. Mutevhe (Acting Group Financial Director)*, Mr. S. D. Zinyemba, Mr. A. Denenga,
Mr. A.S. Hamilton, Mr. R. L Hamilton, Mrs. P. Muzani

*Executive

Address: 1 Wynne Street, P.O. Box 510, Harare, Zimbabwe

Dear Shareholders,

1. **Background**

This Circular was prepared following the requisitioning for an EGM by Messina Investments Limited, in accordance with section 168 (1) of the Companies and Other Business Entities Act [Chapter 24:31]; which entitles a shareholder with 5% or more to a right to a call for an EGM of the shareholders of a company to discuss and make Resolutions on any matter arising. Messina is, and has been a shareholder of the Company for the past 8 years, with a holding that has varied between 14% to 26% throughout this period. The history of the transaction is as follows:

Sometime in September 2015, the Company signed a Sale of Shares Agreement with Fidelity Life Assurance Company of Zimbabwe Limited ('Fidelity') and a Debt Assumption and Compromise Agreement involving Fidelity, CFI and CFI's lenders, which agreements were meant to culminate in the Groups' disposal of 81% of CFI's equity in Langford Estates, an investment company whose sole asset is a piece of undeveloped urban land measuring 834 hectares in extent, for a total consideration of US\$18 million. The details of the transaction were as provided in a Circular issued out to the shareholders on 23 September 2015, notifying the shareholders of an EGM subsequently held on 16 October 2015. A copy of the Circular issued on 23 September 2015 is available upon request for review both in electronic and hard copy format from the Company Secretary's office [email address for purposes of direct requests for same: panganayi@cfi.co.zw]. At the EGM held on 16 October 2015, Ordinary Resolutions were passed approving the transaction.

However, sometime thereafter, Messina wrote to the Company requesting that an EGM be called to reconsider the transaction on the basis that the initial EGM, held on 16 October 2015, had material anomalies affecting the validity of the approval granted. The Company neglected and/or refused to oblige the request. On 21 September 2017, Willoughbys Investments (Pvt) Ltd, another shareholder of CFI wrote to the Company requesting that an EGM be called to reconsider the transaction and advising that in the event the Company failed or neglected to call for the EGM, it would proceed to convene the EGM itself. Notwithstanding the request, the Company failed and/or neglected to call for the EGM and as a result, Willoughbys Investments (Pvt) Ltd proceeded to call for an EGM that was subsequently held on 16 November 2017. At the EGM, the transaction was tabled to the shareholders for reconsideration and approval by way of a Special Resolution. The Special Resolution subsequently failed to pass.

Consequently, on 22 May 2018, the Company lodged a claim against Fidelity before the Arbitration Tribunal for an award declaring the Sale of Shares Agreement for 81% of the shares in Langford Estates null and void on the basis that certain conditions precedent to the agreement were not met. The matter remains ongoing before the courts and is yet to be allocated a date for hearing for continuation of the same.

Further to the arbitral proceedings, on 5 July 2018, the Company and its subsidiaries, Langford Estates and Crest Poultry Group, also issued Summons in the High Court under Case No. 4056/18 against Fidelity and the Banks for an order declaring the Debt Assumption and Compromise Agreement null and void, with the effect of setting aside the deed of suretyship and guarantee and the revival of the Surety Participation Mortgage Bond Number 1291/2014 in favour of the banks. In response to the Summons, Fidelity and the banks filed separate exceptions and special pleas. The preliminary points raised in the Joint Exception and Special Plea filed by the banks were argued before Justice Phiri in November 2018. Judgment was then handed down in November 2019, dismissing the preliminary points raised by the Company. The matter awaits a set down for a hearing on the merits of the special pleas and exceptions.

Pending the litigation filed by the Company, Stalap Investments (Pvt) Ltd, Zimre Holdings Limited and 2 others instituted legal proceedings against Willoughbys Investments, the Company and the Acting Chair in the High Court under Case No. HC1164/17 for a declaratory order finding that the EGM held on 16 November 2017 was null and void for lack of compliance with the Companies Act and the ZSE Listing Requirements. Judgement in the matter was handed down on 7 November 2019 in favour of the Applicants setting aside the EGM of 15 November 2017 and declaring proceedings thereat a nullity. Willoughbys Investments has since lodged an appeal of the judgment in the Supreme Court under Case No. SC 635/19, which appeal is yet to be determined.

For clarification, it is reiterated that the legal matters, being the action filed by the Company against the banks and Fidelity under Case No. 4056/16, as well the arbitration proceedings between the Company and Fidelity are before the relevant tribunals and the Company has instructed its lawyers to attend to the hearings of the same accordingly. In regards to the Supreme Court appeal filed by Willoughby's under Case No. SC 635/19, the Company has not filed any papers in respect of the same as it is not a party to the bilateral issues between the shareholders involved in that matter. As part of the transaction, the Company obtained a Legal Opinion which is available for inspection regarding its chances of success on pending litigation before the courts relating to the previous transaction.

Notwithstanding the above legal matters, on 17 January 2020, Messina wrote to the Company requisitioning an EGM seeking shareholder approval for the setting aside of the Resolutions of 16 October 2015 and the ratification of the Board's legal actions to reverse the disposal of the 81% equity stake in Langford.

The Company has been occasioned with several legal opinions regarding the legality of the disposal of the 81% equity stake in Langford Estates, which opinions have highlighted the following legal issues:

- The transaction to dispose of Langford Estates was a related party transaction as Stalap Investments (Pvt) Ltd, an investment vehicle of Zimre Holdings Limited and National Social Security Authority, who together, exercised more than 10% of the votes, also had/have substantial control of Fidelity. In light of the true nature of the transaction, the same ought to have complied with the obligations set in section 10 of the then operational ZSE listing requirement, including but not limited to disclosure of the related party nature to the shareholders and the recusal of the conflicted shareholders from the vote to approve the said transaction.
- Furthermore, it was not disclosed that one of the Stalap Investments (Pvt) Ltd/Zimre Holdings Limited nominated Directors, Mr. Nyika, sat on the Board of Directors of Zimre, CFI and Fidelity.
- Though the judgment under Case No. HC 1164/17 set aside the proceedings of the EGM held on 15 November 2017, this judgment is pending appeal in the Supreme Court. Furthermore, given that the disposal of Langford Estates was not in the ordinary course of the Company's business, and in light of the substantial consideration of the transaction, the Resolution for the disposal tabled at the meeting on 16 October 2015, ought to have been tabled to the shareholders by way of a Special Resolution and not as an Ordinary Resolution. The resolutions passed at the meeting held on 16 October 2015 are therefore null and void with no effect.
- The Resolutions passed on 16 October 2015 did not in actuality, ratify the sale of shares agreement as the Resolutions specifically made reference to the disposal of 81% of Langford for a total consideration of US\$18 million and no other sum. Whereas the sale of shares agreement stated the purchase price of the transaction at US\$16 487 913.

In light of the above, your Board is proposing that the members now consider the Resolutions as requested by Messina in order to resolve as necessary in accordance with the law and the Company's Articles of Association.

2. **The proposed Transaction**

The requisitioned EGM seeks to table to the shareholders Messina's proposed Resolutions aimed at highlighting and correcting certain procedural shortcomings that surrounded the proceedings of the EGM held on 15 November 2017, which authorized the Company to institute legal proceedings for the setting aside of the disposal of the 81% equity stake in Langford Estates 1962 P/L. This is being taken out of abundance of caution pending the determination of the Supreme Court appeal under Case No. 635/19. If the resolutions sought are approved by the shareholders, notwithstanding the Supreme Court's judgment under Case No. 635/19, this will result in the ratification of the Board's actions at arbitration and in the High Court to reverse the sale of 81% of Langford Estates, subject to ongoing litigation between CFI and Fidelity in the relevant tribunals.

3. **Rationale for the proposed Resolutions**

The given rationale for the proposed Resolutions as more fully set out in this circular, is to set aside the defective Resolutions tabled at the EGM of 16 October 2015, thus effectively returning the 81% shares in Langford Estates 1962 P/L to CFI Holdings Limited and for CFI Holdings to assume its related debts.

4. **Conditions precedent**

There are no conditions precedent affecting the proposed Transaction.

5. **Regulatory issues**

The Listings Committee of the ZSE approved the publication of this Circular. A copy of this letter is available for inspection at the registered office of the Company.

6. **Summary information on CFI**

An overview of the business operations of CFI, together with statutory information required in terms of the Companies Act, is set out in Appendix I to this Circular

7. Effects of the Transactions

7.1 Effects on share capital

Set out below is an analysis of the authorized share capital of CFI before and after the Transaction.

Share capital structure before and after the Transactions

Ordinary share capital	Before and after the Transaction		
	Issued	Authorised	Unissued
CFI @1ZWL cent nominal value each	106,820,875	200,000,000	93,179,125

7.2 Effects on shareholding structure

7.2.1 CFI shareholding structure

As at 5 May 2020, being the last practicable date prior to the publication of this Circular, CFI had 106,820,875 (one hundred and six million, eight hundred twenty thousand, eight hundred and seventy five) issued ordinary shares and its top 20 Shareholders were as follows:

	Account Name	Shares	% of Total
1	STALAP INVESTMENTS (PVT) LTD * (see note below)	43,415,577	40.64
2	MESSINA INVESTMENTS LIMITED	19,820,814	18.56
3	E.F.E. SECURITIES NOMINEES (PVT) LTD-NNR	7,591,305	7.11
4	WILLOUGHBY'S INVESTMENTS P/L	6,686,710	6.26
5	E.F.E SECURITIES NOMINEES (PVT) LTD	4,742,893	4.44
6	WILLOUGHBY'S CONSOLIDATED PLC.	4,167,649	3.90
7	DUNNET INVESTMENTS (PRIVATE) LIMITED	2,000,517	1.87
8	HAMILTON AND HAMILTON TRUSTEES	1,633,649	1.53
9	CATESBURY TRADING (PVT) LTD	1,450,113	1.36
10	MATASVA ENITA	1,420,734	1.33
11	DATVEST NOMINEES (PVT) LTD	1,157,238	1.08
12	HAMILTON BRITANNIA	1,145,592	1.07
13	BALOYI KOMISANI	713,546	0.67
14	REINSURANCE BROKERS INTERNATIONAL P/L	610,750	0.57
15	AVIAGEN LIMITED	446,819	0.42
16	DIEFTRACK MARKETING (PVT) LTD	358,106	0.34
17	RAMSWAY (PVT) LTD	351,081	0.33
18	MALABA TSHALAHIKA	213,665	0.20
19	MEALCRAFT CATERING (PVT) LTD	109,910	0.10
20	BAYLEY, THOMAS CHARLES	102,532	0.10
	Total	98,139,200	91.87
	Other Shareholders	8,681,675	8.13
	Total number of shares	106,820,875	100.00

Note: * - 1,848,644 shares ascribed to Mr. R.L. Hamilton and purchased from Nicoz Diamond Limited have not been reflected in the shareholding pending resolution of an ongoing legal dispute.

7.3. Financial impact

The effects of the Transaction on the NAV and financial position of the Group are set out below:

7.3.1. Effects on NAV

The effects of the transaction as at the date the transaction was first tabled to the shareholders is as provided for in the Circular published on 23 September 2015. However, the position has since changed as set out below:

NAV CFI Holdings Limited	Before Transaction	Proforma after Transaction
NAV as at 30 Sept. 2019 ZWL\$	145,741,496	1,779,381,562
Issued ordinary shares	106,820,875	106,820,875
CFI NAV per share ZWL\$	1.36	16.66

7.3.2. Effects on financial position

The pro-forma financial position of CFI is set out in the Accountant's Report in Appendix II (b) to this Circular together with the abridged historical financial information of CFI.

8. Effects of the reversal of the transaction

	ZWL\$
Costs arising from reversal	
Debt assumed by Fidelity returns to CFI	(16,000,000)
Assumed interest accrual on debt returned up in-duplum	(16,000,000)
Agreed creditor balances between CFI and Fidelity returns to CFI	(1,187,004)
Gains arising from reversal	
Revaluation gain on the value of the property upon return	1,754,988,600
Costs arising from reversal (deferred tax at 5% of revaluation gain)	(87,749,430)
Net gain for shareholders	1,634,052,166

9. Costs of the Transaction

The expenses of the Transaction amount to approximately ZWL\$650,000 and these relate to various expenses including advisory, professional and regulatory fees as well as advertising, printing and postage charges.

10. Future prospects of CFI

10.1. Group Prospects

Since the appointment of the new Board in 2017, the Group has implemented measures that saw the retirement of the residual local and foreign debt. The Board successfully reduced the debt in 2018 and 2019 to less than ZWL\$2 million. Towards the end of FY2019, it however became necessary to finance the exit of the Group's Special Business Units placed under judicial management in 2016 through structured 2 year loans, and the Group has adequate capacity to service the borrowings. Crest Poultry Group (Private) Limited has now exited judicial management whilst the Group aims to exit Victoria Foods from judicial management before the FY2020 year-end.

10.2. Property development prospects

Several initiatives, to unlock the Group's significant underlying value in its properties and landbanks, have since been implemented and have aided the Company's performance.

11. Implications of not implementing the Transaction

In the event that Shareholders do not approve the proposed Resolutions, the Group loses an opportunity to unlock the proper value in the land bank that should have accrued to the Group had the transaction been executed at fair value.

13. Working capital adequacy statement

The Directors are of the opinion that the financial resources available to the Company after the Transactions will be adequate to meet the working capital needs of the Company for the foreseeable future.

14. Legal Risks Associated with the transaction

The Company's legal advisors have advised that should the tabled resolutions be passed ratifying the Board and Management's actions to set aside the disposal of 81% share in Langford Estates and the debt assumption agreement, and should the same be made an order of the court, the Company will be exposed to claims from either or both Fidelity and the banks for restitution and/or damages, together with the accrued interest and any settlement costs arising. However, should the resolutions fail to pass, the Company, subject to the outcome of the Supreme Court appeal under Case No. 635/19, risks being unable to sustain the ongoing arbitration and action in the High Court under Case No. HC 1164/17 for lack of authority.

15. Experts' consents

Fincent, Quadstar Real Estate, Baker Tilly Zimbabwe, FTS, EFE and Nyawo Ruzive have given, and have not withdrawn, their consents to the issue of this Circular with the inclusion of their logos, names and reports in the forms and contexts in which they appear.

16. Documents available for inspection

The following documents, or certified copies thereof, will be made available for inspection at the registered offices of CFI, at 1 Wynne Street in Harare, during normal business hours, on week days until the date of the EGM.

- The EGM requisition letter from Messina Investments Ltd
- the Memorandum and Articles of Association for CFI;
- the audited financial statements of CFI as at 30 September 2019;
- the Langford Estates Sale of Shares Agreement;
- the Debt Assumption and Compromise Agreement;
- the Legal Opinion on CFI's chances of success on matters pending before the Courts relating to the previous transaction
- the original signed copy of this Circular to Shareholders;
- the ZSE approval letter for the Transaction;
- the independent professional property valuation of the Langford Estates land;
- the Accountant's Reports on the historical and pro forma financial information of CFI; and
- the experts' consents.

17. Directors' recommendations

The Directors of CFI have considered the Resolutions and are unanimously of the opinion that they are in the best interests of Shareholders. Accordingly, the Directors recommend that CFI's Shareholders vote in favour of the Resolutions setting aside the defective Resolutions tabled at the EGM of the 16th of October 2015. The Directors will collectively vote in favour of all the proposed Resolutions at the EGM in respect of their own shareholdings.

Yours faithfully,

For and on behalf of the Board of CFI

(Signed on original)

I.V. Pasi

Non-Executive Chair

18. Directors responsibility statement

The Directors of CFI, whose names are set out in section A1.2 of Appendix I of this Document, collectively and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which make any statement in this Circular false or misleading, that they have made all reasonable inquiries to ascertain such facts (where applicable), and that this Circular contains all information required by law.

Signed on 8 May 2020 by the Directors:

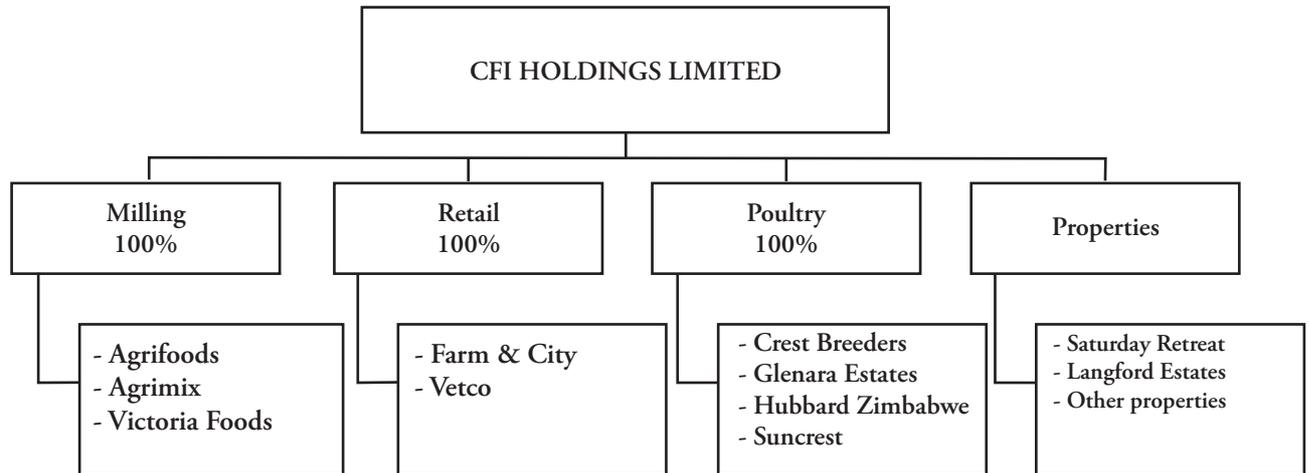
Director's name	Position	Signature
I.V. Pasi	Non-Executive Chair	(signed on original)
S.N. Chibanguza*	Acting Group Chief Executive Officer	(signed on original)
A. Denenga	Non-Executive Director	(signed on original)
A.S. Hamilton (R L Hamilton as alternate)	Non-Executive Director	(signed on original)
S.D. Zinyemba	Non-Executive Director	(signed on original)
P. Muzani*	Non-Executive Director	(signed on original)

Appendix I: Information on CFI

A1.1 Company background

CFI is a ZSE listed Zimbabwean conglomerate predominantly involved in milling, retail, poultry, property management and property development. The Group has its roots in the Farmers' Cooperative Society formed in 1908 with the principal objective of marketing maize. From being a Farmers' Cooperative, the Company has evolved to become an agro-based conglomerate with its principal activities falling under operational divisions shown in the organization chart below:

Current Group structure



A1.2 Operations overview

A1.2.1 Milling division

The milling division comprises the following entities:

Agrifoods

Agrifoods manufactures a wide range of stock feeds for cattle, poultry, pigs and other livestock. Agrifoods operates two plants, one in Harare and another in Bulawayo. Agrifoods has installed capacity to manufacture 20,000 tonnes of stock feeds per month.

