

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



PADENGA HOLDINGS LIMITED

(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

CIRCULAR TO SHAREHOLDERS

**Relating to and seeking approvals for:
The Termination of the Zimbabwe Stock Exchange Listing of Padenga Holdings Limited
And incorporating**

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Padenga Holdings Limited, to be held virtually by electronic means, on Friday the 2nd of July 2021, at 1000 hours, which notice was published on the 11th of June 2021 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange ("ZSE") and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, 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 1600 hours, on the 29th of June 2021.

Financial Advisors



Sponsoring Brokers



Legal Advisors



Independent Reporting Accountants



Transfer Secretaries



This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listings Requirements of the ZSE, for the purpose of giving information to the public with regard to the Transaction as more fully set out in this Circular. The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at the Registered Office of Padenga Holdings Limited or IH Securities.

If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant, or other professional advisors. If you no longer hold any shares in Padenga, you should send this Circular, as soon as possible, to the stockbroker, bank or other agents through whom the sale of your shareholding in Padenga was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of Padenga Limited, whose names are given in paragraph 4.2 of the 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 the 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 Circular particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Listing particulars relate.

The Company's lead financial advisors, sponsoring broker, legal advisors, transfer secretaries and reporting accountants have 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 of this document: Friday 11 June 2021

TABLE OF CONTENTS

Corporate Information and Advisors	4
Forward-looking statements	5
Interpretation and definitions	6
Salient features of the Proposed Transaction	9
Chairman's Statement	12
Overview of the Proposed Transaction	13
Overview of Padenga	14
Overview of Dallaglio	16
Share capital	17
Corporate governance	18
Capital Commitments and Contingent Liabilities	21
Material Contracts	21
Litigation Statement	21
Share Information	22
Experts' Consents	24
Regulatory Issues	24
Documents and Consents Available for Inspection	24
Directors' Responsibility Statement	24

APPENDICES

Annexure 1 – Report of the Independent Auditors & Reporting Accountants on Historical Financials	25
Annexure 2 – Historical Financial Information	27
Annexure 3 – Notice of Extraordinary General Meeting	30
Annexure 4 – Form of Proxy	31

CORPORATE INFORMATION

The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange. Padenga Holdings Limited derives professional services from the following:

Company Secretary and Registered Office

Andrew Lorimer
121 Borrowdale Road
Gunhill
Harare
Zimbabwe

Financial Advisors

Inter-Horizon Advisory (Private) Limited
Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe

Sponsoring Brokers

Inter-Horizon Securities (Private) Limited
Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe

Legal Advisors

Dube, Manikai & Hwacha Legal Practitioners
6th Floor, Gold Bridge,
Eastgate Complex
Corner Sam Nujoma Street & Robert Mugabe Way
Harare
Zimbabwe

Independent Auditors and Reporting Accountants

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Corner Julius Nyerere Way &
Kwamwe Nkurumah Avenue
Harare
Zimbabwe

Transfer Secretaries

Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st & Kwame Nkrumah Avenue
Harare
Zimbabwe

Principal Bankers

CABS
Northend Close
Northridge Park
Harare
Zimbabwe

FORWARD LOOKING STATEMENTS

This Circular includes forward looking statements regarding Padenga Holdings Limited. Forward looking statements are those other than statements of historical facts, included in this Circular, and include without limitation, those regarding Padenga Holdings Limited's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Padenga Holdings Limited's products and services). Any statements preceded by, followed by or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks", or similar expressions, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause Padenga Holdings Limited's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are inherently based on numerous assumptions regarding Padenga Holdings Limited's present and future business strategies and the environment in which Padenga Holdings Limited will operate in the future. These forward-looking statements speak only as at the date of this Circular. The Directors of Padenga Holdings Limited expressly disclaim any obligation or undertaking to disseminate, after the distribution of this Document, any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward looking statement is based, unless legally required to do so.

INTERPRETATIONS AND DEFINITIONS

In this document, unless otherwise stated or the context otherwise requires, 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.