Agrimix

Agrimix produces and supplies vitamin and mineral supplements for livestock feeds mainly to Agrifoods and third parties. Its popular product line includes pre-mixes which are sold to large scale livestock farmers who mix these premixes with cereals to produce final livestock feeds.

Victoria Foods

Victoria Foods operates maize and flour milling plants in Harare and Gweru which have capacity to mill 3,000 tonnes of maize and 8,000 tonnes of wheat every month. Victoria Foods also manufactures snacks and down packs fast moving consumer goods (FMCG) such as salt, rice and sugarbeans.

A1.2.2 Retail division

The mission is to retail agricultural inputs, building materials, general hardware and groceries to the nation. The retail division comprises of the following entities:

Farm & City

Farm & City Centre through its forerunner Farmer's Co-op, has been in existence since 1908. It is the largest agro inputs and hardware retail chain in the country. It currently operates 38 branches in urban and farming areas across Zimbabwe. The outlets principally operate out of real estate owned by CFI.

Vetco

Vetco, a department within the retail division, is the largest veterinary retail chain in the country. It has a well-equipped laboratory based at Crest Breeders Farm, where a wide range of testing, diagnostic and feed analysis services are offered. Vetco operates from within selected Farm & City branches nationwide.

A.1.2.3 Poultry division

The Poultry division comprises of the following subsidiaries:

Glenara Estates

Glenara Estates is a 1,600 hectare farm located 18 kilometers north of Harare, made up of arable and non-arable land. Glenara has 800 hectares of arable land on which maize, soya beans, wheat and horticultural produce is grown. It has a further 800 hectares of non-arable land which is used for broiler chicken production.

Hubbard Zimbabwe

Hubbard Zimbabwe has a franchise arrangement with Hubbard S.A.S. of France. The franchise agreement gives Hubbard Zimbabwe the exclusive rights to market Hubbard breeder stock in Mozambique, Zambia, Malawi, Botswana and Zimbabwe. It also have non-exclusive distribution rights in central Africa countries.

Crest Breeders International

Crest Breeders International runs a property development company overseeing Saturday Retreat and Lot A of the Rest in Harare South. In addition, it holds the Group's Langford Estates investment.

Suncrest Chickens

The Suncrest abattoir was put under care and maintenance in November 2013. The Group intends to relocate its abattoir to an appropriate location under a poultry value addition expansion project that will be implemented in the medium term.

A.1.2.4 Properties division

In addition to a number of immovable property holdings, the Group's properties division comprises of the following entities:

Lot A of the Rest

Crest Breeders is overseeing a property development project involving 2,000 undeveloped high density stands averaging 300 square metres in Harare's Glen View suburb.

Saturday Retreat

Saturday Retreat Estate is overseeing a property development project involving almost 9,000 stands. The Group having largely completed the land compensation recovery phase, will in the current year commence overseeing the infrastructure deployment phase of the project after engaging residents of the Estate.

Reston Developers (Private) Limited

The project is overseeing the servicing of 635 stands opposite Glen View 7. Considerable progress had been made to date, and plans to target full completion of same by end of the next financial year.

A1.2 DIRECTORS' PROFILES AND INTERESTS

A1.2.1 CFI Directors

Director	Age	Residential address	Position
Non-Executive:			
I.V. Pasi	34	37 Lawson Avenue, Milton Park, Harare	Acting Chairperson
S.D. Zinyemba	34	1 Harare Drive, Mount Pleasant, Harare	Non-Executive Director
A. Denenga	35	18 Bridgenorth Road, Greendale, Harare	Non-Executive Director
A.S. Hamilton	32	14 The Drive, Hove, East Sussex, United Kingdom	Non-Executive Director
R.L. Hamilton *	29	16 The Drive, Hove, East Sussex, United Kingdom	Non-Executive Director (* - Alternate to A.S. Hamilton)
Executives			
N.S. Chibanguza	36	215 Fife Avenue, Harare	Acting Group Chief Executive Officer
P. Muzani	28	15791 Budiriro 5 Extension, Harare	Executive Director

Directors' profiles:

Set out below are the brief profiles of the Directors of CFI:

Itai V. Pasi (34) Non-executive Acting Chair

Ms Itai Valerie Pasi is a registered legal practitioner and co-founding partner of Mushoriwa Pasi Corporate Attorneys, which Specializes in mining, investment and advisory services. She has over 8 years of private practice experience which includes experience in corporate and commercial law, property and employment law, civil litigation and general legal advisory. She is the holder of a Bachelor of Business Science in Management Studies (Honours) and a Bachelor of Laws degree, both of which she obtained from the University of Cape Town, South Africa. She was further conferred with a Master of Business Administration degree, with merit, from the University of Gloucestershire, UK, as well as an Immigration Practitioner Diploma: Laws, Policies and Procedures from the Canadian Society of Immigration Consultants, Canada. She is presently the Chairperson of the Zimbabwe Sables Rugby Trust.

Shingirai N. Chibanguza (36) - Acting Group Chief Executive Officer

Mr. Chibanguza is the current Acting Group Chief Executive Officer for CFI Holdings Limited previously having been the deputy Group Chief Executive Officer. Mr. Chibanguza is a businessman with over 15 years of experience in different fields including retail, hospitality, mining, manufacturing, farming, finance, logistics and properties, having worked for and founded several family businesses. Mr. Chibanguza sits on several boards and, has in the past sat on several Boards for listed companies including Rainbow Tourism Group Limited and Hwange Colliery Limited. He is a holder of a Master in Business Intelligence from Mt Carmel Institute of Business Intelligence (ZW).

Aaron Denenga (35) - Non-Executive Director

Aaron was born in Zimbabwe and attended Peterhouse in Marondera where he was the Head of School in 2003. He attended the University of Pretoria where he graduated with a Bachelors in Law and played professional rugby for the Golden Lions and Blue Bulls. He worked for the Regional office of the United Nations Office on Drugs and Crime as Assistant Regional Project Coordinator. He left the government sector and worked for Nisela Capital, a financial advisory firm based in Sandton, Pretoria with key work in Public Private Partnerships and Agricultural acquisitions. Aaron resigned from his post to take over the family farm in Beatrice, Zimbabwe where he has been awarded National Young Farmer of the Year for two consecutive years, 2017 - 2018, and is a spokesman for youth in farming. He is also a registered Financial Advisor in South Africa and a member of the Institute of Risk Management South Africa

Alexander S. Hamilton (32) - Non-executive Director (Alternate Richmond L. Hamilton (29))

A. S. Hamilton is a businessman and landlord with particular expertise in property management. He, along with his brother R. L. Hamilton who is his alternate, own and manage over 300 properties in Brighton and Hove, England. They are both part of a larger international family business empire worth over £500million net.

Primrose Muzani (28) - Executive Director

Mrs. Muzani has a long association with the organization with extensive experience of 9 years in the retail business. Mrs. Muzani is currently studying towards obtaining a Masters in Business Administration.

Shingirai D. Zinyemba (34) - Non-executive Director

Mr. Zinyemba is the co-founder of Bellevue Abattoir & Butcheries (Zimbabwe's leading meat processing, wholesale and retail firm), and currently serves as the Chief Executive Officer. He has previously worked for the Reserve Bank of Zimbabwe in Bank Licensing Supervision & Surveillance. His other directorships include BRM Enterprises (Pvt) Ltd, Best Results Construction (Pvt) Ltd, Zim Gardens Weddings (Pvt) Ltd, and Legend Safari Hotel (Pvt) Ltd. Mr. Zinyemba holds a Bachelor of Arts in International Business (NKU, USA), a Masters in Business Intelligence (CUT, ZW) and is currently pursuing a Doctorate in Business Administration.

A1.2.2 The Directors' interests

At the last practicable date, being 11 February 2020, the direct and indirect interests of the Directors of CFI and their immediate families were as follows:

Director	Direct shareholding	Indirect shareholding	Total
I.V. Pasi	-	-	-
S.N. Chibanguza	-	-	-
A. Denenga	-	-	-
R.L. Hamilton * (see note below)	19,197	45,816,804	45,836,001
P. Muzani	-	-	-
S.D. Zinyemba	-	-	-
Total	19,197	45,816,804	45,836,001

Note: * - 1,848,644 shares ascribed to Mr. R.L. Hamilton and purchased from Nicoz Diamond Limited have not been reflected in the shareholding pending resolution of an ongoing legal dispute.

A1.2.3 Other interests

Except as disclosed in this Circular, none of the Directors of CFI nor any member of their immediate families, nor any person acting in concert with the Directors of CFI, control or is interested, beneficially or otherwise, in any CFI shares or in any securities convertible to rights to subscribe for CFI shares.

A1.2.4 Corporate governance

The Company is committed to the principles of good corporate governance and best practice which endorse a culture of business ethics, openness, transparency, integrity and accountability in its dealings with all stakeholders. CFI's structures, operations, policies and procedures are continuously assessed and updated for compliance with the law and generally accepted standards of good corporate governance.

The Articles of Incorporation provide for the appointment of independent directors. The Board currently comprises of 1 (one) Executive Director and 5 (five) Non-Executive Directors, including the Chairperson. The Board is responsible for giving direction to the Company through setting the overall strategy, key policies and risk parameters. It is also responsible for approving strategic and operational budgets, significant acquisitions and disposals. The Board operates a rigorous risk management process that reviews all business risks and ensures that action plans or strategies have been put in place to manage identified risks. In line with principles of good corporate governance, the Company constituted three permanent Board Committees that meet regularly to execute their mandates. These include the:

- Audit Committee;
- Human Resources and Remuneration Committee; and
- Finance and Investments Committee.

Members of the Board Committees

Audit Committee	Finance and Investments Committee	Human Resources and Remuneration Committee
S.D. Zinyemba (Chair)	A. Denenga (Chair)	I.V. Pasi (Chair)
R.L Hamilton	S.D. Zinyemba	A. Denenga
A. Hamilton	R.L Hamilton	P. Muzani
P. Muzani	A. Hamilton	S. Chibanguza
S.N. Chibanguza	S.N. Chibanguza	C. Mutevhe
C. Mutevhe	C. Mutevhe	

A1.3 SENIOR MANAGEMENT PROFILES

The senior management team comprises of the following qualified professionals below:

Name	Age	Position	Qualifications
Shingirayi N Chibanguza	36	Acting Group Chief Executive Officer	Masters in Business Intelligence (Mount Carmel Institute)
Chesternoel Mutevhe	42	Acting Group Financial Director	CA (Z),(SA) BCompt (Acc) (UNISA), REIZ
Panganayi Hare	49	Group Company Secretary	LLBS (Hons) (UZ)
Muchanaka Zuwirai	47	Group Finance Manager	BCom (Acc), ACCA
Oswald Chikunda	59	Group Human Resources Manager	Bcom Human Resources Management
Taurai Shava	58	Group Property & Development Executive	CPM, DPM, PGDPMZ
George Chambara	47	Finance Manager - Maitlands	HND (Acc), CIS, Part ACCA
Edward Mandisodza	40	Group Internal Audit Manager	ACCA, Advanced Diploma in Accounting & Business
Eve Muguza	49	Group Information Technology Manager	Executive Diploma in Admin (UZ), IMIS (UK), Project Management
Wellington Chiremba	46	Managing Director - Agrifoods	BSc Agriculture (Hons) (UZ)
Tanaka Hofisi	46	Finance Director - Farm & City	CA (Z), BAcc (Hons)(UZ), BCompt (UNISA), ZCTA
Clear Matangi	44	Operations Manager - Glenara Estates	BSc Agriculture (UZ), Diploma in Agric (Gwebi), MBA
Irvine Munetsi	53	Finance Manager - Glenara Estates	CIS
Netsai Nyakabau	35	Manager - Hubbard Zimbabwe	BSc (Hons) Agriculture & Natural Resources Management
Chamunorwa Mhishi	44	Acting General Manager - Victoria Foods	CIS

A1.4 LITIGATION STATEMENT

Apart from the legal action taken to reverse the Langford Estates Sale of Shares Agreement, Debt Assumption and the Compromise Agreement, as at the date of this Circular, the Directors confirm that neither CFI, nor any of its associates or subsidiaries is involved in any other material litigation, dispute or arbitration proceedings which may, or which have had, during the 12 (twelve) months preceding the date of this Circular, a significant effect on the financial position of CFI, nor is CFI aware that any such material litigation, dispute or arbitration proceedings are pending or threatened except for a number of legal suits at different stages of litigation by various creditors to the Group claiming approximately ZWL\$5.1 million in total. Some cases are being defended while negotiations are ongoing for out of court settlements. The Directors are confident that amicable out of court settlements will be concluded with the creditors that are owed significant amounts. The said amicable out of court settlements are meant to safeguard the going concern status of the Group to allow it to recapitalize, trade and settle its obligations from operating cash flows.

A1.5 SIGNIFICANT CONTRACTS

Apart from the Joint Operations Agreement between Glenara Estates (Pvt) Ltd and Polaris Agriculture (Pvt) Ltd, the ZWL\$42.5 million Term Loan Facility Agreement between CFI and Ayestock Investments; the ZWL\$15 million Credit Facility Agreement between Consolidated Farming Investments (Pvt) Ltd t/a Farm and City and NMB Bank Limited, there are no significant contracts that have been entered into by CFI or its subsidiaries, not being contracts in the Ordinary course of business, during the 2 (two) years immediately preceding the date of this Circular.

A1.6 FINANCIAL INFORMATION ON CFI

The financial information of CFI for the 5 years 30 September 2015 - 2019 is set out in the Accountants Report in Appendix II (a).

A1.7 PRO FORMA FINANCIAL INFORMATION OF CFI

The pro forma statement of financial position has been prepared to illustrate how the Transactions might have affected the financial position of CFI had they been effected on 30 September 2019. The pro forma financial information is set out in Appendix II (b).



8 May 2020
The Directors
CFI Holdings Limited
1 Wynne Street
Harare

Dear Messrs,

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA HISTORICAL FINANCIAL INFORMATION INCLUDED IN CFI HOLDINGS LIMITED ("CFI" OR "THE GROUP") LANGFORD CIRCULAR FOR THE FIVE FINANCIAL PERIODS TO 30 SEPTEMBER 2019.

We have completed our assurance engagement to report on the compilation of pro forma historical financial information of CFI Holdings Limited ("CFI") by the Directors as set out in Appendix 11b of the Langford Circular dated 8 May 2020. The Directors are informing CFI Shareholders of proposed transactions whose bases, rationale and terms and conditions are more fully set out in this Circular. The pro-forma historical financial information has been prepared to illustrate the impact of the proposed transaction which consists of the Statements of Profit and Loss and other Comprehensive Income for the periods ended 30 September 2015 to 30 September 2019 and Statements of Financial Position, Statements of Cash flows for the financial years ended 30 September 2015 to 30 September 2019 and Statements of Changes in Equity for the periods ended 30 September 2019 to 30 September 2019 and have been included in the Langford Circular to Shareholders on pages 18 to 21. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the Zimbabwe Stock Exchange (ZSE) Listings Requirements. The terms of the proposal or ("the Proposed Transactions") are more fully described in the Circular to Shareholders dated 8 May 2020.

This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange. In accordance with section 8.2 of the Zimbabwe Stock Exchange Listing Requirements, we confirm that the engagement Partner is a registered accountant and auditor, and, together with the firm, is independent of CFI Holdings Limited, the issuer of the Circular containing the historical financial information.

As part of this process, the financial information was compiled by the Directors based on the audited historical performance of CFI as reported in the circulated annual reports. Our work involved agreeing the historical financial statements prepared by the Directors to the underlying audited financial statements and verifying the accuracy of the aggregation computations. The underlying financial information from which the historical financial information was prepared is based on accounting policies that comply with International Financial Reporting Standards and which was used in the compilation of the audited financial statements of CFI Holdings Limited for the periods 30 September 2015 to 30 September 2019.

Director's Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the historical financial statements and the pro forma financial information on the basis of the applicable criteria specified in the ZSE Listings Requirements.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Public Accountants and Auditors Board (PAAB) Code of Professional Conduct, which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) (Parts A and B), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA HISTORICAL FINANCIAL INFORMATION INCLUDED IN CFI HOLDINGS LIMITED ("CFI" OR "THE GROUP") LANGFORD CIRCULAR FOR THE FIVE FINANCIAL PERIODS TO 30 SEPTEMBER 2019. (Continued)

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the ZSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the ZSE Listings Requirements. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the circular is solely to illustrate the impact of a significant proposed transaction as if the proposed transaction had occurred or had been undertaken at an earlier date selected for purposes of the illustration, and we do not provide any assurance that the historical performance of CFI Holdings Limited will continue as presented. A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the proposed transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures performed depend on our judgment, having regard to our understanding of the nature of the Group and included:

- Making inquiries of management regarding the process management has applied to compile the pro forma financial information;
- Evaluating whether management has used an appropriate source of the unadjusted financial information in compiling the pro forma financial information;
- Checking whether management has appropriately extracted the unadjusted financial information from the source documents;
- Evaluating whether management has compiled the pro forma financial information on a basis consistent with The Group's financial reporting framework and its accounting policies under that framework;
- Considering management's evidence supporting the pro forma adjustments;
- Determining whether the calculations within the pro forma financial information are arithmetically accurate; and
- Evaluating the overall presentation and disclosure of the pro forma financial information and related explanatory notes.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the ZSE Listings Requirements.

Partner: Courage Matsa
PAAB Practising Number: 0607
Baker Tilly Chartered Accountants (Zimbabwe)
Harare
8 May 2020

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 September 2019

Notes	30-Sept-19 Audited ZWL\$	30-Sept-18 Audited US\$	30-Sept-17 Audited US\$	30-Sept-16 Audited US\$	30-Sept-15 Audited US\$
Sales	176,822,323	61,264,307	42,427,040	29,180,564	66,553,644
Change in fair value of biological assets	575,151	26,608	107,702	151,307	2,571
REVENUE	177,397,474	61,290,915	42,534,742	29,331,871	66,556,215
Cost of sales	(116,024,412)	(51,144,042)	(35,047,606)	(27,312,548)	(63,947,614)
GROSS PROFIT	61,373,062	10,146,873	7,487,136	2,019,323	2,608,601
Other operating income	4,794,735	4,377,736	3,225,930	2,660,036	1,713,358
Selling, marketing and distribution expenses	(5,813,724)	(980,131)	(3,186,327)	(3,061,923)	(4,502,920)
Administration expenses	(29,165,694)	(9,096,552)	(5,370,579)	(45,611,728)	(12,798,116)
OPERATING PROFIT (LOSS)	31,188,379	4,447,926	2,156,160	(43,994,292)	(12,979,077)
Share of losses from joint ventures	72,205	(21,551)	(68,403)	(140,920)	-
Net financing cost	(41,933,643)	(365,442)	(571,868)	(2,858,400)	(2,270,851)
(LOSS) PROFIT BEFORE TAX	(10,673,059)	4,060,933	1,515,889	(46,993,612)	(15,249,928)
Income tax (charge) credit	(1,496,981)	(872,325)	(636,020)	1,938,655	(9,941,188)
(LOSS) PROFIT FOR THE YEAR	(12,170,040)	3,188,608	879,869	(45,054,957)	(25,191,116)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX					
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Gain (loss) on revaluation of plant and properties	98,697,455	-	3,900	(7,433)	(3,528,492)
	98,697,455	-	3,900	(7,433)	(3,528,492)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Net value gain on available-for-sale investments	12,234,770	-	-	35,322	-
	12,234,770	-	-	35,322	-
Other comprehensive income (loss) for the year, net of tax	110,932,225	-	3,900	27,889	(3,528,492)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	98,762,185	3,188,608	883,769	(45,027,068)	(28,719,608)
(LOSS) PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent	(12,170,040)	3,188,608	879,869	(45,054,957)	(25,191,116)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:					
Equity holders of the parent	98,762,185	3,188,608	883,769	(45,027,068)	(28,719,608)
(Loss) earnings per share					
Basic (cents per share)	(11.42)	2.99	0.83	(42.70)	(23.88)
Diluted (cents per share)	(11.42)	2.99	0.83	(42.47)	(23.88)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2019

	30-Sept-19 Audited ZWL\$	30-Sept-18 Audited US\$	30-Sept-17 Audited US\$	30-Sept-16 Audited US\$	30-Sept-15 Audited US\$
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	155,842,714	34,059,765	33,261,917	32,147,566	56,004,660
Investments	18,401,000	4,059,000	4,059,000	4,059,000	706,442
Investment in joint venture	(829,352)	(901,557)	(880,006)	(755,197)	-
Deferred tax assets	-	-	759	1,018,444	739,767
Long-term portion of loan receivable	-	951,349	-	-	-
Trade receivables	-	3,687,475	9,005,568	10,549,598	12,440,357
TOTAL NON-CURRENT ASSETS	173,414,362	41,856,032	45,447,238	47,019,411	69,891,226
CURRENT ASSETS					
Inventories and biological assets	98,391,801	25,670,312	20,343,895	19,088,945	9,258,094
Trade and other receivables	29,320,573	5,330,322	5,496,362	4,356,154	6,791,785
Current portion of loan receivable	2,462,167	1,272,484	-	-	-
Bank balances and cash	4,805,730	768,214	1,477,498	243,905	222,485
	134,980,271	33,041,332	27,317,755	23,689,004	16,272,364
Assets classified as held for sale	-	-	-	1,339,000	34,229,500
TOTAL CURRENT ASSETS	134,980,271	33,041,332	27,317,755	25,028,004	50,501,864
TOTAL ASSETS	308,394,633	74,897,364	72,764,993	72,047,415	120,393,090
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued share capital	1,068,209	1,068,209	1,063,909	1,058,309	1,055,009
Share premium	103,340	103,340	94,740	80,040	73,440
Share options reserve	156,004	156,004	156,004	156,004	156,004
Non-distributed reserves	190,245,290	79,313,072	79,314,159	79,318,059	101,173,314
Accumulated losses	(45,873,327)	(33,703,287)	(36,891,895)	(37,775,664)	(52,081,333)
TOTAL EQUITY	145,699,516	46,937,338	43,736,917	42,836,748	50,376,434
NON-CURRENT LIABILITIES					
Deferred tax liabilities	21,240,307	6,406,414	6,053,173	6,620,428	12,250,608
Trade and other payable	4,554,579	3,527,833	6,037,578	5,315,820	5,846,546
Long term borrowings	42,276,190	175,161	369,235	308,181	1,427,505
TOTAL NON-CURRENT LIABILITIES	68,071,076	10,109,408	12,459,986	12,244,429	19,524,659
CURRENT LIABILITIES					
Trade payables	43,822,279	15,629,195	12,096,793	12,802,693	30,731,524
Borrowings	42,276,190	1,013,235	3,169,887	3,057,704	17,588,771
Bank overdraft	200,034	281,436	249,175	236,986	95,377
Current tax liabilities	8,325,538	926,752	1,052,235	801,905	364,850
	94,624,041	17,850,618	16,568,090	16,899,288	48,780,522
Liabilities directly associated with assets classified as held for sale	-	-	-	66,950	1,711,475
TOTAL CURRENT LIABILITIES	94,624,041	17,850,618	16,568,090	16,966,238	50,491,997
TOTAL EQUITY AND LIABILITIES	308,394,633	74,897,364	72,764,993	72,047,415	120,393,090

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2019

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT
Non-

	Share Capital ZWL\$	Share Premium ZWL\$	Share options reserve ZWL\$	Distributable Reserves ZWL\$	Accumulated Losses ZWL\$	Total equity ZWL\$
Balance at 30 September 2017	1,063,909	94,740	156,004	79,314,159	(36,891,895)	43,736,917
Issue of shares	4,300	8,600	-	-	-	12,900
Revaluation decrease	-	-	-	(1,087)	-	(1,087)
Profit for the year	-	-	-	-	3,188,608	3,188,608
Balance at 30 September 2018	1,068,209	103,340	156,004	79,313,072	(33,703,287)	46,937,338
Loss for the year	-	-	-	-	(12,170,040)	(12,170,040)
Other comprehensive income for the year	-	-	-	110,932,218	-	110,932,218
Balance at 30 September 2019	1,068,209	103,340	156,004	190,245,290	(45,873,327)	145,699,516

CONSOLIDATE STATEMENT OF CASH FLOWS
For the year ended 30 September 2019

	30-Sept-19 Audited	30-Sept-18 Audited	30-Sept-17 Audited	30-Sept-16 Audited	30-Sept-15 Audited
	ZWL\$	US\$	US\$	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss) profit before tax	(10,673,059)	4,060,933	1,515,889	(46,996,606)	(15,249,928)
Adjustments for:-					
Impairments of property, plant and equipment	265,840	-	6,735	221,252	539,527
Depreciation expense	939,848	727,714	691,269	2,076,538	1,960,282
Change in fair value of biological assets	(575,151)	(26,608)	(107,702)	(151,307)	(2,571)
Share of loss in joint venture	(72,205)	21,551	68,403	140,920	-
Profit realised from disposal of listed investments	-	-	-	-	(97,000)
Loss realised from disposal of listed investments	-	-	-	39,741	-
Provision for intergroup receivable balances for entities under judicial management	-	-	-	31,365,879	-
Net financing cost	3,151,143	365,442	571,868	2,858,400	2,270,851
Mark to market losses arising from listed shares borrowings	38,782,500	-	-	-	-
(Profit) loss on disposal of property, plant and equipment	2,992	2,390	(3,132)	43,254	108,187
OPERATING CASH OUTFLOWS BEFORE WORKING CAPITAL CHANGES	31,821,908	5,151,422	2,743,330	(10,401,929)	(10,470,652)
Decrease (increase) in inventories and biological assets	(72,146,338)	(5,299,810)	(1,147,248)	1,346,718	16,621,311
(Increase) decrease in trade and other receivables	(20,302,776)	5,484,132	403,822	3,285,130	(14,633,601)
Increase (decrease) in trade and other payables	29,219,830	1,022,656	15,858	5,290,717	7,983,466
CASH (UTILISED IN) GENERATED FROM OPERATING ACTIVITIES	(31,407,376)	6,358,400	2,015,762	(479,364)	(499,476)
Net financing cost	(3,151,143)	(365,442)	(571,868)	(2,858,400)	(2,270,851)
Income taxes paid	(3,705,810)	(643,804)	(2,210)	(537,877)	(39,926)
NET CASH (UTILISED IN) GENERATED FROM OPERATING ACTIVITIES	(38,264,329)	5,349,154	1,441,684	(3,875,641)	(2,810,253)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash inflows on loss of control of subsidiaries under judicial management	-	-	-	1,287,348	-
Dividends received from investments	-	-	56,406	-	-
Proceeds from disposal of investments	(1,963,403)	-	6,808	666,701	650,000
Purchase of property, plant and equipment	(238,334)	(1,533,212)	(477,031)	(481,861)	(81,327)
Loans advanced to entity under judicial management	-	(2,223,833)	-	-	-
Net cash inflows - joint ventures	-	-	-	662,014	-
Proceeds from disposal of assets held for sale	-	-	-	16,800,000	-
Proceeds from disposal of property, plant and equipment	3,500	4,173	-	164,154	172,685
NET CASH (UTILISED IN) RECEIVED FROM INVESTING ACTIVITIES	(2,198,237)	(3,752,872)	(413,817)	19,098,356	741,358
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of shares	-	12,900	20,300	9,900	-
Net proceeds settlement of long term loans	22,709,779	(194,074)	61,054	(1,119,324)	642,469
Net short term loans reclassified to the bank overdraft accounts	21,871,705	(2,156,653)	112,183	(14,233,480)	12,575,071
NET CASH GENERATED FROM (UTILISED IN) FINANCING ACTIVITIES	44,581,484	(2,337,827)	193,537	(15,342,904)	13,217,540
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,118,918	(741,545)	1,221,404	(120,189)	11,148,645
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	486,778	1,228,323	6,919	127,108	(11,021,537)
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,605,696	486,778	1,228,323	6,919	127,108
REPRESENTED BY:-					
Bank balances and cash	4,805,730	768,214	1,477,498	243,905	222,485
Bank overdraft	(200,034)	(281,436)	(249,175)	(236,986)	(95,377)
	4,605,696	486,778	1,228,323	6,919	127,108

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

	AUDITED	Effect of Land sale reversal	PROFORMA	Notes	AUDITED
	30 Sept. 2019		UNAUDITED		30 Sept. 2018
	ZWL\$	ZWL\$	ZWL\$		ZWL\$
ABRIDGED GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Non-current assets					
Property, plant and equipment	155,842,714	1,773,000,000	1,928,842,714	1	34,059,765
Investments (unlisted)	18,401,000	(18,401,000)	-	2	4,059,000
Investment in joint ventures	(829,352)		(829,352)		(901,557)
Long term portion of loan receivable	-		-		951,349
Trade and other receivables	-		-		3,687,475
Total non-current assets	173,414,362	1,754,599,000	1,928,013,362		41,856,032
Current assets					
Inventories and biological assets	98,391,801	-	98,391,801		25,670,312
Trade and other receivables	29,320,573	-	29,320,573		5,330,322
Current portion of loan receivable	2,462,167	-	2,462,167		1,272,484
Cash and bank balances	4,805,730	-	4,805,730		768,214
Total current assets	134,980,271	-	134,980,271		33,041,332
TOTAL ASSETS	308,394,633	1,754,599,000	2,062,993,633		74,897,364
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Issued share capital	1,068,209	-	1,068,209		1,068,209
Share premium	103,340	-	103,340		103,340
Share options reserve	156,004	-	156,004		156,004
Non-distributed reserves	190,245,290	1,666,869,050	1,857,114,340		79,313,072
Accumulated losses	(45,873,327)	(33,187,004)	(79,060,331)		(33,703,287)
Equity attributable to equity holders	145,699,516	1,633,682,046	1,779,381,562		46,937,338
Non-current liabilities					
Deferred tax liabilities	21,240,307	87,729,950	108,970,257	3	29,042,197
Trade and other payables	4,554,579	-	4,554,579		15,992,726
Long term borrowings	42,276,190	-	42,276,190		794,057
Total non-current liabilities	68,071,076	87,729,950	155,801,026		45,828,980
Current liabilities					
Trade payables	43,822,279	1,187,004	45,009,283	4	15,629,195
Short term borrowings	42,276,190	32,000,000	74,276,190	5	1,013,235
Bank overdraft	200,034	-	200,034		281,436
Current tax liabilities	8,325,538	-	8,325,538		926,752
Total current liabilities	94,624,041	33,187,004	127,811,045		17,850,618
TOTAL EQUITY AND LIABILITIES	308,394,633	1,754,599,000	2,062,993,633		110,616,936
Number of shares	106,820,875		106,820,875		106,820,875
Net Asset value per share	1.36		16.66		0.44

Notes

1. The property was valued by independent property valuers at ZWL\$1.8 billion as at 30 April 2020.
2. The investment in Langford Estates will consequently be reclassified to properties if successfully reversed.
3. Relates to deferred tax at 5% arising from the land revaluation.
4. Relates to certain creditor balances with Fidelity that were settled together with the earlier transaction that will revert to the Company and will require settlement
5. The debt assumed by Fidelity was US\$16 million. Upon the debt reverting to the Group, it has been assumed, it will revert with interest accruing up to in-duplum, in terms of the country's legal statutes.

N.B. Costs associated with the reversal are difficult to ascertain, these can only be fully quantified upon agreement on damages rising from affected parties.



Hamilton House
14 The Drive
Hove East Sussex
BN3 3JA U.K.

The Chairman
CFI Holdings Limited
1 Wynne Street
Harare

17 January 2020

Dear Madam,

Re: REQUISITION FOR AN EXTRAORDINARY GENERAL MEETING OF MEMBERS TO CONSIDER THE LEGAL ISSUES ARISING FROM THE DISPOSAL OF 81% OF LANGFORD ESTATES (PRIVATE) LIMITED

1. INTRODUCTION

We are a major shareholder in CFI and, together with our associates, own and or control over 48% of the issued share capital. We are aware of the fact that the current Board are in the process of reversing the illegal and fraudulent attempt to dispose of shares in Langford Estate (Pvt) Ltd to Fidelity Life Assurance of Zimbabwe Limited (Fidelity). This attempt was made by the former conflicted Board, controlled, as it then was, by National Social Security Authority (NSSA) and Zimre Holdings Limited, through its investment vehicle Stalap Investments (Pvt) Ltd (Stalap). We advise that we are fully supportive of this action as are all the non-conflicted minority shareholders of the Company.

Due to the fact that Zimre were not only a conflicted party but that such a major transaction required Special Resolutions, and not Ordinary Resolutions, we, in May 2017, requested an EGM to reverse the illegal transaction. The then corrupt and conflicted Board ignored this request.

Sometime later in 2017, Willoughbys Investments (Pvt) Ltd (Willoughbys), another major shareholder, requisitioned an EGM for the same purpose which was also ignored by the then corrupt and conflicted Board with the result that Willoughby's called their own EGM at which the Resolutions were correctly tabled as Special Resolutions with the result that the Resolutions were not passed.

We now understand from a recent press report that there is an on-going court dispute as to the validity of the EGM called by Willoughbys. We and all the non-conflicted Shareholders of CFI are in support of the current Board decision to reverse the illegal and fraudulent sale of Langford Estates and, with this in mind, we HEREBY give you FORMAL NOTICE to call for an EGM to properly place before the Shareholders the Resolutions setting aside of the ordinary resolutions passed on 16 October 2015 and ratifying the action of the current Board to reverse the transaction.

2. Rationale to the resolutions sought

On 16th October 2015, an EGM was held for the purpose of disposing of an 81% share of Langford Estates (1962) (Pvt) Ltd (the transaction). However, it is our belief that the resolutions approving the resolutions are a nullity thus making the transaction void for the following reasons:

- 2.1. At the EGM, an ordinary resolution was passed approving the transaction. However, given that that the disposal of Langford was not in the ordinary course of CFI's business and in light of the substantial consideration of the transaction, the resolution for the transaction ought to have been tabled to the shareholders by way of a Special Resolution and not as an Ordinary Resolution.
- 2.2. The shareholders were never advised in neither the circular or at the EGM that Stalap Investments (Pvt) Ltd, an investment vehicle of Zimre Holdings Limited and NSSA, who together, exercised more than 10% of the votes, also has substantial control in Fidelity. In fact, Zimre Holdings and NSSA controlled both CFI and Fidelity. These non-disclosures constituted material information that the shareholders ought to have been made aware of before being asked to exercise their right of approval for the transaction.
- 2.3. Furthermore, it was not stated anywhere in the circular nor were shareholders advised at the EGM that one of the Stalap/Zimre nominated directors, Mr. Nyika, sat on the board of directors of Zimre, CFI and Fidelity.
- 2.4. Furthermore, in light of the related party interests, the then operational ZSE Listing requirements required that ZSE approval of the related party transaction be sought and that certain requirements be met before the same was tabled to the shareholders. Moreover, at the then operational ZSE Listing Requirements required that the conflicted shareholders recuse themselves from voting for the transaction. The fact that this transaction involved "related parties", who were conflicted, did not come to the notice of Messina until June 2016 when it was first raised with CFI and later reported to the ZSE and the Securities Exchange Commission.
- 2.5. Notwithstanding the clearly defective Resolution, the Resolution passed specifically authorised the disposal of 81% of Langford for a total consideration of US\$18,000,000 and no other sum. However, the sale of shares agreement stated the purchase price of the transaction at US\$16 487 913. It is therefore clear that sale agreement fell short of what the Resolution authorised. The Resolution could therefore not have ratified the sale of shares agreement.
- 2.6. Further to the reasons above, the Circular was misleading and dishonest in that shareholders were not told that the so called "independent property valuation" of the Langford Estates land was prepared for FBC who were a conflicted and related party to NSSA. The Shareholders were not given the true market value of the Langford Estates land which was, and is, substantially higher than the \$2.20 per sq. metre which was proposed. Furthermore, the shareholders were incorrectly advised that the Net Asset Value of each CFI share would, after the transaction, be 70 cents when, in fact, the true figure was less than 50 cents.

In light of the above stated reasons, it is our belief that it is pertinent that the legal issues arising from the disposal of Langford Estate be tabled to the shareholders and that certain Resolutions be tabled to the shareholders to set aside the transaction for lack of legal competence.