<i>"Articles"</i>	The Articles of Association of Padenga Holdings Limited;
<i>"Board" or "Directors"</i>	The Board of Directors of Padenga Holdings Limited;
<i>"Broker"</i>	Any person or company registered as a member with the ZSE and authorised to buy and sell shares and other securities on behalf of customers;
<i>"Business Day"</i>	Monday to Friday, but excluding public holidays in Zimbabwe;
<i>"Chairman's Letter"</i>	The Chairman's Letter to Padenga Holdings Limited shareholders;
<i>"Circular" or "the Document"</i>	This document dated Friday 11 June 2021 including the appendices hereto, addressed to Padenga Holdings Limited Shareholders, which sets out the terms and conditions of the Transaction;
<i>"Companies Act"</i>	The Companies and Other Business Entities Act (Chapter 24:31);
<i>"Conditions Precedent" or "Delisting Conditions Precedent"</i>	The Conditions Precedent to which the Delisting is subject as set out on page 11.
<i>"CSD"</i>	Central Securities Depository;
<i>"Dallaglio"</i>	Dallaglio Investments (Private) Limited, a Public Company incorporated in Zimbabwe under company registration number 6772/2005.
<i>"Documents of Title"</i>	Share certificates, dematerialised shares in CSD accounts, certified transfer deeds, balance receipts or any other physical documents of title to shares acceptable to the issuer of such shares;
<i>"EBITDA"</i>	Earnings Before Interest, Taxation, Depreciation, and Amortisation
<i>"EGM"</i>	Extraordinary General Meeting of Padenga Holdings Limited shareholders convened in terms of the Companies Act and the same, to be held at 1000 hours on Friday 2 July 2021, virtually by electronic means, at which Padenga Holdings Limited Shareholders will vote on the Offer;
<i>"EPS"</i>	Earnings per share;

INTERPRETATIONS AND DEFINITIONS (CONTINUED)

<i>"Exchange Control Regulations"</i>	The Exchange Control Regulations promulgated under the Exchange Control Act [Chapter 22:05] including in particular and without limitation, the Exchange Control Regulations, Statutory Instrument 109 of 1996, as amended;
<i>"EY" or "Reporting Accountants"</i>	Ernst & Young Chartered Accountants (Zimbabwe)
<i>"Form of Proxy"</i>	The Form of Proxy accompanying this Circular;
<i>"IAS"</i>	International Accounting Standards;
<i>"IFRS"</i>	International Financial Reporting Standards;
<i>"IH Advisory"</i>	IH Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the financial advisors to the Transaction;
<i>"IH Securities"</i>	IH Securities (Private) Limited, the sponsoring broker for the Transaction and a member of the Zimbabwe Stock Exchange;
<i>"LDT"</i>	Last date to trade;
<i>"Listing Requirements"</i>	The Listing Requirements of the ZSE, as amended;
<i>"Legal Advisors"</i>	Dube, Manikai & Hwacha Legal Practitioners, the legal advisors to the Transaction;
<i>"NAV"</i>	Net asset value;
<i>"Non-Resident Shareholder(s)"</i>	A holder(s) of Padenga Holdings Limited shares who are/is designated as "non-resident" in terms of the Exchange Control Regulations;
<i>"Notice"</i>	The notice of the Extraordinary General Meeting which was published in terms of the Companies Act on Friday the 11 th of June 2021, advising Padenga Holdings Limited Shareholders of the Proposed Transaction and which forms part of this Circular;
<i>"Padenga Holdings Limited" or "PHL" or "the Company" or "the Group"</i>	Padenga Holdings Limited, a Public Company incorporated in Zimbabwe under company registration number 2888/2010 and listed on the ZSE;
<i>"Proposed Transaction"</i>	The De-Listing of Padenga Holdings Limited Shares from the Zimbabwe Stock Exchange and the simultaneous admission of the Company on the VFEX.
<i>"RBZ"</i>	Reserve Bank of Zimbabwe;
<i>"Register"</i>	The Register of Shareholders of the Company maintained by the Transfer Secretaries and the sub-register of nominee Shareholders maintained by each Broker;
<i>"Registrar"</i>	The Registrar of Companies appointed in terms of the Companies and Other Business Entities Act;

INTERPRETATIONS AND DEFINITIONS (CONTINUED)

<i>"Shareholder(s)"</i>	The holders of ordinary Shares of Padenga Holdings Limited;
<i>"Shares" or "Security"</i>	The issued and/or authorised share capital of Padenga Holdings Limited;
<i>"SI"</i>	Statutory Instrument;
<i>"Transfer Secretaries"</i>	Corpserve Registrars (Private) Limited who provide share transfer secretarial services to Padenga Holdings Limited;
<i>"USD"</i>	United States Dollars; the legal tender of the United States of America in which certain monetary amounts in this Circular are expressed;
<i>"VFEX"</i>	Victoria Falls Stock Exchange;
<i>"Voting Record Date"</i>	The date for Shareholders to be recorded in the Register eligible to vote at the EGM, being at 1600 hours on Friday the 18 th of June 2021;
<i>"VWAP"</i>	Volume weighted average price;
<i>"Zimbabwe"</i>	The Republic of Zimbabwe;
<i>"ZSE"</i>	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;
<i>"ZSE Listing Requirements"</i>	The Listings Requirements of the ZSE; embodied in SI 134 of 2019;
<i>"ZWL"</i>	The Zimbabwean Dollar; legal tender in Zimbabwe.

SALIENT FEATURES OF PROPOSED TRANSACTIONS

Overview of the Acquisition

At the meeting held on Tuesday 4 May 2021, the Board of Directors of Padenga considered the termination of Padenga's ZSE Listing, with the intent to re-list the Company's shares onto the VFEX by way of Introduction.