3. THE PROPOSED ACTION

The proposed meeting seeks to bring to members' attention certain legal imperfections and material listing requirements breaches arising from the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited, which require members to consider the resolutions we are proposing hereunder to set aside the defective resolutions tabled to the shareholders at the EGM held on 16th October 2015. The net effect being the safeguarding of the Company's assets and capital for the benefit of all shareholders.

4. KEY TRANSACTION ELEMENTS

Valuation

The proposed reversal of the transaction will not result in a change in the shareholding structure for CFI Holdings Limited. Any positive or negative impact of the Transaction will be to the benefit or detriment of all the shareholders pro rata to their current shareholdings. The requisitionists are however persuaded that based on independent property valuations it obtained, the previous transaction significantly shortchanged the un-conflicted shareholders.

5. EFFECTS OF THE IMPLEMENTATION OF THE RESOLUTIONS

5.1 Issued shares & Share capital

The transaction will have no impact on issued share and share capital. Directors are requested to publish the current issued and authorized share capital for completeness.

5.2 Total assets

The proposed Transaction will result in the Group regaining full control of the Langford Estates 1962 (Pvt) Ltd. The directors are requested to publish the pro forma financial information arising with their notice based on the advice on the correct value of Langford Estates that we were furnished by independent property valuers.

5.3 EPS & NAV

The directors are requested to publish the pro forma financial/statements for CFI Holdings Limited with their notice to show the effects of the proposed Transaction on earnings per share and net asset value.

5.4 Taxation

It is the view of the requisitionists that no capital gains tax arises from the transaction. Zimra was notified of the legal challenges surrounding the disposal in 2016, and remittance of the tax arising was put on hold pending final legal determination of the ongoing litigation. The transaction will accordingly not result in any tax liabilities arising as status quo is restored. However, CFI and each shareholder are advised to obtain their independent tax advice.

6. BENEFITS OF THE TRANSACTION

The proposed transaction reversal is expected to reverse the prejudice suffered by the Company arising from the conflict of interest and the procedural and legal shortcomings arising from the disposal of the 81% of Langford Estates 1962 (Private) Limited. The redress of this transaction stands to unlock shareholder value inherent in the significant Estate.

7. NOTICE OF EGM

The notice of the EGM that will consider and, if deemed fit, approve (with or without amendment) resolutions that would effectively set aside the disposal of 81% of Langford Estates will be issued by the Directors, and will accompany the requisition.

8. PROSPECTS

The Group is well on course to full recovery. The Group has reported that it will see through Victoria Foods' exit from judicial management in the current financial year after Crest Poultry Group recently exited judicial management. The gains from the reversal will see the Group leveraging on its land bank, in line with the Group's extended focus on property development. Furthermore, the Group has strong synergistic benefits with its retail building materials arm, which can be exploited for value creation for all shareholders. All these positive developments stand to benefit shareholders greatly.

9. DIRECTORS' INTERESTS

The shareholders are informed that two directors of the requisitioner, A. S. Hamilton and R. L. Hamilton sit as Non-Executive Directors on the Board of CFI. Aside from the above, the Directors' interests are not known to the requisitionists. Accordingly, we request that the CFI provides this information to the members. Our interests as Messina as requisitionists are not in conflict with the known interests of CFI.

10. RESOLUTIONS PROPOSED BY REQUISITIONISTS

The requisitionists propose that the proposed Extraordinary General Meeting considers, and, if deemed fit, passes the following Resolutions, with, or without amendment:

WHEREAS at an EGM of the shareholders held on 16th October 2015, the shareholders passed an Ordinary Resolution approving the disposal of 81% of the equity of Langford Estates 1962 (Pvt) Ltd, an investment subsidiary whose sole asset is a piece of undeveloped urban land measuring 834 hectares in extent for a total consideration of US\$18,000,000 ('the transaction');

AND WHEREAS the Circular to the 16th October 2015 EGM, which circular was published on 23 September 2015, did not disclose certain Directors' interest in the transaction;

AND WHEREAS the Circular published on 23 September did not disclose that the transaction was in essence a related party transaction;

AND WHEREAS the transaction, being a related party transaction did not comply with Section 10 of the then operational ZSE Listing Requirements

AND WHEREAS the aforementioned Ordinary Resolution passed on 16th October 2015, specifically provided the disposal of 81% of the equity of Langford Estates 1962 (Pvt) Ltd for a total consideration of US\$18,000,000 and no other sum;

AND WHEREAS the sale of shares agreement between CFI Holdings Limited and Fidelity life, which sale agreement the aforementioned Ordinary Resolution sought to ratify, specifically provided for the total consideration of the disposal at US\$16 487 913;

AND WHEREAS there is no existing Resolution for the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited for a total consideration of US\$16 487 913;

AND WHEREAS a shareholder has in terms of the statutes requisitioned an EGM for the rectification of the errors of the past and the ratification of all actions taken by the Board of Directors pursuant to the Resolution of the EGM of 16 November 2017.

AND NOW THEREFORE, the following resolutions are proposed:

AS ORDINARY RESOLUTIONS:

1. SETTING ASIDE OF ORDINARY RESOLUTION

It is resolved that for the avoidance of doubt, the aforementioned ordinary resolutions of 16 October 2015 approving and ratifying the transaction be set aside for lack of competency at law.

2. SETTING ASIDE OF SALE OF SHARES AGREEMENT

It is resolved that the sale of shares agreement entered between CFI and Fidelity Life for the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited be set aside for (i) lack of approval from the shareholders, (ii) failure to follow peremptory provisions of the Listing Rules and (iii) inconsistency with the invalid 16 October 2015 Resolution.

3. DIRECTORS' AUTHORITY TO GIVE EFFECT TO THE ABOVE RESOLUTIONS

It is resolved that the legal actions instituted by Directors of the Company in setting aside the above transaction be and are hereby ratified, and that the Directors of the Company be and are hereby authorized to do any and all such things, as may generally be required or necessary to give effect to the above.

11. REQUISITIONISTS' OPINIONS & VOTING RECOMMENDATIONS

The requisitionists consider the terms and conditions of the proposed resolutions to be in the best interest of all unconflicted shareholders of CFI. Shareholders holding more than 48% of the Company's issued share capital have already indicated their support for the resolutions and will vote in favour of the same at the EGM.

Accordingly, the requisitionists unanimously recommend that shareholders vote in favour of the resolutions at the EGM. The requisitionists intend to vote in favour of the resolutions at the EGM.

Yours faithfully
For and behalf of Messina Investments Limited



RL HAMILTON
DIRECTOR

NOTICE OF EXTRAORDINARY GENERAL MEETING 'EGM'



(Incorporated in Zimbabwe on 06 May 1996, registration number 3403/96)

A member in CFI Holdings Limited, Messina Investments Limited, ('the Requesting Shareholder') holding 19,820,814 Ordinary shares in the issued share capital of the Company, comprising 18.56% of the entire share capital of the Company, has requisitioned the Company's Directors to convene an Extraordinary General EGM') of members of the Company in terms of Section 168 (1) of the Companies and Other Business Entities Act [Chapter 24:31] and the Company acting on this requisition have convened an EGM to be held at 10:00 hours on the 29th of May 2020 in the CFI Retail Boardroom, at Farm & City Complex – 1st Floor, at 1 Wynne Street, Harare to approve the Resolutions set as follows; with or without modification:-

AS ORDINARY RESOLUTIONS:

WHEREAS at an EGM of the shareholders held on 16 October 2015, the shareholders passed an Ordinary Resolution approving the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited, an investment subsidiary whose sole asset is a piece of undeveloped urban land measuring 834 hectares in extent for a total consideration of US\$18 million ('the transaction');

AND WHEREAS the circular to the 16 October 2015 EGM, which Circular was published on 23 September 2015, did not disclose certain Directors' interest in the transaction;

AND WHEREAS the circular published on 23 September did not disclose that the transaction was in essence a related party transaction;

AND WHEREAS the transaction, being a related party transaction did not comply with section 10 of the then operational ZSE Listing Requirements

AND WHEREAS the aforementioned Ordinary Resolution passed on 16 October 2015, specifically provided the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited for a total consideration of US\$18 million and no other sum;

AND WHEREAS the Sale of Shares Agreement between CFI Holdings Limited and Fidelity Life Limited, which sale agreement the aforementioned Ordinary Resolution sought to ratify, specifically provided for the total consideration of the disposal at US\$16 487 913;

AND WHEREAS there is no existing Resolution for the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited for a total consideration of US\$16 487 913;

AND WHEREAS a shareholder has in terms of the statutes requisitioned an EGM for the rectification of the errors of the past and the ratification of all actions taken by the Board of Directors pursuant to the Resolution of the EGM of 16 November 2017;

AND NOW THEREFORE, the following Resolutions are proposed:

AS ORDINARY RESOLUTIONS:

1. SETTING ASIDE OF ORDINARY RESOLUTION

It is resolved that for the avoidance of doubt, the aforementioned Ordinary Resolutions of 16 October 2015 approving and ratifying the transaction be set aside for lack of competency at law.

2. SETTING ASIDE OF SALE OF SHARES AGREEMENT

It is resolved that the sale of shares agreement entered between CFI and Fidelity Life for the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited be set aside for (i) lack of approval from the shareholders, (ii) failure to follow peremptory provisions of the Listing Rules and (iii) inconsistency with the invalid 16 October 2015 Resolution.

3. DIRECTORS' AUTHORITY TO GIVE EFFECT TO THE ABOVE RESOLUTIONS

It is resolved that the legal actions instituted by Directors of the Company in setting aside the above transaction be and are hereby ratified, and that the Directors of the Company be and are hereby authorized to do any and all such things, as may generally be required or necessary to give effect to the above.

BY ORDER OF THE BOARD

8 May 2020

Panganayi Hare

Company Secretary

ATTENDANCE AT EXTRA-ORDINARY GENERAL MEETING (EGM) BY WEBINAR

In the interest of health and safety considerations given Corona Virus (COVID 19), shareholders who prefer to attend the meeting by webinar are welcome to do so and can be availed the electronic link from the Company Secretary on pangayi@cfi.co.zw and / or clivech@farmandcity.co.zw no later than 27 May 2017, 10:00 am.

FORM OF PROXY

A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the EGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the EGM.

The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's Registered Offices (Attention the Company Secretary) no later than 48 (Forty-eight hours) before the time appointed for the holding of the EGM.

FORM OF PROXY



(A public company incorporated in the Republic of Zimbabwe on 6 May 1996 under company registration number 3403/96)

For use by Shareholders at the Company's EGM to be held on Friday, 29 May 2020 at 1000 hours.

Each member entitled to attend and vote at the EGM is entitled to appoint one person as his proxy, who need not be a member of the Company, to attend, speak and vote in his/her stead at the EGM.

I/We _____
 (Name in block letters)
 Of _____

Being the holder of _____ shares in the Company hereby appoint

1. _____ of _____ or failing him/her

2. _____ of _____ or failing him/her

3. the Chairman of the EGM

As my/our proxy to act for me/us at the EGM for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the Resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

ORDINARY RESOLUTIONS		Number of Votes		
		For	Against	Abstain
1.	SETTING ASIDE OF ORDINARY RESOLUTION It is resolved that for the avoidance of doubt, the aforementioned Ordinary Resolutions of 16 October 2015 approving and ratifying the transaction be set aside for lack of competency at law.			
2	SETTING ASIDE OF SALE OF SHARES AGREEMENT It is resolved that the sale of shares agreement entered between CFI and Fidelity Life for the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited be set aside for (i) lack of approval from the shareholders, (ii) failure to follow peremptory provisions of the Listing Rules and (iii) inconsistency with the invalid 16 October 2015 Resolution.			
3	DIRECTORS' AUTHORITY TO GIVE EFFECT TO THE ABOVE RESOLUTIONS It is resolved that the legal actions instituted by Directors of the Company in setting aside the above transaction be and are hereby ratified, and that the Directors of the Company be and are hereby authorized to do any and all such things, as may generally be required or necessary to give effect to the above.			

Every person present and entitled to vote at the EGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote. (N.B. The Chair has called for a poll).

Signed at _____ on _____ 2020

Signature(s) _____

Assisted by me _____

Full name(s) of signatory/ies if signing in a representative capacity (see note 2) (please use block letters).

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialed by the shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the Resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of the entire shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, or cast them in the same way.
3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - i. under a power of attorney
 - ii. on behalf of a companyunless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the Registered Office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's transfer secretaries or the Registered Office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.
10. Please be advised that the number of votes a member is entitled to be determined by the number of shares recorded on the share register 48 hours before the time appointed for the holding of the meeting.

OFFICE OF THE TRANSFER SECRETARIES First Transfer Secretaries No. 1 Armagh Avenue Off Enterprise Road Eastlea Harare, Zimbabwe	REGISTERED OFFICE OF THE COMPANY 1 Wynne Street P.O. Box 510 Harare Zimbabwe
--	---

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in CFI Holdings Limited ("CFI" or "the Company" or "the Group"), but is a document issued, in compliance with the Zimbabwe Stock Exchange ("ZSE") Listing Requirements, to inform CFI Shareholders of proposed transaction whose bases, rationale and terms and conditions are fully set out in this Circular.

Action required:

- Shareholders are invited to attend the Extraordinary General Meeting ("EGM") convened by the EGM Notice contained herein;
- Shareholders who are unable to attend the EGM, but wish to be represented thereat should complete and sign the Proxy Form included in Appendix IV of this Circular and return to the Company Secretary by 1000 hours on Wednesday 14 October 2015;
- Shareholders may attend the EGM in person, notwithstanding the completion and return of the Proxy Form;
- If you are in any doubt as to the action you should take, please consult your stockbroker, banker, accountant or other professional advisor immediately; and
- If you no longer hold any shares in CFI, you should send this Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in CFI was executed for onward delivery to the purchaser or transferee of your shares.



(A public company incorporated in the Republic of Zimbabwe on 6 May 1996 under company registration number 3403/96)

CIRCULAR TO SHAREHOLDERS

REGARDING THE PROPOSED DISPOSAL OF 81% OF LANGFORD ESTATES 1962 (PRIVATE) LIMITED, A CFI INVESTMENT PROPERTY COMPANY;

and incorporating:-

a Notice to convene an EGM of the Members of CFI, to be held at the Royal Harare Golf Club, Harare on 16 October 2015 at 1000 hours, which notice was published on 23 September 2015 in accordance with the requisite provisions of the ZSE Listing Requirements and the Companies Act [Chapter 24:03], as set out at the end of this document. Shareholders are asked to complete and return the attached Form of Proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 10 00 hours on Wednesday 14 October 2015.

Independent Property Valuers



Independent Auditors and Reporting Accountants

Deloitte.

Financial Advisors



Legal Advisors



Sponsoring Brokers

IMARA
INVESTING
IN AFRICA

Transfer Secretaries



All of the Directors of CFI, whose names are given on page 11 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in this Circular false or misleading and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

The Directors confirm that the information in the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) which investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the state of affairs and prospects of CFI. Each of the Company's advisors in connection with the proposed transaction have consented in writing to act in the capacity stated and also to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue: 23 September 2015

This Circular is only available in English. Additional copies are available from the Company Secretary at the Registered Office of the Company.

Directors:

Mr. S. J. Chihambakwe
Mrs. G. Muradzikwa
Mr. S. P. Kuipa
Mrs. A. R. Chinamo
Mr. A. J. Nduna
Mr. H.W. Rudland
Mr. S.N. Chibanguza
Mr. S.C. Vera
Mrs. P.S. Bwerinofa
Mr. T. Nyika

Company Secretary & Registered Office

P.Hare
CFI Holdings Limited
1 Wynne Street
Harare, Zimbabwe

Independent Property Valuers

Dawn Property Consultancy (Private) Limited
8th Floor, Beverley Court
100 Nelson Mandela Avenue
Harare, Zimbabwe

Reporting Accountants and Auditors

Deloitte & Touche Chartered Accountants (Zimbabwe)
West Block, Borrowdale Office Park
Borrowdale Road, Borrowdale
Harare, Zimbabwe

Transfer Secretaries

First Transfer Secretaries
No. 1 Armagh Avenue
off Enterprise Road, Eastlea
Harare, Zimbabwe

Non-Executive Chairman
Non-Executive Deputy Chairperson
Group Chief Executive Officer
Group Financial Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Financial Advisors

Corporate Excellence
3 Drummond Chaplin Street
Milton Park
Harare, Zimbabwe

Legal Advisors

Honey and Blanckenberg
200 Herbert Chitepo Avenue
Harare, Zimbabwe

Sponsoring Brokers

Imara Edwards Securities (Private) Limited
1st Floor, Block 2 Tendeseka Office Park
Samora Machel Avenue East, Eastlea
Harare, Zimbabwe

SECTION	Page
Corporate information	IFC
Definitions	2-3
Important dates	4
Salient information	5
Part I: Chairman's Letter to Shareholders	6
1. Background	6
2. The proposed Transaction	7
3. Rationale for the proposed Transaction	7
4. Conditions precedent	7
5. Regulatory issues	7
6. Summary information on CFI	7
7. Effects of the Transaction	7
8. Application of the proceeds of the Transaction	8
9. Costs of the Transaction	9
10. Future prospects of CFI	9
11. Consequences of not implementing the Transaction	9
12. Working capital adequacy statement	9
13. Dividend policy	9
14. Experts' consents	10
15. Documents available for inspection	10
16. Directors' recommendations	10
17. Directors responsibility statement	11
Part II: Appendices	
Appendix I: Information on CFI	12
Appendix II : Accountants Report on the historical financial information and the unaudited pro forma financial position of CFI	18
Appendix III: CFI share price information	26
Appendix IV: Notice of CFI Extraordinary General Meeting	27

Definitions

In this Circular the following definitions apply, unless otherwise stated or the context indicates otherwise, the words in the first column have the meanings stated opposite them in the second column. Words in the singular shall include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa, and all monetary values unless expressly stated otherwise are in United States dollars and cents.

'Articles'	The Articles of Association of CFI.
'Board' or 'Directors'	The Board of Directors of CFI.
'CFI' or 'the Company' or 'the Group'	CFI Holdings Limited, a public company incorporated in Zimbabwe whose ordinary shares are listed on the ZSE.
'Circular'	This Circular to CFI Shareholders which sets out the details of the proposed disposal of 81% of Langford Estates plus all notices, letters and appendices relating to the Transaction.
'Companies Act'	The Companies Act of Zimbabwe [Chapter 24:03] as amended.
'Consent Order'	The Consent Order issued by the Administrative Court of Zimbabwe on 13 January 2015 confirming the compulsory acquisition by the Government of Zimbabwe of a certain piece of land, held through Crest Breeders, in exchange for full compensation.
'Corporate Excellence'	The Financial Advisors to CFI on the proposed Transaction.
'Crest Breeders'	Crest Breeders International (Private) Limited, a wholly-owned subsidiary of CFI.
'DPC'	Dawn Property Consultancy (Private) Limited, independent professional property valuers who provided a valuation opinion on the Langford Estates land.
'Deloitte & Touche'	Deloitte & Touche Chartered Accountants (Zimbabwe), Independent Auditors and Reporting Accountants to CFI.
'EGM'	The Extraordinary General Meeting of CFI Shareholders to be held at the Royal Harare Golf Club in Harare on Friday, 9 October 2015 at 1000 hours, for purposes of considering the proposed disposal of 81% of Langford Estates.
'Exchange Control Regulations'	The Exchange Control Regulations prevailing in Zimbabwe.
'Fidelity'	Fidelity Life Assurance of Zimbabwe Limited, a Zimbabwean company listed on the Zimbabwe Stock Exchange.
'Form of Proxy'	The form accompanying this Circular, which provides for CFI Shareholders to appoint a proxy to attend the EGM and vote on their behalf on the resolutions proposed.
'FTS'	First Transfer Secretaries (Private) Limited, transfer secretaries to CFI.
'Government'	The Government of the Republic of Zimbabwe.
'Honey and Blanckenberg' or 'Legal Advisors'	Honey and Blanckenberg Legal Practitioners, the legal advisors to CFI on the proposed Transaction.
'IES' or 'Sponsoring Brokers'	Imara Edwards Securities, the sponsoring brokers of the proposed Transaction.
'Langford Estates'	Langford Estates 1962 (Private) Limited, a wholly-owned property investment subsidiary of CFI that owns 834 hectares of undeveloped urban land located in Harare South, whose shares, representing 81% of its equity, are being proposed for disposal for a total consideration of US\$18 million.
'NAV'	Net Asset Value.

'Non-resident Shareholder'	Shareholders with non-resident status in terms of Exchange Control Regulations of Zimbabwe.
'RBZ'	Reserve Bank of Zimbabwe.
'Shareholders' or 'Members'	Holders of CFI ordinary shares.
'Transaction'	The proposed disposal of 81% of Langford Estates in terms of this Circular.
'US cents'	United States cents, an allowable trading currency decimal under the prevailing multi-currency trading system in Zimbabwe.
'US\$'	The United States dollar, an allowable trading currency under the prevailing multi-currency trading system in Zimbabwe.
'ZSE'	The Zimbabwe Stock Exchange where CFI's shares are listed and traded.

Important dates

Extraordinary General Meeting

To approve the proposed disposal of 81% of Langford Estates, CFI Shareholders are being asked to attend the EGM of the Company to be held at the Royal Harare Golf Club in Harare at 1000 hours on Friday, 16 October 2015. The meeting has been convened by the EGM Notice dated 23 September 2015 to pass specific resolutions as set out in Appendix IV of this circular.

Transaction timetable

Event	Date
CFI Abridged Circular published and EGM Notice published	Wednesday, 23 September 2015
CFI Circular distributed to shareholders	Wednesday, 23 September 2015
Last day of lodging Forms of Proxy for the EGM (at 1000 hours)	Wednesday, 14 October 2015
CFI EGM (at 1000 hours)	Friday, 16 October 2015
Publication of EGM resolution results	Monday, 19 October 2015

Note: The dates stated above are subject to change at the discretion of the Directors and any such change will be communicated through the Zimbabwean press.

Salient information

This summary presents the salient information in relation to the Transaction, the detailed terms and conditions of which are more fully set out in this Circular. Accordingly, this Circular should be read in its entirety for a full appreciation of, the rationale for and the implications of the Transaction, as well as with regard to determining the actions required of Shareholders.

The proposed Transaction

Subject to Shareholder approval, the Board is proposing to dispose of 81% of Langford Estates for US\$18 million to Fidelity to extinguish certain overdue interest-bearing liabilities of the Group. To this end, the Company has executed a Sale of Shares Agreement and a Debt Assumption and Compromise Agreement. This will culminate in the Group's disposal of 81% of CFI's equity in Langford Estates, and investment company whose sole asset is a piece of undeveloped urban land measuring 834 hectares in extent, for a total consideration of US\$18 million. The entire Langford Estates is currently encumbered by a US\$13 million mortgage bond in favour of certain lenders of the Company as security under a Security Sharing Agreement for overdue and non-performing debts now amounting to approximately US\$16 million. Before the Debt Assumption and Compromise Agreement, some lenders had instituted legal proceedings to recover the non-performing debts. The disposal of the 81% shareholding in Langford Estates is based on an independent property valuation performed by DPC. A copy of the Valuation Report by DPC is available for inspection at the Registered Office of the Company.

The principal purpose of the proposed Transaction is to:

- unlock value from this underutilised asset;
- expunge expensive short-term interest-bearing debt;
- enable the Company to raise new capital and recapitalise operations without a debt overhang; and
- allow the Company to access new borrowings as necessary on more favourable terms.

Effects of the proposed Transaction

The share capital structure of the Company after the transaction will remain unchanged as shown below:

Ordinary share capital	Before and after the Transaction		
	Issued	Authorised	Unissued
CFI @ 1 US cent nominal value each	105,500,875	200,000,000	94,499,125

NB: The unissued share capital of CFI includes 1,600,000 shares set aside for the Zimbabwe Farmers' Union buying scheme and 11,267,380 shares set aside for the Executive Management Share Option Scheme.

CFI NAV per share before and after the Transaction

NAV CFI Holdings Limited	Before Transaction	Proforma after Transaction
NAV as at 31 March 2015 US\$	75,330,188	74,219,358
Issued ordinary shares	105,500,875	105,500,875
CFI NAV per share US\$	0.71	0.70

The rationale, sequencing, financial effects and other consequences of the Transaction are fully explained in this Circular.



(Incorporated in Zimbabwe on 6 May 1996 under company registration number 3403/96)

Address: I Wynne Street, P.O. Box 510, Harare, Zimbabwe

Directors: Mr. S. J. Chihambakwe (Chairman), Mrs. G. Muradzikwa (Deputy Chairperson), Mr. S. P. Kuipa (CEO) , Mrs. A. R. Chinamo (Group Financial Director) , Mrs. P. S. Bwerinofa, Mr. S.N. Chibanguza, Mr. T. Nyika, Mr. A. J. Nduna, Mr. H.B.W. Rudland; Mr. S.C. Vera

Executive

Dear Shareholders,

1. Background

As announced previously, the Company has been trying to mobilize reasonably priced long-term capital to retool and finance the Group's various operations. Regrettably, following the dollarisation of the economy in 2009, market conditions have not been favourable to enable access to appropriately structured and reasonably priced capital. To continue operations, the Company was forced to contract expensive short-term borrowings. This funding option has however proved unsustainable leading to the current situation where the Company is now in a debt trap and in default with its creditors. CFI is now unable to discharge its obligations towards its secured and unsecured creditors with regards to both interest-bearing and non-interest bearing obligations. The foregoing is attributable to, among other things:

- inability to access new borrowings to sustain and scale up operations to economic levels;
- the high cost of borrowing;
- the funding mismatch which compounded the cost of borrowing through rollover and re-pricing costs. The funding mismatch arose from the use of short-term debt to finance the Group's inherently long cash conversion cycle; and
- the vicious cycle of inadequate but expensive funding, suboptimal operating levels and relatively high overheads all leading to perennial revenue leakages and operating losses.

The above challenges have heightened in recent years with the economic environment which is increasingly becoming difficult characterized by:

- falling aggregate demand due to reduced disposable income as unemployment and general economic activity decline;
- Zimbabwe's declining competitiveness relative to the country's trading partners owing to among other things:
 - ✓ the relatively high cost of conducting business in Zimbabwe;
 - ✓ the strengthening of the United States dollar against regional currencies and in particular the South African Rand; and
 - ✓ falling exports as commodity and metal prices tumble on the world markets.

Cognisant of the prevailing challenges and the looming foreclosure on the Langford Estates land by the Company's creditors, the Board has identified Fidelity as purchaser of 81% of Langford Estates for a consideration of US\$18 million.

The proceeds from the disposal of Langford Estates are ear-marked for the expunging of almost all of CFI's short-term interest-bearing debt which is now overdue. This will improve the Company's financial position and credit rating to open access to appropriately priced fresh working capital facilities.

In addition to the disposal of 81% Langford Estates, the Company will undertake further non-core asset disposals, including residential stands at various levels of development, whose disposal proceeds are meant to settle the Company's other long outstanding creditors. Details of these non-core assets disposals are contained in Section 9.2 of this Circular and the 2014 Annual Report.

2. The proposed Transaction

To extinguish certain overdue interest bearing liabilities of the Company and pursuant to the execution of the Sale and Purchase Agreement and a Debt Assumption and Compromise Agreement, the Board is proposing to dispose of 81% of CFI's equity in Langford Estates, an investment subsidiary company whose sole asset is a piece of undeveloped urban land measuring approximately 834 hectares in extent, for a total consideration of US\$18 million. The entire Langford Estates land is currently encumbered with a US\$13 million mortgage bond in favour of certain lenders of the Company as security under a Security Sharing Agreement for overdue and non-performing debts now amounting to approximately US\$16 million. CFI will retain the remaining 19%. Before the Debt Assumption and Compromise Agreement, certain lenders had instituted legal proceedings to recover the non-performing debts. The disposal of the 81% shareholding in Langford Estates is based on an independent property valuation performed by DPC. A copy of the Valuation Report by DPC is available for inspection at the Registered Office of the Company.

3. Rationale for the proposed Transaction

The primary rationale for the proposed Transactions is assuring the Company's going concern status which is threatened by imminent foreclosure on the Langford Estates property.

Among other things, the transaction aims at:

- freeing the Group of crippling short-term interest-bearing debt to create headroom to recover;
- allow future access to reasonably priced debt capital funding, and;
- optimizing the Company's cost of capital to sustainable levels;

The proposed transaction will also provide headroom, without pressure from creditors and lenders, for the Group to actively seek partners to adequately fund and technically resource its specialized operations and, in particular, the milling and poultry business segments.

4. Conditions precedent

The proposed Transaction is subject to the following conditions precedent:

- approval by the Members of CFI at the EGM to be held on 16 October 2015 in terms of the EGM Notice in Appendix IV and;
- the Sale and Purchase Agreement and the Debt Assumption and Compromise Agreement becoming unconditional in all respects.

5. Regulatory issues

The Listings Committee of the ZSE granted for the approval the publication of this Circular. A copy of this letter is available for inspection at the registered office of the Company.

6. Summary information on CFI

An overview of the business operations of CFI, together with statutory information required in terms of the Companies Act, is set out in Appendix I to this Circular

7. Effects of the Transaction

7.1 Effects on share capital

Set out below is an analysis of the authorized share capital of CFI before and after the Transaction.

Share capital structure before and after the Transactions

Ordinary share capital	Before and after the Transaction		
	Issued	Authorised	Unissued
CFI @ 1 US cent nominal value each	105,500,875	200,000,000	94,499,125

7.2 Effects on shareholding structure

As at 16 September 2015, being the last practicable date prior to the publication of this Circular, CFI had 105,500,875 (one hundred and five million five hundred thousand eight hundred and seventy five) issued ordinary shares and its top 20 Shareholders were as follows:

Rank	Shareholder	Shares	Shareholding %
1	Stalap Investments	29,771,320	28.22%
2	NSSA	13,611,975	12.90%
3	E.F.E. Securities Nominees -NNR	7,591,305	7.20%
4	Mining Industry Pension Fund	6,875,493	6.52%
5	Messina Investments	5,183,220	4.91%
6	E.F.E. Securities Nominees	4,757,063	4.51%
7	Willoughby's Consolidated	4,167,649	3.95%
8	Old Mutual Securities Nominees	3,065,275	2.91%
9	Dunnet Investments	2,000,517	1.90%
10	KHM Trust	1,615,386	1.53%
11	Stanbic Nominees	1,566,547	1.48%
12	Datvest Nominees	1,157,238	1.10%
13	Faensa Frisco -NNR	1,046,261	0.99%
14	Old Mutual Life Assurance	854,333	0.81%
15	Reinsurance Brokers International	610,750	0.58%
16	Aksia Trust	508,837	0.48%
17	Mutevhe Clifford	506,980	0.48%
18	LAPF	500,001	0.47%
19	Optima Trust	500,000	0.47%
20	Aviagen Limited	446,819	0.42%
	Others	19,163,906	18.16%
	Total	105,500,875	100.00%

The transaction will not have any impact on the shareholding structure of the Company.

7.3 Financial impact

The effects of the Transactions on the NAV and financial position of the Group are set out below:

7.3.1 Effects on NAV

NAV	Before Transaction	Proforma after Transaction (After Asset disposal)
CFI Holdings Limited:		
NAV as at 31 March 2015 US\$	75,330,188	74,219,358
Issued ordinary shares	105,500,875	105,500,875
CFI NAV per share US\$	0.71	0.70

7.3.2 Effects on financial position

The proforma financial position of CFI is set out in the Accountant's Report in Appendix IIb to this Circular together with the abridged historical financial information of CFI.

8. Application of the proceeds of the disposal

	US\$
Local debt assumed by Fidelity on behalf of CFI	16,000,000
Capital gains tax	824,396
Settlement of agreed creditor balances and other costs by Fidelity on behalf of CFI	1,187,004
Land value to be ceded to Fidelity	18,011,400

9. Costs of the Transaction

The expenses of the Transactions amount to approximately US\$112,000 (excluding capital gains tax of US\$824,396) and they relate to various expenses which include advisory, professional and regulatory fees as well as advertising, printing and postage charges.

10. Future prospects of CFI

10.1 Group prospects

Following the transaction, CFI will be substantially free from interest-bearing debt thus providing the much needed leeway to focus on its turnaround strategy. However, without additional capital injection, the expected recovery of the Company will not materialise as the Company still has a significant working capital deficit even after consummating this proposed Transaction.

To this end, the Board is finalising engagement of investors with a view to attracting additional debt and equity funding as appropriate, in order to sustainably position operations for positive performance going forward. Shareholders will be advised of details of future transactions once these have been finalised.

10.2 Property development prospects

Several initiatives, to unlock the Group's significant underlying value in properties, have been lined up for implementation and these should begin to reflect in the Company's performance going forward.

Leveraging on its vast land bank, the Group sees a strategic opportunity to unlock value for Shareholders by shifting its model to incorporate property development. In a recent milestone development by way of a Consent Order, CFI will be compensated fully for its 656 hectare Saturday Retreat land occupied by settlers between 2002 and 2014. In terms of the Consent Order sanctioned by the Administrative Court on 13 January 2015, CFI will retain the unoccupied 401 hectares for high density residential development and recover compensation on the 656 hectares already occupied by co-operatives prior to confirmation of the compulsory acquisition.

CFI has just completed registering the stand occupiers and has started receiving payments from individual occupiers on the 656 hectares. The Group is anticipating compensation receipts amounting to US\$17 million from the individual occupiers. CFI expects to receive this compensation over a 3-5 year period.

The Company has also concluded a joint venture agreement with Craftcall Investments (Private) Limited for the development of 635 high density residential stands. Development of these stands on a CFI property located opposite Glen View 7 commenced in February 2015.

11. Consequences of not implementing the Transaction

In the event that Shareholders do not approve the proposed Transactions, the following consequences are anticipated:

- the Group's ability to continue in operation as a going concern is not assured;
- collapse of critical relationships with suppliers leading to crippling working capital constraints;
- imminent foreclosure by creditors;
- chances of securing potential technical-equity partners for key operations will remain low and its prospects will be at the mercy of the regional giants entering this market.

12. Working capital adequacy statement

The Directors, as aforementioned, are of the opinion that additional resources are required to adequately capitalise the operations of the Group. Directors are currently involved in discussions aimed at finalising securing additional capital from shareholders and investors in order to ensure that operations are sustainably resourced.

13. Dividend policy

The Company's policy is to declare dividends as set out in the Articles of Association which generally provides that the Directors may from time to time pay interim dividends to members where the Company's performance can justify such a distribution. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest against the Company. No dividend was declared for the 2014 financial year due to the adverse financial performance and to allow for the Company's recovery no dividend is anticipated during the current financial year.

14. Experts' consents

Corporate Excellence, DPC, Deloitte & Touche, FTS, IES and Honey & Blanckenberg have given, and have not withdrawn, their consents to the issue of this Circular with the inclusion of their logos, names and reports in the forms and contexts in which they appear.

15. Documents available for inspection

The following documents, or certified copies thereof, will be made available for inspection at the registered offices of CFI, at 1 Wynne Street in Harare, during normal business hours, on week days until the date of the EGM.

- the Memorandum and Articles of Association for CFI;
- the audited financial statements of CFI as at 30 September 2014 and reviewed half-year results to 31 March 2015;
- the Langford Estates Sale of Shares Agreement;
- the Debt Assumption and Compromise Agreement
- the Consent Order;
- the original signed copy of this Circular to Shareholders;
- the ZSE approval letter for the Transaction;
- the independent professional property valuation of the Langford Estates land;
- the Accountant's Reports on the historical and pro forma financial information of CFI; and
- the experts' consents.

16. Directors' recommendations

The Directors of CFI have considered the terms of the Transaction and are unanimously of the opinion that they are in the best interests of Shareholders. Accordingly, the Directors recommend that CFI's Shareholders vote in favour of the resolutions giving effect to the Transaction. The Directors will collectively vote in favour of the resolutions to approve the Transaction at the EGM in respect of their own shareholdings.

Yours faithfully,

For and on behalf of the Board of CFI

(Signed on original)

Simplisius J. Chihambakwe
Non-Executive Chairman

17. Directors responsibility statement

The Directors of CFI, whose names are set out below, collectively and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which make any statement in this Circular false or misleading, that they have made all reasonable inquiries to ascertain such facts (where applicable), and that this Circular contains all information required by law.