Benefits of the Proposed Transaction

The benefits of the Proposed Transaction include, but are not limited to, the following:

- The Government increasing the retention ratio for exporters listed on the VFEX to 100% will strengthen Padenga's ability to repay any foreign currency liabilities. Resultantly, opportunities now exist for Padenga to raise capital in foreign currency from a wider potential market to, expand existing business, acquire or establish new business and fund acquisitions.
- Enable Padenga's existing shareholders to realise the value of their holdings in the market, allowing greater liquidity and consequently, increasing the number and diversity of security holders.
- The VFEX offers lower trading fees which may also lead to the shares' improved liquidity.
- Allowance to use offshore settlement for trades conducted on the VFEX.
- Tax incentives for shareholders (5% withholding tax on dividends for shareholders and no capital gains withholding tax on share disposal);
- Enhanced profile for Padenga both within and outside Zimbabwe. Potentially improve the company's public recognition and commercial standing and improving the Company's investor profile.
- Provide a de facto third-party USD valuation of the Company by the market.
- Lower foreign exchange risk.

And otherwise as more fully set out in the press statement dated 10 May 2021, on incentives for exports and investment growth, issued by the Minister of Finance and Economic Development.

In the event that the Proposed Transaction does not take place, then Padenga will remain listed on the ZSE and the benefits previously outlined above will not be available to the Company or its shareholders.

Timetable for the Proposed Transaction

Important Dates	
Padenga EGM Notice and announcement published	Friday 11 June 2021
Record Date, Padenga share register closed (at 1600 hours)	Friday 18 June 2021
Last day of lodging Proxy Forms (at 1600 hours)	Tuesday 29 June 2021
Padenga EGM (at 1000 hours)	Friday 2 July 2021
Publication of Padenga EGM resolution results	Monday 5 July 2021
Expected date of de-listing Padenga Shares from the ZSE	Wednesday 7 July 2021
Expected listing of Padenga Shares onto the VFEX	Friday 9 July 2021
Padenga share register reopens	Monday 12 July 2021

The above dates may be subject to change and any such change will be published in the Zimbabwe national press. All times indicated above and elsewhere in the Circular are Zimbabwean local times.

SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Queries

If you have any questions on any aspect of this Document, please contact your stockbroker, accountant, banker, legal practitioner, or other professional advisors. Alternatively, please contact IH Advisory or IH Securities (whose details are given below):

Inter-Horizon (Private) Advisory

Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe
Email: advisory@ih-group.com
Tel: +263 (0) 242 745119/745139/745937

Inter-Horizon Securities (Private) Limited

Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe
Email: info@ihsecurities.com
Tel: +263 (0) 242 +263 (024) 2796477/86

Actions to be taken by Padenga Shareholders

- Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisors of your choice;
- Attend and vote at the EGM to be held on Friday the 2nd of July 2021; and
- Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of Padenga being, 121 Borrowdale Road, Gunhill, Harare, Zimbabwe so that it is received by the Transfer Secretaries by no later than 1600 hours, on Tuesday, the 29th of June 2021. Shareholders may attend the meeting virtually, notwithstanding the completion and return of a Proxy Form.

SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Conditions Precedent

Several cautionary announcements have been issued to the shareholders of Padenga since the announcement of Padenga's intention to de-list from the ZSE. The ZSE has granted authority to de-list Padenga's shares from the ZSE subject to the de-listing being declared unconditional:

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Shareholders of Padenga of the Resolutions, by the requisite majority, at an EGM to be held on Friday the 2nd of July 2021 in terms of the Notice of the EGM published in the national press dated Friday the 11th of June 2021;
- Obtaining all such other necessary regulatory approvals as may be required, including exchange control by the RBZ.

Documents Available for Inspection

The public may inspect this Circular and the documents available as listed in section 12 between 0800 hours and 1600 hours from Monday the 14th of June 2021 to Thursday the 1st of July 2021 at the Financial Advisors', Sponsoring Brokers', and Padenga's Registered Offices at the addresses set out in the "Corporate Information" section of this Document:

- Padenga Board Approval;
- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- The written consents detailed in Paragraph 10 of the Document;
- The audited financial statements for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 for Padenga Holdings Limited and its subsidiaries;
- The ZSE approval letter for the distribution of the circular.
- The ZSE letter granting Padenga a dispensation permitting all Padenga shareholders to vote in the EGM.

DETAILS OF THE PROPOSED TRANSACTION



PADENGA HOLDINGS LIMITED

(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

Directors: Theminkosi Sibanda (Chairman), Jerome Caraguel, Annie Madzara, Sternford Moyo, Gary Sharp, Oliver Kamundimu, Michael Fowler
Address: Padenga Head Office, 121 Borrowdale Road, Gun Hill, Harare

CHAIRMAN'S STATEMENT

Dear Shareholder,

1. THE PROPOSED TRANSACTION

1.1. Background

To achieve Zimbabwe's Vision 2030 and to firmly create a middle-income economy, Zimbabwe requires over US\$20 billion in investment in the mining and agriculture sectors in the coming decade. In the Monetary Policy Statement on the 18th of February 2021, it was reported that foreign direct investment fell to US\$40million in 2020. In the previous year this was US\$52 million. Growth, exports, jobs and productivity to cover the investment gap will, therefore, be driven internally by the domestic market to attract foreign investment.

On 10 May 2021, the Honourable Minister of Finance & Economic Development ("the Minister") announced incentives for exports and investment growth to play a major role in the economic development of Zimbabwe under the objectives of the National Development Strategy 1. In order to create an environment conducive, the Minister set out four primary objectives:

- (a) to boost productivity by firms currently engaged in exporting business as well as encourage entities that are not exporting so that they may venture into the exporting business;
- (b) to generate sustained growth in export revenue;
- (c) to fine tune the policy on the export receipts retention threshold so that the benefits accrue directly to the exporters of goods and services; and
- (d) to encourage listing and participation of firms on the Victoria Falls Stock Exchange (VFEX) and Victoria Falls Offshore Financial Centre.

The Government has already set the tone for success by establishing the Victoria Falls Stock Exchange ("VFEX") as a distinct future jurisdictional market, targeting foreign investors as well as global capital markets, with a bias for mining companies. The current rules and regulations of the VFEX go a long way in making the market irresistible to foreign capital.

In light of the above, I am writing to you in my capacity as the Chairman of Padenga Holdings Limited, duly authorised by the Board, to support the De-Listing of Padenga Holdings Limited Shares from the Zimbabwe Stock Exchange and the simultaneous admission of the Company on the VFEX.

1.2. Rationale for the Proposed Transaction

- 1.2.1. The migration of the listing from the ZSE to the VFEX is driven by the need to benefit from the incentives articulated by the Minister of Finance and Economic Development, and has not been initiated by any shareholder per se, and will not prejudice minorities.
- 1.2.2. The VFEX will allow Padenga to raise capital in foreign currency from a wider and deeper potential market, to expand existing business, acquire or establish new business and fund acquisitions for both the Company and its gold mining subsidiary, Dallaglio Investments (Private) Limited. This in turn would create new jobs, grow the economy and help Zimbabwe achieve its Vision 2030 targets.
- 1.2.3. Enable existing shareholders to realise the United States Dollar ("USD") value of their holdings in the market thus allowing greater liquidity and for the broadening of the shareholder base.
- 1.2.4. Potentially open Padenga to outside investment, improve its recognition, commercial standing and investor profile by enhancing capacity for repatriation of capital and dividends.

[Signed on Original]
31 May 2021

T. N. Sibanda
Chairman

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

1. OVERVIEW OF THE PROPOSED TRANSACTION

1.1. The Proposed De-Listing of Padenga Holdings Limited from the ZSE

At the meeting held on Tuesday 4 May 2021, the Board of Directors of Padenga considered the termination of Padenga's ZSE Listing, with the intent to re-list the Company's shares onto the VFEX. The board subsequently passed a resolution relating to the above due to the rationale of the Proposed Transaction outlined below.

1.2. Benefits of the Proposed Transaction

1.2.1. Deepening of Capital Markets

The Government increasing the retention ratio for exporters listed on the VFEX to 100% will strengthen Padenga's ability to repay any foreign currency liabilities. Resultantly, opportunities now exist for Padenga to raise capital in foreign currency from a wider potential market to, expand existing business, acquire or establish new business and fund acquisitions.

1.2.2. Improved Liquidity and Shareholder Base

Enable Padenga's existing shareholders to realise the USD value of their holdings in the market, allowing greater liquidity and consequently, increasing the number and diversity of security holders. Additionally, the VFEX offers lower trading fees which may also lead to the shares' improved liquidity.

1.2.3. Off-shore settlements for trades

Allowance to use offshore settlement for trades conducted on the VFEX, thus lowering exchange control risk.

1.2.4. Tax Incentives for Padenga Shareholders

Tax incentives for shareholders (5% withholding tax on dividends for shareholders and no capital gains withholding tax on share disposal);

1.2.5. Enhanced Profile for Padenga

Enhanced profile for Padenga both within and outside Zimbabwe. Potentially improve the company's public recognition and commercial standing and improving the Company's investor profile.

1.2.6. Provision of a USD Valuation of Padenga

Provide a de facto third-party USD valuation of the Company by the market.

1.3. Conditions to the Proposed Transaction

The implementation of the Proposed Transaction is conditional upon the following:

- Padenga Board approval of the listing of the Company's ordinary shares on the VFEX;
- The passing by Shareholders of Padenga of the Resolutions, by the requisite majority, at an EGM to be held on Friday the 2nd of July 2021 in terms of the Notice of the EGM published in the national press dated Friday the 11th of June 2021;
- Obtaining all such other necessary regulatory approvals as may be required.
- Exchange control approval by the RBZ.