Signed on 21 September 2015 by the Directors:

Director's name	Position	Signature
S. J. Chihambakwe	Non-Executive Chairman	(signed on original)
G. Muradzikwa (Mrs)	Non-Executive Deputy Chairperson	(signed on original)
P.S. Bwerinofa (Mrs)	Non-Executive Director	(signed on original)
S. N. Chibanguza	Non-Executive Director	(signed on original)
A. R. Chinamo (Mrs)	Group Financial Director	(signed on original)
S. P. Kuipa	Chief Executive Officer	(signed on original)
A. J. Nduna	Non-Executive Director	(signed on original)
T. Nyika	Non-Executive Director	(signed on original)
R. W. Rudland	Non-Executive Director	(signed on original)
S. C. Vera	Non-Executive Director	(signed on original)
Executive		

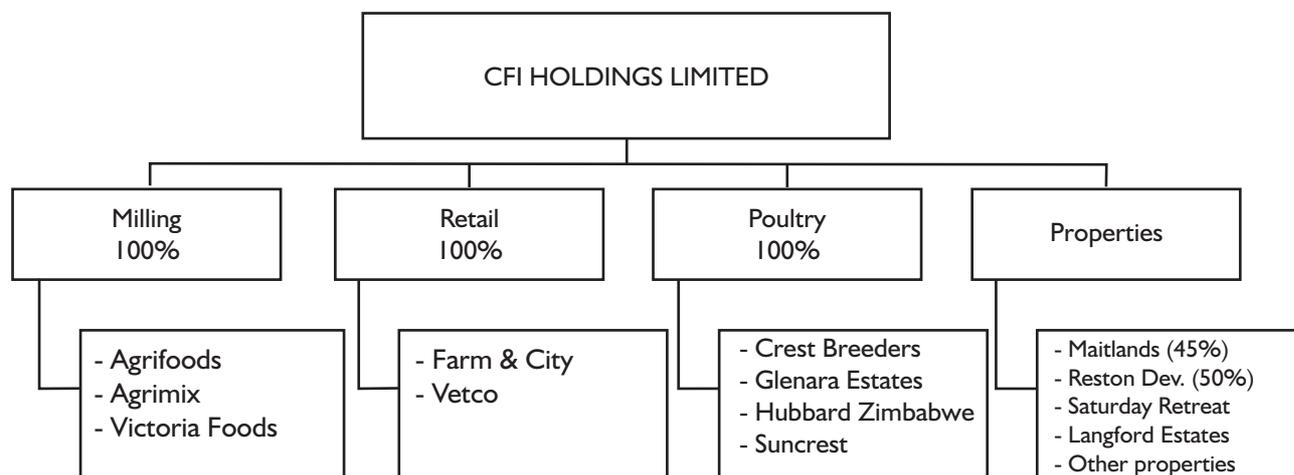
Appendix I: Information on CFI

AI.1 Company background

CFI is a ZSE listed Zimbabwean conglomerate predominantly involved in milling, retail, poultry, property management and property development. The Group has its roots in the Farmers' Cooperative Society formed in 1908 with the principal objective of marketing maize. From being a Farmers' Cooperative, the Company has evolved to become an agro-based conglomerate with its principal activities falling under operational divisions shown in the organization chart below:

Current Group structure

Following the adoption of the plan to combine the milling businesses, the Group structure now appears as follows:



NB: Langford Estates will reduce to 19% after Shareholder approval of the transaction.

AI.2 Operations overview

AI.2.1 Milling business

The milling business comprises the following entities:

Agrifoods

Agrifoods manufactures a wide range of stock feeds for cattle, poultry, pigs and other livestock. Agrifoods operates two plants, one in Harare and another in Bulawayo. Agrifoods has installed capacity to manufacture 20,000 tonnes of stock feeds per month.

Agrimix

Agrimix produces and supplies vitamin and mineral supplements for livestock feeds mainly to Agrifoods but also to third parties. Its popular product line includes 'pre-mixes' which are sold to large scale livestock farmers who mix these premixes with cereals to produce final livestock feeds.

Victoria Foods

Victoria Foods operates maize and flour milling plants in Harare and Gweru which have capacity to mill 3,000 tonnes of maize and 8,000 tonnes of wheat every month. Victoria Foods also manufactures snacks and down packs, fast moving consumer goods (FMCG) such as salt, rice and sugarbeans.

AI.2.2 Retail business

The mission is to retail agricultural inputs, building materials, general hardware and groceries to the nation. The retail business comprises of the following entities:

Farm & City

Farm & City Centre through its forerunner Farmer's Co-op, has been in existence since 1908. It is the largest agro inputs and hardware retail chain in the country. It currently operates 35 branches in urban and farming areas across Zimbabwe. The outlets principally operate out of real estate owned by CFI.

Vetco

Vetco, a department within the retail division, is the largest veterinary retail chain in the country. Vetco operates from within selected Farm & City branches nationwide.

A.1.2.3 Poultry business

The Poultry business comprises of the following subsidiaries:

Glenara Estates

Glenara Estates, a 2,000 hectare farm located 18 kilometers north of Harare. It has 1,000 hectares of arable land on which maize, soya beans, wheat and horticultural produce are grown with the remaining 1,000 hectares of non-arable land used for broiler chicken production.

Hubbard Zimbabwe

Hubbard Zimbabwe has a franchise arrangement with Hubbard S.A.S. of France. Hubbard Zimbabwe operates a 1,320 hectare broiler breeding farm in the Beatrice area, 60 kilometers south-west of Harare. This operation is at the core of the Group's poultry production. Hubbard receives grand-parent breeding stock from France and rears them into parents and eventually sells off parent hatching eggs, broiler parents and day old chicks to the local and regional markets. The operation has capacity to hold 26,000 grandparent breeders and 302,000 parent breeders.

The franchise agreement gives Hubbard Zimbabwe the exclusive rights to market Hubbard breeder stock in Mozambique, Zambia, Malawi, Botswana and Zimbabwe. It also have non-exclusive distribution rights in Central African countries.

Crest Breeders International

Broiler day old chicks produced at Hubbard Zimbabwe are either sold onto the open market or placed on the Glenara Estates. Crest Breeders International runs a layer operation for table eggs which will be relocated to the 113 hectare Sunvalley Estate owned by the Group upon conclusion of the disposal of Langford Estates.

Suncrest Chickens

Suncrest abattoir has been under care and maintenance since November 2013. The business is currently reliant on toll slaughters to maintain brand presence. The Board and management are currently examining options on this business given its role in the poultry value addition chain.

A.1.2.4 Properties division

In addition to a number of immovable property holdings, the Group's properties' division comprises of the following entities:

Maitlands Zimbabwe (Private) Limited

Maitlands Zimbabwe is primarily a property development company in which CFI has a 45% interest. Maitlands Zimbabwe owns 2,000 undeveloped high density stands averaging 300 square meters in Harare's Glen View suburb. Maitlands Zimbabwe also offers other real estate services encompassing property management, property valuations, property development and property sales.

Saturday Retreat

Registration of stand occupiers at Saturday Retreat Estate commenced in March 2015 and was completed in May 2015. The Group appointed a team of experienced realty consultants to help the Group regularize and oversee the implementation of various development facets at the Estate. Recoveries from the Estate will empower the Group to resolve some legacy debt issues and in part, dealing with the Group's recapitalization challenge.

Reston Developers (Private) Limited

The project, which will oversee the servicing of 635 stands opposite Glen View 7, commenced in February 2015. The Group is targeting full completion of at least the first phase comprising 235 stands before November 2015.

AI.2 DIRECTORS' PROFILES AND INTERESTS

AI.2.1 CFI Directors

Director	Age	Residential address	Position:
Non-Executive:			
S. J. Chihambakwe	70	112 Harare Drive, Chisipite, Harare.	Non-executive Chairman
G. Muradzikwa (Mrs)	53	1 Yellowwood Lane, Kambanji, Harare.	Non-executive Deputy Chairperson
S. N. Chibanguza	30	125 Fife Avenue, The Avenues, Harare.	Non-executive Director
A. J. Nduna	65	128 Rye Hill Road, Greystone Park, Harare.	Non-executive Director
T. Nyika	46	50 Kent Road, Chisipite, Harare.	Non-executive Director
P.S. Bwerinofa (Mrs)	68	Sherwood Farm, P.O. Box 1964, Gweru.	Non-executive Director
H. B. W. Rudland	43	48 Hugh William Drive, Shawasha Hills, Harare	Non-executive Director
S. C. Vera	45	17 Crinnis Road, Colne Valley, Borrowdale, Harare.	Non-executive Director
Executive:			
S. P. Kuipa	63	49 Arnold Edmonds Road, Glen Lorne, Harare.	Group Chief Executive Officer
A. R. Chinamo (Mrs)	44	1 Godfrey King Road, Borrowdale, Harare.	Group Financial Director

Directors' profiles:

Set out below are the brief profiles of the Directors of CFI:

Simplisius Julius Chihambakwe (70) – Non-executive Chairman

Simplisius is a lawyer and senior partner in the law firms of Chihambakwe, Mutizwa & Partners (Harare) and Chihambakwe, Makonese & Ncube (Masvingo). He holds a Bachelor of Laws degree from the University of London. He specializes in corporate and commercial law, mining and mineral law, conveyancing, property law and insurance law. Simplisius is a Councilor of the Law Society of Zimbabwe and a member of the African Bar Association, Commonwealth Lawyers Association and the International Bar Association.

Grace Muradzikwa (Mrs) (53) – Non-executive Deputy Chairperson

Grace is the Chief Executive Officer of the ZSE listed NicozDiamond Insurance Limited. She holds a Bachelor of Administration degree as well as an MBA from the University of Zimbabwe. Grace also serves on a number of other Boards.

Stephen Paradzai Kuipa (63) – Group Chief Executive Officer

Stephen joined the Group in December 2003. He holds a Bachelor of Science (Sociology) degree from the University of Zimbabwe. Stephen has extensive experience gained in various positions within Delta Corporation, an entity listed on the ZSE. He also serves on a number of other boards.

Acquilina Rufaro Chinamo (Mrs) (44) - Group Financial Director

Acquilina joined the Group in February 2002 as Group Financial Controller and was promoted to Company Secretary and Group Treasurer in July 2003 and then Group Financial Director in 2004. She holds a Bachelor of Accounting Science (BCompt) Degree from the University of South Africa and is a member of the Institute of Chartered Accountants of Zimbabwe. Acquilina served her articles of clerkship with Deloitte & Touché.

Patricia Sarah Bwerinofa (Mrs) (68) - Non-Executive Director

Patricia is a dairy farmer in the Midlands area. She is the Chairperson for the Midlands chapter of the Zimbabwe Commercial Farmers' Union and the National Vice President for the Zimbabwe Commercial Farmers' Union. Patricia was in the education profession before holding various senior positions in the Ministry of Local Government, Rural and Urban Development between 1980 and 1988. She holds a Bachelor of Arts degree (History) from Mount Holyoke College, USA and a Masters of Arts Degree (Education) from the University of Massachusetts, USA. Patricia also holds a diploma in Management Studies from Harare Polytechnic and is a member of the Chartered Institute of Secretaries (CIS).

Shingirai Norman Chibanguza (30) – Non –executive Director

Shingirai is the Managing Director for Farhigh Trading Transportation and Property Management, Cladmont Investments, Property Plus Realtors and Haddon and Sly Properties. His other directorships include Hwange Colliery Company Limited, Hamilton Insurance, Central Estates Farm and Nyaya Industries and the Rainbow Tourism Group Limited. Shingirai previously held senior positions at Chibanguza Group of Hotels and Guy Chibanguza Enterprises (Pvt.) Ltd (Retail supermarkets) between 2003 and 2007. He is currently studying towards a Bachelor of Commerce in Entrepreneurship (SA) from the University of South Africa.

Albert Joel Nduna (65) – Non-executive Director

Albert is the Chief Executive Officer of ZimRe Holdings Ltd, a diversified conglomerate listed on ZSE. He holds a Bachelor's degree in Accounting and Finance from the University of Lancaster (United Kingdom) and an MBA from Bradford University (UK). Albert is a director of a number of companies in Zimbabwe, Malawi, Mozambique, South Africa and Uganda.

Timothy Nyika (46) - Non Executive Director

Timothy is the Chief Finance Officer of the ZSE listed diversified conglomerate ZimRe Holdings Limited. He holds a Bachelor of Accountancy degree from the University of Zimbabwe and is a member of the Institute of Chartered Accountants of Zimbabwe. Timothy served articles with Deloitte & Touche.

Hamish Bryan Wilburn Rudland (43) – Non-executive Director

Hamish was born in Zimbabwe and was educated at Falcon College in Esigodini. He attended Massey University in New Zealand between 1991 and 1994, and graduated with a Bachelor of Business Studies Degree in Information Systems, Management and Tourism. Hamish returned to Zimbabwe in October 1994 and established Pioneer Corporation Africa in 1995. His other directorships include Holdsworth Holdings (Private) Limited, Unifreight Africa Limited, TSL Limited and ZimRe Holdings Limited. He is a citizen of and resides in Zimbabwe.

Shadreck Chamunorwa Vera (45) – Non-executive Director

Shadreck is the Investments Director at National Social Security Authority (NSSA). He holds a Master of Business Administration degree from Nottingham Trent University and a Postgraduate Diploma in Management Studies from the same University. He also holds an Advanced Diploma in Treasury Management and Finance from the Institute of Bankers South Africa and a Certificate in Management Information Systems (London). He is currently studying towards a Doctorate in Business Administration with Nottingham Trent University.

AI.2.2 The Directors' interests

At the last practicable date, being 31 August 2015, the direct and indirect shareholding interests of the Directors of CFI and their immediate families were as follows:

Director	Direct shareholding	Indirect shareholding	Total
P.S. Bwerinofa	-	735	735
S.N. Chibanguza	-	-	-
S. J. Chihambakwe	-	-	-
A. R. Chinamo	-	51,600	51,600
S. P. Kuipa	5,162	271,512	276,674
A. J. Nduna	77,280	-	77,280
T. Nyika	26,000	-	26,000
G. Muradzikwa	-	-	-
H.B.W. Rudland	-	-	-
S.C. Vera	-	-	-
Total	108,442	323,847	432,289

AI.2.3 Other interests

Except as disclosed in this Circular, none of the Directors of CFI nor any member of their immediate families, nor any person acting in concert with the Directors of CFI, control or is interested, beneficially or otherwise, in any CFI shares or in any securities convertible to rights to subscribe for CFI shares.

AI.2.4 Corporate governance

The Company is committed to the principles of good corporate governance and best practice which endorse a culture of business ethics, openness, transparency, integrity and accountability in its dealings with all stakeholders. CFI's structures, operations, policies and procedures are continuously assessed and updated for compliance with the law and generally accepted standards of good corporate governance.

The Articles provide for the appointment of independent directors. The Board currently comprise 2 (two) Executive Directors and 10 (ten) Non-Executive Directors, including the Chairman. The Board is responsible for giving direction to the Company through setting the overall strategy, key policies and risk parameters. It is also responsible for approving strategic and operational budgets, significant acquisitions and disposals. The Board operates a rigorous risk management process that reviews all business risks and ensures that action plans or strategies have been put in place to manage identified risks. In line with principles of good corporate governance, the Company constituted three permanent Board Committees that meet regularly to execute their mandates. These include the:

- Audit Committee;
- Human Resources and Remuneration Committee; and
- Finance and Investments Committee.

Members of the Board Committees

Audit Committee	Finance and Investments Committee	Human Resources and Remuneration Committee
T. Nyika S.C. Vera A. J. Nduna; S. P. Kuipa ; and A. R. Chinamo	T. Nyika (Chairman) G. Muradzikwa S. N. Chibanguza S. C. Vera P. S. Bwerinofa H. B. W. Rudland S. P. Kuipa ; and A. R. Chinamo	P. S. Bwerinofa (Chairperson); B. D. Mothobi; S. C. Vera S. P. Kuipa ; and A. R. Chinamo

Executive

AI.3 SENIOR MANAGEMENT PROFILES

The senior management team comprises of the following qualified professionals below:

Name	Age	Position	Qualifications
Stephen Paradzai Kuipa	63	Group Chief Executive Officer.	BSc (Soc) (UZ), Executive Development Programme (Oxford)
Acquiline Rufaro Chinamo	44	Group Financial Director	CA (Z), BCompt (Acc) (UNISA), Post Graduate Diploma in Accounting
Edwin Murwira	56	Group Human Resources Executive	B. Admin (UNISA), Diploma in Personnel Management
Panganayi Hare	44	Group Company Secretary	LLBS (Hons) (UZ)
Chesternoel Mutevhe	37	Group Financial Controller and Treasurer	CA (Z), BAcc (Hons)(UZ), BCompt (UNISA), ZCTA, REIZ, Management Development Diploma
Taurai Shava	53	Development & Project Executive –Saturday Retreat	Institute of Administration and Accounting
Evelyn Machaka Madziva	32	Group Internal Audit Manager	CA (Z), B Com (UCT), ZCTA
Evangelister Muguza	44	Group Information Technology Manager	BSc in Applied Physics (NUST), Exec Dip in Admin (UZ), Higher Dip in Business Studies, IMIS
Tonderai Jephenias Chiumburu	54	Group Chief Operating Officer	MBA (UZ), CIS, CIMA, Diploma in Management
Wellington Chiremba	46	Managing Director–Agrifoods	BSc Agriculture (Hons) (UZ)
Tawanda Chinoera	40	Managing Director–Victoria Foods	B Com (NUST), MBA
Tanaka Hofisi	41	CFO - Victoria Foods	CA (Z), Bacc (Hons) (UZ)
Richard Machingaidze	52	General Manager - Suncrest	B Acc (UZ), MBA (UZ), FCIS, Dip Mkt Mgt IAC
Rumbidzai Shumba	30	Finance Manager - Suncrest	B Com Accounting (UNISA)
Nomqhela Dube	30	Acting General Manager - Hubbard	BSc Wildlife & Livestock Mgt (UZ)(Hons)
Stewart Gomwe	43	Finance Manager - Hubbard	B Acc (UZ)
Clear Matangi	39	Operations Manager - Glenara Estates	Bsc Agriculture (UZ) Diploma in Agric (Gwebi)
Debra Mawuta	51	Finance Manager - Glenara	Bsc Accounting (Oxford Brookes), ACCA, CIS
Nomsa Mufandauya	32	General Manager - Crest	Bachelor of Vet Science (UZ)
Isaac Gavi	33	Financial Manager - Crest	CIS
Peggy Rambanapasi	47	Managing Director - Retail	MBA (Nottingham Trent), Certified Diploma in Accounting and Finance, Dip in Packaging Technology, Dip in Education
Hazvinei Chigora	40	Financial Director - Retail	CA (SA), CA (Z), BAcc (Hons)(UZ), BCompt (UNISA), ZCTA

AI.4 LITIGATION STATEMENT

As at the date of this Circular, the Directors confirm that neither CFI nor any of its associates or subsidiaries is involved in any other material litigation, dispute or arbitration proceedings which may, or which have had, during the 12 (twelve) months preceding the date of this Circular, a significant effect on the financial position of CFI, nor is CFI aware that any such material litigation, dispute or arbitration proceedings are pending or threatened except for a number of legal suits at different stages of litigation by various creditors to the Group claiming approximately US\$9 million in total. Some cases are being defended while negotiations are ongoing for out of court settlements. The Directors are confident that amicable out of court settlements will be concluded with the creditors that are owed significant amounts. The said amicable out of court settlements are meant to safeguard the going concern status of the Group to allow it to recapitalize, trade and settle its obligations from operating cash flows.