1.4. Expenses of the Transaction

The expenses of the Transaction, amounting to approximately US\$ 56,450 which relate to legal, transfer secretaries, advisory fees, various printing, distribution, regulatory fees and such other charges, will be paid by Padenga.

Expense Item	Amount US\$
Legal Fees	12,000
Reporting Accountants	7,500
Advisory Fees	30,000
Sponsoring Broker Fees	5,000
Printing and Distribution Fees	1,500
Designing	450
Total Fees	56,450

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

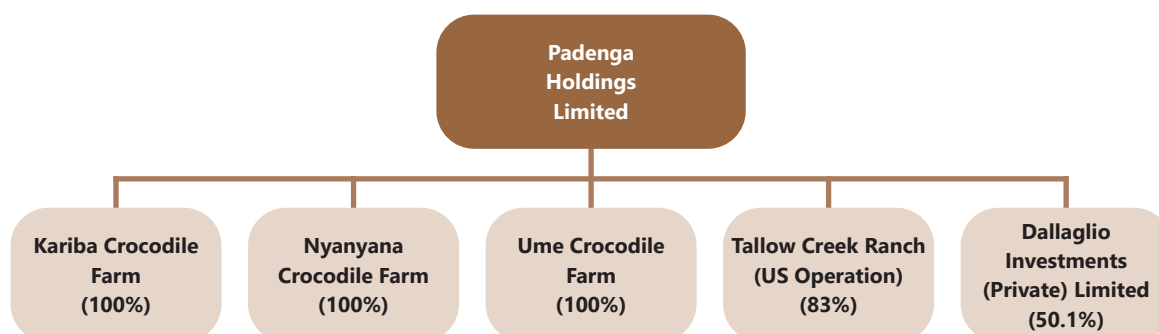
2. OVERVIEW OF PADENGA HOLDINGS LIMITED

2.1. History of Padenga Holdings Limited

Padenga is one of the world's leading suppliers of premium quality crocodilian skins and produces 51% of Zimbabwe's annual wet-salted crocodile skin exports. Through the Company's alligator farm operation in the southern USA, Padenga has continued to grow its business by producing premium quality alligator skins. In addition, Padenga's Zimbabwean operation produces crocodile meat from its export approved abattoir for sale to European markets.

The Company currently operates three crocodile farms in Zimbabwe, as well as an alligator farm in Texas, USA. The three Zimbabwean farms are located on the shores of Lake Kariba and the American farm is situated some 34 km north of the Gulf of Mexico. Padenga is a public company listed on the Zimbabwe Stock Exchange and was the first listed company in Africa whose sole business was the production and sale of crocodilian skins and meat. The company, formerly a division of the Inncor Africa Limited Group, listed in November 2010. Since then, Padenga has ventured into gold mining as well through acquisitive growth.

2.2. Padenga Holdings Limited Group Structure



2.3. Zimbabwe Operation

Padenga's Zimbabwean operation consists of three Nile crocodile (*Crocodylus niloticus*) farms which are all located on the shores of Lake Kariba, approximately 340 km northwest of the capital Harare. All farms operate as standalone business units and are managed as independent cost/profit centres. The abattoir at the Kariba Crocodile Farm is also an independent cost/profit centre. The three Zimbabwean farms are almost identical in size, structure, stock numbers, staffing levels and operate to consistent management systems. Padenga's Crocodile Farms were certified in 2020 by the International Crocodilian Farmer's Association as being compliant with that organization's international standards pertaining to animal welfare, good husbandry practices, ethical production systems, environmental sustainability and biosecurity and in doing so became the first and only Nile crocodile operations worldwide to have achieved this status.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2.3.1. Kariba Crocodile Farm ("KCF")

Kariba Crocodile Farm ("KCF"), established in 1965, is the oldest of the three farms and operates as the mother farm. It houses the company's main support facilities as well as Padenga's abattoir. The farm is situated on land leased from the Zimbabwe Parks & Wildlife Management Authority ("ZPWMA"). The farm employs approximately 98 employees in permanent roles, and has the capacity to deliver up to 15,300 skins on an annual basis.

2.3.2. Nyanyana Crocodile Farm ("NCF")

Contiguous with KCF, and also situated on land leased from Zimbabwe Parks and Wildlife Management Authority, NCF represents the newest of Padenga's farming operations in Zimbabwe. Construction of the farm started in 2005 and the infrastructure has been refined against knowledge gained over many years. NCF employs 96 staff members in permanent roles, and also has the capacity to deliver up to 15,300 animals on an annual basis. This farm also carries the responsibility for the incubation of all the domestic and wild eggs collected each year. The recently constructed incubators use state of the art climate control software to ensure that optimal conditions are maintained throughout the incubation process.

2.3.3. Ume Crocodile Farm ("UCF")

Located 65km away from KCF and NCF, on the Ume River, this is the second oldest of the farms having been established in 1973. UCF is located on land leased from the Nyaminyami Rural District Council. With no power supplies off the national grid by virtue of its remote location, and a very poor road connection, this farm presents many logistical challenges for the Company. There are however advantages such as the availability of land, close access to labour, close proximity to egg collection areas and access to abundant water. The primary advantage derived from the remote location of UCF is in terms of bio-security and the consequent reduction in disease risk. UCF is the largest of the farms with 145 staff in permanent roles. The farm currently has an annual harvest capacity of around 15,300 animals and houses a greater portion of Padenga's domestic breeder stock.

2.4. US Operation: Tallow Creek Ranch

Tallow Creek Ranch (TCR) in Texas, USA was started as an alligator (*Alligator mississippiensis*) farming operation in 2010 as a small family run farm consisting of one barn containing 40 production pens. The farm is the only alligator production facility in Texas and is located approximately 110km east of Houston, and 80km from the Louisiana State Line.

Following extensive research by Padenga's executives into global expansion options, Tallow Creek Ranch was identified as an opportunity for diversification into production of an alternative crocodilian species. Padenga purchased a shareholding in the business in 2012, which at that point in time produced approximately 3,000 alligator skins per year. In the period since acquisition, the business has grown substantially. The farm employs a small permanent workforce of 15 employees, which includes 4 management and administrative members of staff.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

3. OVERVIEW OF DALLAGLIO INVESTMENTS (PRIVATE) LIMITED

3.1. Background

Dallaglio develops and operates Zimbabwean commercial gold mines. Their founding shareholders were guided by the principle that they do not find mines, but build them. In 2015, they successfully delivered on a US\$14 million greenfield mining project at Pickstone Peerless Mine near Chegutu. After the success in bringing Pickstone Peerless back to life they embarked on an even more challenging acquisition and refurbishment of the Eureka Mine located near Guruve. Eureka is at the date of this Circular non-operational and projected for commissioning in Q3 2021. It will be one of the largest and most technologically advanced mines in Zimbabwe. Over and above, Pickstone, on average, produces 60kg (1,929 ounces) of gold per month while Eureka is forecast to begin producing at an average of 140 kg (4,501 ounces) per month growing to 200kg per month (6,430 ounces).

3.2. Dallaglio Group Structure

The Dallaglio Group Structure is as following:



3.3. Operations

3.3.1. Pickstone Peerless Mine

Since 2015, 2,984kg (95,938 ounces) of gold have been produced at the mine. Over 2015-2016, US\$14 million was invested to develop the processing plant and subsequently upgrade its capacity. As at June 2020, underlying claims had a total measured and indicated resource of 368,313 ounces (11,456 kg), and a total resource (including inferred) of (24,553 kg) 789,424 ounces. Included within this resource were proven and probable in- pit reserves of 218,607 ounces (6,799 kg) and in-pit inferred resources of 19,173 ounces (596 kg). The open pit mine with a strip ratio of approximately 18:1, with ore processed through a plant on site with a maximum capacity of 33,000 t/month. The ore body is not refractory in nature with an average recovery of approximately 85%. There is a full complement of supporting infrastructure including staff housing, office, stores, grid power, boreholes and road infrastructure.

3.3.2. Eureka Mine

Eureka Gold Mine was acquired by Dallaglio in 2018. As at 31 December 2018, the underlying claims had a total measured and indicated resource of 945,807 ounces (29,418 kg), and a total resource (including inferred) of 1,199,080 ounces (33,993 kg). Included within this resource were proven and probable in- pit reserves of 373,608 ounces (11,621 kg). The ore body is non- refractory in nature. Non-operational when acquired, Dallaglio is undertaking an extensive plant and infrastructure upgrade at Eureka with the aim of re-commissioning in Q3 2021. Eureka will be operated as an open-pit mine with ore to be processed through a new CIL plant on site with a capacity of up to 100,000 tons/month and an expected recovery of 90%. Long-term average gold production is expected to be in excess of 140 kg/month. Lower stripping ratios at 6:1 are anticipated as opposed to those at Pickstone Mine (18:1).

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4. SHARE CAPITAL

The share capital of Padenga is shown below:

Authorised:

800,000,000 ordinary shares of nominal value ZWL 0.01 each.

Issued: (As at 31 December 2020)

541,593,440 ordinary shares of nominal value ZWL 0.01 each.

4.1. Authorised but unissued share capital

The authorised but unissued share capital of the Company is under the control of the directors, subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Companies Act; and the ZSE Listing Requirements.

4.2. Variation of Rights

According to the Company's Articles, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than three-fourths of the members of that class present at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Ordinary shares issued as a result of the Proposed Transaction will have the same rights attached according to the class of shares and will also rank *pari passu* with ordinary shares already in issue.