AI.5 SIGNIFICANT CONTRACTS

Apart from the Langford Estates Sale of Shares Agreement, Debt Assumption and Compromise Agreement, the Memorandum of Understanding between Victoria Foods and Gladmil Investments (Private) Limited for the advance of a US\$750,000 12% per annum facility to Victoria Foods, the franchise agreements between CFI and Hubbard S.A.S. of France in respect of Hubbard Zimbabwe's Grandparent operation, CFI and Hendrix Genetics Company of France in respect of Crest Breeders parent commercial layers, the Consent Order, the land development Joint Venture Agreement with Craftcall Investments (Private) Limited, there are no significant contracts that have been entered into by CFI or its subsidiaries, not being contracts in the ordinary course of business, during the 2 (two) years immediately preceding the date of this Circular.

The Administrative Court of Zimbabwe sitting at Harare in a Consent Order confirmed:

- (a) the compulsory acquisition by the Government of Zimbabwe of the immovable property being the Remaining Extent of Saturday Retreat Estate situated in the District of Salisbury measuring 1,057.3810 hectares in extent from Crest Breeders.
- (b) that Crest Breeders is entitled to full compensation for the compulsory acquisition of its urban land.
- (c) that of the 1,057.3810 hectares of the Remaining Extent of Saturday Retreat Estates, 656 hectares is already occupied. Crest Breeders is entitled to collect net compensation in the sum of US\$17 million from the individuals already settled on the land.
- (d) that sale agreements are being executed between Crest Breeders and the individuals already settled on the land who will then make compensation payments directly to Crest. Once an individual completes payment of the compensation due to Crest Breeders for the land occupied and upon successful fulfillment of other terms and conditions then Crest Breeders will give title deeds to the individual concerned.
- (e) Crest Breeders was also appointed the sole and exclusive developer of the unoccupied 401 hectares of the Remaining Extent of Saturday Retreat Estates. Plans are underway to develop this land and make available high density residential stands.

AI.6 FINANCIAL INFORMATION ON CFI

The financial information of CFI for the reviewed half-year ended 31 March 2015 and for the audited years ended 30 September 2010 - 2014 is set out in the Accountants Report in Appendix I I.

AI.7 PRO FORMA FINANCIAL INFORMATION OF CFI

The pro forma statement of financial position has been prepared to illustrate how the Transactions might have affected the financial position of CFI had they been effected on 31 March 2015. The pro forma financial information is set out in Appendix I I.

21 September 2015



The Directors
CFI Holdings Limited
1 Wynne Street
HARARE
Zimbabwe

REPORT OF THE INDEPENDENT ACCOUNTANTS ON THE CONSOLIDATED AUDITED FINANCIAL INFORMATION FOR THE 5 YEARS UP TO 30 SEPTEMBER 2014, THE CONSOLIDATED REVIEWED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MARCH 2015 AND THE CONSOLIDATED PROFORMA STATEMENT OF FINANCIAL POSITION OF CFI HOLDINGS LIMITED (“CFI” OR “THE GROUP”) AS OF THAT DATE

Introduction

At your request and for the purposes of the Circular dated on or about 23 September 2015, issued to provide the Shareholders of CFI Holdings Limited with the requisite statutory and regulatory information in connection with the proposed transaction involving the disposal of 81% of Langford Estates 1962 (Private) Limited, a CFI investment property holding company.

In accordance with the requirements of Section 8 “Financial Information” of the Zimbabwe Stock Exchange Listing Requirements, we hereby provide report on the historical financial information of CFI Holdings Limited for the five years ended 30 September 2010 to 2014 (referred to as “the historical financial information”), and on the reviewed and the proforma financial information for CFI Holdings Limited as at 31 March 2015, as presented on pages 25 to 29 of the Circular.

The proforma statement of financial position has been prepared in accordance with the requirements of the ZSE Listing Requirements for illustrative purposes only, to provide information about how the Transaction might have affected the reported financial information presented, had the Transaction been undertaken at the date of the proforma balance sheet being reported on 31 March 2015.

We have performed the procedures agreed with you in our engagement letter dated 30 June 2015 with respect to CFI Holdings Limited's historical financial information, as presented on pages 21 to 25 of the CFI Holdings Limited Circular to Shareholders (“the Circular”), to be dated on or about 23 September 2015. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 “Engagement to Perform Agreed-Upon Procedures Regarding Financial Information” and the accompanying report presents the factual findings from the results of the procedures we performed. These procedures were carried out in order to CFI's shareholders to them to make an informed decision at the EGM, and in terms of Section 8.3 of the Zimbabwe Stock Exchange (“ZSE”) Listing Requirements, as applicable to this transaction.

The procedures were performed solely to provide you with an accountant's report, as required by Section 8 of the Zimbabwe Stock Exchange Listing Requirements.

Directors' responsibilities

Reviewed and audited financial information

The Directors are responsible for the preparation and for the fair presentation of the audited and the reviewed abridged financial statements from which the accountants' report has been prepared, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act [Chapter 24:03]. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Unaudited proforma statement of financial position

The Directors are responsible for compilation, contents and the presentation of the unaudited proforma statement of financial position contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the proforma financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of CFI; and the proforma adjustments are appropriate for the purposes of the proforma financial information disclosed in terms of the ZSE Listing Requirements.

Scope

Audited and reviewed financial information

Our procedures on the audited and the reviewed financial information included:

- Review of management application of the significant group accounting policies in the preparation of the financial statements for the five financial years ended 30 September 2010 to 2014 and of the interim financial statements for the half year ended 31 March 2015;
- Review of the consolidation workings for accuracy and consistency; and
- Review of the areas of judgement for reasonableness.

Our report shall not in any way constitute recommendations regarding the completion of the transaction or the issue of the Circular to Shareholders.

Unaudited proforma statement of financial position

Our procedures with respect to the unaudited proforma statement of financial position as at 31 March 2015 consisted primarily of comparing the unaudited financial information with the source documents, considering the proforma adjustments in light of the accounting policies of CFI, considering the evidence supporting the proforma adjustments and discussion of the adjusted proforma financial information with the directors of CFI in respect of the transaction that is subject of this Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the Directors of CFI and other information from various public, financial and industry sources.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing, we do not express any assurance on the fair presentation of the unaudited proforma financial information. Had we performed additional procedures or had we performed an audit or review of the financial information in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Accountant's report

- (a) The accountant's report has been prepared to comply with the relevant requirements of Section 8 of the Zimbabwe Stock Exchange Listing Requirements; and
- (b) The Directors of CFI Holdings Limited are responsible for the preparation of the Statement, which contains the historical and the proforma financial information that is the subject of this accountant's report, and the information contained therein. They have confirmed this responsibility on page 15 of this Circular.

Accountant's report on the historical financial information of CFI

1. Deloitte & Touche Chartered Accountants were the auditors of CFI for the five financial years ended 30 September 2010 to 30 September 2014. The audit reports of CFI for these financial years carried an emphasis of matter relating to the going concern assumption.
2. We performed agreed upon review procedures for the six months ended 31 March 2015 on the unaudited financial information.
3. We do not accept any responsibility for any reports previously given by us on any information used in the compilation of the unaudited financial information beyond that owed to those whom the reports were addressed at their dates of issue.

Accountant's report on the proforma statement of financial position

The scope of our examination of the financial information contained in the proforma statement of financial position included the following procedures:

- i. Agreeing the CFI Holdings Limited Group abridged statement of financial position as at 31 March 2015 to the underlying unaudited statement of financial position of CFI Holdings Limited Group as at 31 March 2015;
 - ii. Checking the financial effects of the disposal of 81% of Langford Estates 1962 (Private) Limited, a CFI investment property holding company;
 - iii. Checking the arithmetic accuracy of the disaggregation of the CFI Holdings Limited Group, to arrive at the consolidated proforma statement of financial position through recomputations; and
 - iv. Checking the arithmetic accuracy of the overall sub-totals and totals contained in the proforma statement of financial position through recomputations.
- (a) Deloitte & Touche has finalized the review of the financial statements of CFI Holdings Limited for the half year ended 31 March 2015 upon which the information in the proforma statement of financial position has been extracted.
 - (b) The Directors of CFI Holdings Limited are responsible for the proforma statement of financial position to which this accountant's report relates.
 - (c) The underlying financial information from which the proforma statement of financial position is prepared is based on accounting policies that comply with IFRS.
 - (d) From our enquiries of CFI Holdings Limited management, there are no material assets included in the proforma statement of financial position that are not owned.
 - (e) From our enquiries of CFI Holdings Limited management, all material liabilities and commitments have been included in the proforma statement of financial position.
 - (f) From our enquiries of CFI Holdings Limited management, there have been no material subsequent events arising which have, or that could reasonably be expected to have a material impact on the proforma statement of financial position.

Basis of preparation of the proforma statement of financial position

The proforma statement of financial position has been prepared on a consolidated basis, using historical cost and fair value amounts as appropriate.

Conclusion

Audited and reviewed financial information

Based on our examination, nothing has come to our attention that causes us to believe that, in all material respects:

- The audited and interim financial information has not been properly compiled on the basis stated; and
- Such basis is inconsistent with the accounting policies of CFI.

Subsequent to 31 March 2015, no events have been identified which may materially impact on the Group.

Unaudited proforma statement of financial position

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that, in terms of section 8.3 of the ZSE Listings Requirements:

- The proforma financial information has not been properly compiled on the basis stated,
- Such basis is inconsistent with the accounting policies of the Group; and
- The adjustments are not appropriate for the purposes of the proforma financial information as disclosed.

Exclusion of notes and accounting policies

At the request of the Group, and with the approval of the ZSE, the accounting policies and notes to the financial information have been excluded from this circular, but are available for inspection in the full audited set of financial statements for the five financial years ended 30 September 2010 to 2014, and the interim period ended 31 March 2015 at the registered office of the Group.

As the purpose of the appended financial information differs from the purpose of financial statements prepared for the members, the appended financial information is not intended to comply fully with the full presentation and disclosure requirements of the Companies Act [Chapter 24:03] and International Financial Reporting Standards.

Date of reports

This report has been dated on or about 15 September 2015, which is the date that the Directors authorized the issue of the Circular containing the historical and proforma financial information.

Inspection of the Circular

We have inspected the Circular containing the historical financial information to confirm that the contents thereof are not contradictory with the information contained in this report or in the historical financial information.

Consent letter

We have provided the Directors of CFI Holdings Limited with our consent letter, dated 21 September 2015, which is the date that the Directors authorized the issue of the Circular containing the historical financial information, for:

- i. inclusion of this report in the Circular; and
- ii. references to be made from within the Circular to this report

Distribution and assurances

In accordance with Section 8.3 of the Zimbabwe Stock Exchange Listing Requirements, this report is prepared solely for the Directors of CFI Holdings Limited. Consequently, any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Because the procedures we performed do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the reviewed and on the proforma statements of financial position.

Had we performed additional procedures or had we performed an audit or review of the proforma statement of financial position in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

DELOITTE & TOUCHE
Chartered Accountants (Zimbabwe)
Harare

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 March 2015 and years ended 30 September

	31-Mar-15 Reviewed	30-Sep-14 Audited	30-Sep-13 Audited	30-Sep-12 Audited	30-Sep-11 Audited	30-Sep-10 Audited
	US\$	US\$	US\$	US\$	US\$	US\$
Continuing Operations						
Sales	34,021,343	71,212,270	87,187,838	92,349,191	97,981,159	72,883,473
Change in fair value of biological assets	195,400	(87,369)	41,145	32,175	105,495	442,959
REVENUE	34,216,743	71,124,901	87,228,983	92,381,366	98,086,654	73,326,432
Cost of sales	(28,838,026)	(62,195,078)	(67,404,884)	(73,681,967)	(76,436,878)	(54,523,108)
GROSS PROFIT	5,378,717	8,929,823	19,824,099	18,699,399	21,649,776	18,803,324
Other operating income	989,460	2,250,699	1,840,990	7,663,097	2,210,350	1,742,572
Selling, marketing and distribution expenses	(2,298,516)	(5,678,347)	(5,806,960)	(6,567,642)	(6,072,255)	(4,616,280)
Administration expenses	(6,991,266)	(15,134,472)	(20,828,847)	(23,254,838)	(20,571,289)	(17,361,820)
OPERATING LOSS	(2,921,605)	(9,632,297)	(4,970,718)	(3,459,984)	(2,783,418)	(1,432,204)
Net financing cost	(2,086,179)	(3,990,037)	(3,896,817)	(3,407,955)	(2,759,011)	(2,155,863)
LOSS BEFORE TAX	(5,007,784)	(13,622,334)	(8,867,535)	(6,867,939)	(5,542,429)	(3,588,067)
Income tax credit	1,241,930	3,699,551	2,284,363	2,875,506	1,443,222	1,114,237
LOSS FOR THE PERIOD BEFORE DISCONTINUED OPERATIONS	(3,765,854)	(9,922,783)	(6,583,172)	(3,992,433)	(4,099,207)	(2,473,830)
Discontinued Operations						
Profit (loss) for the period from discontinued operations	-	-	-	611,912	(421,803)	-
LOSS FOR THE PERIOD	(3,765,854)	(9,922,783)	(6,583,172)	(3,380,521)	(4,521,010)	(2,473,830)
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX						
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS						
Gain on revaluation of plant and properties	-	9,023,000	48,056,767	7,525,223	-	-
Deferred tax on revaluation of plant and properties	-	(451,144)	(4,109,986)	(1,275,914)	7,500	-
	-	8,571,856	43,946,781	6,249,309	7,500	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS						
Net value loss on available-for-sale investments	-	(807,077)	(1,380,000)	(35,211)	(5,078)	2,732
Deferred tax on revaluation of investments	-	62,178	69,000	1,490	1,178	-
Effect of change in tax rate	-	-	-	-	-	1,928,029
	-	(744,899)	(1,311,000)	(33,721)	(3,900)	1,930,761
Other comprehensive (loss) income for the period, net of tax	-	7,826,957	42,635,781	6,215,588	3,600	1,930,761
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(3,765,854)	(2,095,826)	36,052,609	2,835,067	(4,517,410)	(543,069)
LOSS ATTRIBUTABLE TO:						
Equity holders of the parent	(3,765,854)	(9,922,783)	(6,583,172)	(3,346,534)	(4,493,983)	(2,451,047)
Non-controlling interests	-	-	-	(33,987)	(27,027)	(22,783)
	(3,765,854)	(9,922,783)	(6,583,172)	(3,380,521)	(4,521,010)	(2,473,830)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:						
Equity holders of the parent	(3,765,854)	(2,095,826)	36,052,609	2,835,067	(4,490,383)	(534,787)
Non-controlling interests	-	-	-	-	(27,027)	(8,282)
	(3,765,854)	(2,095,826)	36,052,609	2,835,067	(4,517,410)	(543,069)
Loss per share						
Basic (cents per share)	(3.57)	(9.41)	(6.24)	(3.17)	(4.26)	(2.33)
Diluted (cents per share)	(3.57)	(9.41)	(6.24)	(3.17)	(4.26)	(2.33)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March and 30 September

	31-Mar-15 Reviewed	30-Sep-14 Audited	30-Sep-13 Audited	30-Sep-12 Audited	30-Sep-11 Audited	30-Sep-10 Audited
	US\$	US\$	US\$	US\$	US\$	US\$
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	61,994,136	63,077,591	106,336,223	61,564,485	53,982,602	51,562,059
Investments	706,442	706,442	2,656,443	4,036,443	4,071,653	3,936,107
Deferred tax assets	6,212,135	6,119,545	3,232,881	1,802,382	-	-
TOTAL NON-CURRENT ASSETS	68,912,713	69,903,578	112,225,547	67,403,310	58,054,255	55,498,166
CURRENT ASSETS						
Inventories and biological assets	36,350,946	37,908,334	15,273,186	17,289,674	20,743,273	17,924,424
Trade and other receivables	5,435,368	4,598,541	4,351,383	7,069,743	7,906,282	6,382,917
Investments	-	-	6,813	259,614	254,714	605,576
Current tax assets	-	-	-	-	75,476	54,879
Bank balances and cash	323,850	318,820	725,481	1,783,674	1,450,094	766,767
	42,110,164	42,825,695	20,356,863	26,402,705	30,429,839	25,734,563
Assets classified as held for sale	22,569,000	22,751,000	-	-	452,278	-
TOTAL CURRENT ASSETS	64,679,164	65,576,695	20,356,863	26,402,705	30,882,117	25,734,563
TOTAL ASSETS	133,591,877	135,480,273	132,582,410	93,806,015	88,936,372	81,232,729
EQUITY AND LIABILITIES						
CAPITAL AND RESERVES						
Issued share capital	1,055,009	1,055,009	1,055,009	1,055,009	1,055,009	1,053,209
Share premium	73,440	73,440	73,440	73,440	73,440	57,240
Share options reserve	156,004	156,004	156,004	156,004	156,004	156,004
Non-distributed reserves	104,701,806	104,701,806	96,874,849	54,239,068	48,077,362	46,175,159
Accumulated losses	(30,656,071)	(26,890,217)	(16,967,434)	(10,384,262)	(7,037,728)	(2,543,745)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	75,330,188	79,096,042	81,191,868	45,139,259	42,324,087	44,897,867
NON CONTROLLING INTEREST	-	-	-	-	153,891	180,918
TOTAL EQUITY	75,330,188	79,096,042	81,191,868	45,139,259	42,477,978	45,078,785
NON-CURRENT LIABILITIES						
Deferred tax liabilities	7,873,382	9,162,424	10,908,340	7,863,448	8,077,918	8,824,301
Long term borrowings	1,035,036	785,036	1,941,278	2,695,277	438,906	-
TOTAL NON-CURRENT LIABILITIES	8,908,418	9,947,460	12,849,618	10,558,725	8,516,824	8,824,301
CURRENT LIABILITIES						
Trade payables	20,028,907	20,331,488	18,585,662	20,173,974	19,562,264	14,837,968
Accruals and other payables	10,437,498	8,263,116	5,247,550	4,132,321	4,934,595	12,367,594
Borrowings	6,873,374	5,013,700	11,891,844	13,107,951	13,218,836	124,081
Bank overdraft	10,390,096	11,340,357	2,583,919	532,226	171,870	-
Current tax liabilities	494,946	350,560	231,949	161,559	-	-
	48,224,821	45,299,221	38,540,924	38,108,031	37,887,565	27,329,643
Liabilities directly associated with assets classified as held for sale	1,128,450	1,137,550	-	-	54,005	-
TOTAL CURRENT LIABILITIES	49,353,271	46,436,771	38,540,924	38,108,031	37,941,570	27,329,643
TOTAL EQUITY AND LIABILITIES	133,591,877	135,480,273	132,582,410	93,806,015	88,936,372	81,232,729