4.3. Voting Rights

The authorised but unissued and issued Padenga ordinary shares are the same class and rank *pari passu* in every respect.

4.4. Adequacy of Capital, Working Capital and Cash Flow

The Directors are of the opinion that for a business of this nature operating in the agriculture and gold mining industries, the Company's share capital and working capital are adequate for the foreseeable future for the current operations. The Directors are of the opinion that the available working capital is sufficient to cover the cash flow requirements of the Company for the current operations.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

5. CORPORATE GOVERNANCE

5.1. Introduction

Padenga is committed to a Code of Corporate Practices and Conduct based on the principles laid out in the National Code of Corporate Governance and the Principles of Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice. The Directors recognize the need to conduct the affairs of the Group with principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its shareholders, employees and other stakeholders. This process enables the Company's shareholders and stakeholders to derive the assurance that, in protecting and adding value to Padenga's financial and human capital investment, the Company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

5.2. Board of Directors

Mr. Sibanda was appointed Chairman of the Board, effective the 12 September 2018. Following the appointment of Mr. Moyo to the Board effective 1 May 2019, the Board comprises three executive Directors and four independent non-executive Directors. The Board is made up of individuals with proven track records and a wide range of skills and experience which they employ for the benefit of the Company. The Directors are allocated responsibilities in Sub-Committees where they have strategic strengths. The Non-Executive Directors also provide crucial independence to the Company's strategic decision-making process and corporate governance practices.

The primary responsibility of the Board is to discharge its fiduciary duty to the shareholders and the Company. The Board is the highest policy organ of the Company and also directs strategy. The Board meets quarterly to provide input and oversight to the strategic planning process and monitor operational performance. Padenga has adopted a number of practices to regulate the division of responsibilities between the Board and management. Namely:

- No more than 40% of the directors on the Board are executive Directors with the Chairman being independent.
- The separation of the roles of the Chairman and the Chief Executive Officer.
- The Board sub-committees are chaired by independent directors and have a majority of independent members.

The full names, addresses and positions of the Directors of Padenga are set out below:

Full Name	Residential Address	Position
Thembinkosi Nkosana Sibanda	Amtec Building, 2 nd Floor, Robert Mugabe Way / 12 th Avenue, Bulawayo, Zimbabwe	Independent Non-Executive Chairman
Gary John Sharp	135 Lagoon Drive, Kariba, Zimbabwe	Chief Executive Officer
Oliver Tendai Kamundimu	540 Camphill, Kariba, Zimbabwe	Chief Financial Officer
Michael John Fowler	23 Willowmead Lane, Colne Valley, Harare	Executive Director
Annie Mutsa Mazvita Madzara	17759 Blakeway Rd, Lincoln Green, Belvedere, Harare, Zimbabwe	Non-Executive Director
Jerome Caraguel	114, Ave Charles de Gaulle, 33200 Bordeaux, France	Non-Executive Director
Sternford Moyo	13 th Floor CABS Centre, 74 J Moyo Ave, Harare, Zimbabwe	Non-Executive Director

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

Thembinkosi Nkosana Sibanda – Independent Non-Executive Chairman

Themba was appointed to the position of the Padenga board Chairman in September 2018. Themba graduated from the University of Zimbabwe in 1978 majoring in Accounting, and subsequently joined Barclays Bank of Botswana at its Head Office in Gaborone. Having returned to Zimbabwe in the early 1980's he completed his articles of clerkship, qualifying as a Chartered Accountant. He has remained in the same profession since, and has worked in compliance and audit for the past 34 years at Schmulian and Sibanda. Themba currently sits on various boards of Stock Exchange listed Companies. He currently chairs the Board of Edgars Stores Zimbabwe Limited. Themba is also a trustee of several organisations. Preceding his appointment as Non-Executive Chairman; Themba was a Non-Executive Director from November 2010.

Gary John Sharp – Chief Executive Officer

Gary was appointed to the position of Chief Executive Officer in November 2010. Gary completed his tertiary education at the University of Zimbabwe, where he attained a Master of Science (Tropical Resource Ecology) degree in 1982. He served in the Terrestrial Branch of the Department of National Parks and Wildlife Management between 1979 and 1987. Gary's experience in the intensive husbandry of wildlife species dates back to 1988 when he joined the Lonrho Zimbabwe Group. He was engaged as Chief Executive Officer of what was then the Niloticus Division of Innscor in 2000. That entity unbundled from Innscor in November 2010 through a listing on the ZSE to become Padenga Holdings Limited and Gary has continued to serve as Chief Executive Officer since that date.