CONSOLIDATE STATEMENT OF CASH FLOWS

For the half year ended 31 March 2015 and years ended 30 September

	31-Mar-15 Reviewed	30-Sep-14 Audited	30-Sep-13 Audited	30-Sep-12 Audited	30-Sep-11 Audited	30-Sep-10 Audited
	US\$	US\$	US\$	US\$	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax from continuing operations	(5,007,784)	(13,622,334)	(8,867,535)	(6,867,939)	(5,542,429)	(3,588,067)
Loss before tax from discontinued operations	-	-	-	611,623	(248,011)	-
Adjustments for:-						
Impairments of property, plant and equipment	-	27,517	377,426	401,845	67,823	-
Depreciation expense	1,065,747	2,316,134	2,432,377	1,818,683	1,717,695	1,497,100
Change in fair value of biological assets	(195,400)	87,369	(41,145)	(32,175)	(105,495)	(442,959)
Loss on disposal of interest in subsidiary	-	-	40,449	-	-	-
Profit realised from disposal of listed investments	-	1,123	4,944	(5,213)	(34,701)	(380,662)
Decrease in fair value of listed investments	-	-	7,043	-	105,713	(11,324)
Dividends received from investments	-	-	-	(1,934)	-	(161,636)
Net financing cost	2,086,179	3,990,037	3,896,817	3,407,955	2,787,533	2,155,863
(Profit) loss on disposal of property, plant and equipment	(537,425)	(953,547)	213,913	(5,301,697)	(124,105)	58,039
OPERATING CASH OUTFLOWS BEFORE WORKING CAPITAL CHANGES	(2,588,683)	(8,153,701)	(1,976,160)	(5,928,403)	(1,375,977)	(873,646)
Decrease (increase) in inventories and biological assets	1,752,788	4,200,483	2,057,633	3,277,652	(2,713,354)	(8,496,740)
(Increase) decrease in trade and other receivables	(836,827)	(117,158)	2,718,360	(289,327)	(1,523,365)	(3,256,334)
Increase (decrease) in trade and other payables	1,871,799	4,761,392	(473,083)	857,349	9,658,891	5,893,547
CASH GENERATED FROM (UTILISED IN) OPERATING ACTIVITIES	199,077	691,016	2,326,750	(2,082,729)	4,046,195	(6,733,173)
Net financing cost	(2,086,179)	(3,990,037)	(3,896,817)	(3,407,955)	(2,787,533)	(2,155,863)
Income taxes paid	(3,838)	(65,834)	(71,842)	(263,406)	(31,262)	(166,291)
NET CASH UTILISED IN (GENERATED FROM) OPERATING ACTIVITIES	(1,890,940)	(3,364,855)	(1,641,909)	(5,754,090)	1,227,400	(9,055,327)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of investments	-	-	-	-	(140,000)	(161,694)
Dividends received from investments	-	-	-	1,934	-	161,636
Proceeds from disposal of investments	-	1,148,614	240,815	354,405	279,226	2,404,768
Purchase of property, plant and equipment	(69,849)	(440,513)	(405,941)	(5,003,553)	(2,602,554)	(2,517,344)
Proceeds from disposal of property, plant and equipment	806,406	1,528,041	667,255	8,223,356	563,318	363,957
NET CASH RECEIVED FROM INVESTING ACTIVITIES	736,557	2,236,142	502,129	3,576,142	(1,900,010)	251,323
CASH FLOWS FROM FINANCING ACTIVITIES						
Issue of shares	-	-	-	-	18,000	63,600
Net proceeds settlement of long term loans	250,000	(1,156,242)	(753,999)	2,256,371	438,906	(2,580,243)
Net short term loans reclassified to the bank overdraft accounts	1,859,674	(6,878,144)	(1,216,107)	(105,199)	851,242	10,808,886
NET CASH GENERATED FROM (UTILISED IN) FINANCING ACTIVITIES	2,109,674	(8,034,386)	(1,970,106)	2,151,172	1,308,148	8,292,243
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	955,291	(9,163,099)	(3,109,886)	(26,776)	635,538	(511,761)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(11,021,537)	(1,858,438)	1,251,448	1,278,224	642,686	1,154,447
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(10,066,246)	(11,021,537)	(1,858,438)	1,251,448	1,278,224	642,686

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 March 2015 and years ended 30 September

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

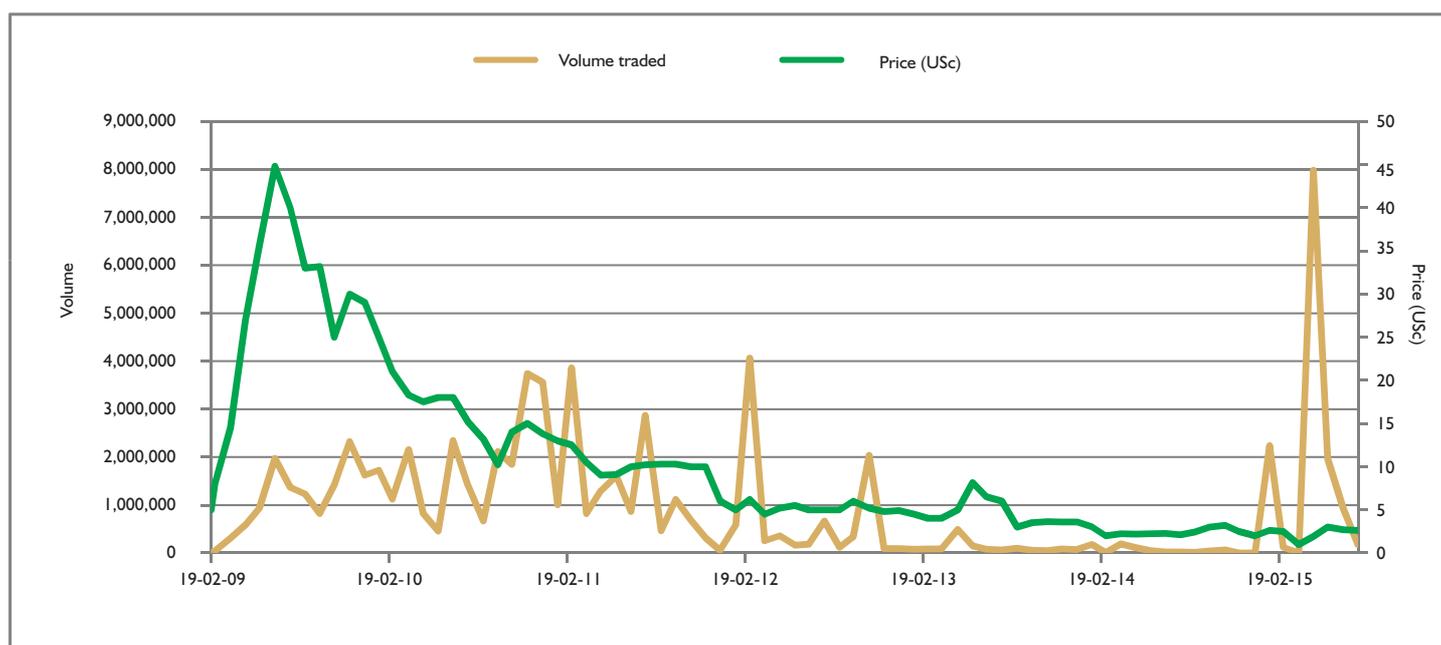
	Share Capital	Share Premium	Share options reserve	Non Distributable reserves	Accumulated Losses	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 30 September 2012	1,055,009	73,440	156,004	54,239,068	(10,384,262)	45,139,259
Loss for the year	-	-	-	-	(6,583,172)	(6,583,172)
Other comprehensive income for the year	-	-	-	42,635,781	-	42,635,781
Balance at 30 September 2013	1,055,009	73,440	156,004	96,874,849	(16,967,434)	81,191,868
Loss for the year	-	-	-	-	(9,922,783)	(9,922,783)
Other comprehensive loss for the year	-	-	-	7,826,957	-	7,826,957
Balance at 30 September 2014	1,055,009	73,440	156,004	104,701,806	(26,890,217)	79,096,042
Loss for the half year	-	-	-	-	(3,765,854)	(3,765,854)
Balance at 31 March 2015	1,055,009	73,440	156,004	104,701,806	(30,656,071)	75,330,188

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	REVIEWED 31 March 2015 US\$	Effect of Land sale US\$	PROFORMA REVIEWED 31 March 2015 US\$	AUDITED YEAR TO 30 Sept. 2014 US\$
Non-current assets				
Property, plant and equipment	61,994,136	-	61,994,136	63,077,591
Investments (unlisted)	706,442	-	706,442	706,442
Deferred tax assets	6,212,135	-	6,212,135	6,119,545
Total non-current assets	68,912,713	-	68,912,713	69,903,578
Current assets				
Inventories and biological assets	36,350,946	-	36,350,946	37,908,334
Trade and other receivables	5,435,368	-	5,435,368	4,598,541
Investments (listed)	-	-	-	-
Cash and bank balances	323,850	-	323,850	318,820
	42,110,164	-	42,110,164	42,825,695
Assets classified as held for sale	22,569,000	(18,011,400)	4,557,600	22,751,000
Total current assets	64,679,164	(18,011,400)	46,667,764	65,576,695
TOTAL ASSETS	133,591,877	(18,011,400)	115,580,477	135,480,273
EQUITY AND LIABILITIES				
Issued share capital	1,055,009	-	1,055,009	1,055,009
Share premium	73,440	-	73,440	73,440
Share options reserve	156,004	-	156,004	156,004
Non-distributed reserves	104,701,806	-	104,701,806	104,701,806
Accumulated losses	(30,656,071)	(1,110,830)	(31,766,901)	(26,890,217)
Equity attributable to equity holders	75,330,188	(1,110,830)	74,219,358	79,096,042
Non-current liabilities				
Deferred tax liabilities	7,873,382	-	7,873,382	9,162,424
Long term borrowings	1,035,036	-	1,035,036	785,036
Total non-current liabilities	8,908,418	-	8,908,418	9,947,460
Current liabilities				
Trade payables	20,028,907	-	20,028,907	20,331,486
Accruals and other payables	10,437,498	-	10,437,498	8,263,118
Short term borrowings	6,873,374	(5,609,904)	1,263,470	5,013,700
Bank overdraft	10,390,096	(10,390,096)	-	11,340,357
Current tax liabilities	494,946	-	494,946	350,560
	48,224,821	(16,000,000)	32,224,821	45,299,221
Liabilities directly associated with assets classified as held for sale	1,128,450	(900,570)	227,880	1,137,550
Total current liabilities	49,353,271	(16,900,570)	32,452,701	46,436,771
TOTAL EQUITY AND LIABILITIES	133,591,877	(18,011,400)	115,580,477	135,480,273
Number of shares	105,500,875		105,500,875	
Net Asset value per share	0.71		0.70	

APPENDIX III: CFI share price information

Date	Closing Price (Usc)	Monthly Volumes Traded	Date	Closing Price (Usc)	Monthly Volumes Traded	Date	Closing Price (Usc)	Monthly Volumes Traded	Date	Closing Price (Usc)	Monthly Volumes Traded
2/19/2009	5	-	9/30/2010	10.2	2,115,638	5/31/2012	5.5	159,414	1/31/2014	3	176,287
2/27/2009	8	43,301	10/29/2010	14	1,845,809	6/29/2012	5	180,554	2/28/2014	2	10,441
3/31/2009	14.5	305,359	11/30/2010	15	3,739,192	7/31/2012	5	669,026	3/31/2014	2.21	187,624
4/30/2009	27	584,444	12/31/2010	13.8	3,560,995	8/31/2012	5	120,614	4/30/2014	2.2	110,292
5/29/2009	35.6	932,471	1/31/2011	13	1,004,263	9/28/2012	6	334,778	5/30/2014	2.21	52,358
6/30/2009	44.8	1,973,054	2/28/2011	12.5	3,862,625	10/31/2012	5.2	2,032,377	6/30/2014	2.25	23,324
7/31/2009	40	1,365,308	3/31/2011	10.5	820,209	11/30/2012	4.8	92,770	7/31/2014	2.1	21,391
8/31/2009	33	1,230,310	4/29/2011	9.01	1,294,363	12/31/2012	4.9	90,219	8/29/2014	2.4	12,285
9/30/2009	33.2	819,169	5/31/2011	9.1	1,609,242	1/31/2013	4.5	80,326	9/30/2014	3	44,592
10/30/2009	25	1,417,943	6/30/2011	10	863,439	2/28/2013	4	83,951	10/31/2014	3.2	62,050
11/30/2009	30	2,324,621	7/29/2011	10.2	2,869,656	3/28/2013	4	82,283	11/28/2014	2.5	1,757
12/31/2009	29	1,621,093	8/31/2011	10.3	466,062	4/30/2013	5	494,473	12/31/2014	2	-
1/29/2010	25	1,727,750	9/30/2011	10.3	1,113,441	5/31/2013	8.15	149,967	1/30/2015	2.6	2,238,154
2/26/2010	21	1,124,149	10/31/2011	10	677,883	6/28/2013	6.5	78,170	2/27/2015	2.5	119,719
3/31/2010	18.3	2,153,514	11/30/2011	10	313,982	7/30/2013	6	65,685	3/31/2015	0.975	2,460
4/30/2010	17.5	822,579	12/30/2011	6	53,526	8/30/2013	3	101,395	4/30/2015	1.9	7,979,576
5/31/2010	18	454,538	1/31/2012	5	581,920	9/30/2013	3.5	57,389	5/29/2015	3	1,965,572
6/30/2010	18	2,342,646	2/29/2012	6.2	4,064,096	10/31/2013	3.61	47,525	6/30/2015	2.7	926,747
7/30/2010	15.25	1,430,566	3/30/2012	4.5	253,662	11/29/2013	3.6	82,597	7/30/2015	2.6	177,860
8/31/2010	13.2	668,331	4/30/2012	5.2	358,746	12/31/2013	3.6	70,235	8/31/2015	4.0	889,000



NOTICE OF EXTRAORDINARY GENERAL MEETING 'EGM'



(A public company incorporated in the Republic of Zimbabwe on 6 May 1996 under company registration number 3403/96)

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of members of CFI Holdings Limited (“the Company”) will be held at the Royal Harare Golf Club, Harare, on 16 October 2015, at 1000 hours. Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below:-

AS ORDINARY RESOLUTIONS:

1. Disposal of a property investment company

“That, the Company be and is hereby authorized, in terms of Article 90 of the Company's Articles of Association and the Zimbabwe Stock Exchange Listing Requirements, to approve and ratify the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited, an investment subsidiary whose sole asset is a piece of undeveloped urban land measuring 834 hectares in extent for a total consideration of US\$18 million for the purposes of settling short-term interest-bearing debt.”

2. Directors' authority to give effect to the above resolutions

“That the Directors of the Company be and are hereby authorized to do any and all such things, including altering the Company's Articles of Association, as may generally be required or necessary to give effect to the above.”

BY ORDER OF THE BOARD
23 September 2015

Panganayi Hare
Company Secretary
1 Wynne Street
P.O. Box 510
Harare, Zimbabwe

FORM OF PROXY

A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the EGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the EGM.

The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's Registered Offices (Attention the Company Secretary) no later than 48 (Forty-eight hours) before the time appointed for the holding of the EGM.

FORM OF PROXY



(A public company incorporated in the Republic of Zimbabwe on 6 May 1996 under company registration number 3403/96)

For use by Shareholders at the Company's EGM to be held on Friday, 16 October 2015 at 1000 hours.

Each member entitled to attend and vote at the EGM is entitled to appoint one person as his proxy, who need not be a member of the Company, to attend, speak and vote in his/her stead at the EGM.

I/We _____
(Name in block letters)

Of _____

Being the holder of _____ shares in the Company hereby appoint

1. _____ of _____ or failing him/her

2. _____ of _____ or failing him/her

3. the Chairman of the EGM

As my/our proxy to act for me/us at the EGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

ORDINARY RESOLUTIONS		Number of Votes		
		For	Against	Abstain
1.	Disposal of a property investment company "That, the Company be and is hereby authorized, in terms of Article 90 of the Company's Articles of Association and the Zimbabwe Stock Exchange Listing Requirements, to approve and ratify the disposal of 81% of the equity of Langford Estates 1962 (Private) Limited, an investment subsidiary whose sole asset is a piece of undeveloped urban land measuring 834 hectares in extent for a total consideration of US\$18 million for the purposes of settling short-term interest-bearing debt."			
2.	Directors' authority to give effect to the above resolutions "That the Directors of the Company be and are hereby authorized to do any and all such things, including altering the Company's Articles of Association, as may generally be required or necessary to give effect to the above."			

Every person present and entitled to vote at the EGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Signed at _____ on _____ 2015

Signature(s) _____

Assisted by me _____

Full name(s) of signatory/ies if signing in a representative capacity (see note 2) (please use block letters).

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initiated by the shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of the entire shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, or cast them in the same way.
3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - i. under a power of attorney
 - ii. on behalf of a companyunless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the Registered Office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's transfer secretaries or the Registered Office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.
10. Please be advised that the number of votes a member is entitled to be determined by the number of shares recorded on the share register 48 hours before the time appointed for the holding of the meeting.

OFFICE OF THE TRANSFER SECRETARIES First Transfer Secretaries No. 1 Armagh Avenue Off Enterprise Road Eastlea Harare, Zimbabwe	REGISTERED OFFICE OF THE COMPANY 1 Wynne Street P.O. Box 510 Harare Zimbabwe
--	---