Oliver Tendai Kamundimu – Chief Financial Officer

Oliver was appointed to the position of Chief Financial Officer in November 2010. Oliver completed his tertiary education at the University of Zimbabwe where he attained a Bachelor of Accountancy Honours degree. He served his articles of Clerkship with the then Coopers and Lybrand and qualified as a Chartered Accountant in 1992. Since that time, he has worked for Lonrho Africa Limited, and Manica Africa, heading up their audit departments. Oliver joined Innscor in 1999 and was tasked with setting up Innscor's internal audit department before leaving to join First Mutual Zimbabwe in 2001. He re-joined Innscor in 2004 as the Financial Director of their Niloticus Division and has continued in a similar position since the Company was separately listed in 2010.

Michael John Fowler – Executive Director

Mike was appointed to the Padenga Board in November 2010. Mike has been involved with the companies that preceded Innscor since 1982 and has held a number of executive positions within the Innscor Group since his appointment as a Director in 1994, including a period during which he served as Group Chief Executive Officer. He currently sits on the Remuneration Committee of Innscor. At various stages he has been a Director of companies that previously constituted the Agro-Processing Division of Innscor (namely Niloticus Division and Colcom Holdings Limited), as well as National Foods Holdings Limited.

Annie Mutsa Mazvita Madzara– Non-Executive Director

Annie was appointed to the Board of Padenga in November 2010. Annie is an Environment and Development Professional with over 25 years of experience in the field, 13 of which have been in senior positions. Among her many qualifications, Annie holds a Natural and Aquatic Science qualification at Masters Level, a Master's in Business Administration Degree and a Masters in Development Studies. She has field and managerial experience from Public, Private and NGO sectors including Commercial Director at Parks and Wildlife Management Authority and managing the Environment and Climate Change Programme of the UNDP in Zimbabwe. She is a member of the African Forest Forum and a Fellow with the Leadership for Environment and Development (LEAD International).

Jerome Caraguel – Non-Executive Director

Jerome was appointed to the Padenga Board on 14 March 2018. Jerome Caraguel is a French citizen with a Master of Economics degree from the University of Toulouse, France. He has worked in the exotic skins trade his entire career and has recently retired following a thirteen-year period as the Purchasing Director of Exotic Skins for top tier tanneries supplying the premium luxury brands. He serves on the Board of other crocodilian farming operations in both Australia and the USA and brings a wealth of experience about meeting the expectations of the high-end quality skin market.

Sternford Moyo – Non-Executive Director

Sternford was appointed to the Padenga Board on 1 May 2019. His qualifications include a BL (Hons) and LLB (Distinction) Legal Practitioner, Conveyancer and Notary Public. Sternford Moyo graduated with a Bachelor of Law and a Bachelor of Laws degrees from the University of Zimbabwe. He joined Scanlen and Holderness in December 1981. He specializes in Mining, Corporate and Commercial Law. He is, among other positions held, a former President of the Law Society of Zimbabwe, former President of the SADC Lawyers Association, former Chairman of the African Regional Forum of the International Bar Association, former Chairperson of the Human Rights Institute of the International Bar Association and former Chairperson of Stanbic Bank Zimbabwe Limited. Currently, Sternford is Senior Partner of Scanlen & Holderness, Chairman of Schweppes Zimbabwe Limited and Director of PPC Zimbabwe Limited, Worsely Parsons Zimbabwe (Pvt) Ltd and Alpha Media Holdings Limited. He is also a Trustee of the Johannesburg based Southern Africa Litigation Centre, Malilangwe Conservancy and the London based Eye Witness Trust. Additionally, Sternford is a Director of CIMERWA Plc, a Rwandan subsidiary of PPC Holdings Limited, and is the President and a Director of International Bar Association, incorporated as a company in New York.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

5.3. Directors Interests

As at 18 May 2021, the Directors directly and/ or indirectly held no other beneficial interests in/with Padenga.

5.4. Audit and Risk Committee

Padenga has an Audit and Risk Committee, currently comprising of two independent directors and one executive director that assists the Board in fulfilment of its duties. An independent non-executive Director chairs the Committee. The Committee deals with compliance, internal control and risk management. The Committee meets three times a year with the internal and external auditors to, inter alia, monitor the appropriateness of accounting policies, the effectiveness of systems of internal control and to consider the findings of the internal and external auditors. To ensure their independence and objectivity both the internal and external auditors have unrestricted access to the audit committee. The internal audit function is currently outsourced to external service providers and the internal audit Charter and work plans have been adopted and agreed by the Committee.

5.5. Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises of two independent non-executive directors and one executive director and its mandate has two primary responsibilities. It evaluates and sanctions the appointment of, and remuneration packages for all Board Members, Executive Directors and senior management. In doing so, the Committee assembles the structure and strategy related to the terms of employment for employees, management and Board members, including compensation that aims to reward in a manner that seeks and retains talented individuals, and motivates employees to constantly seek to elevate and contribute to Padenga's success. The Committee is also responsible for orchestrating succession planning within the Company particularly that of Board members and senior management. Where necessary external remuneration advisors assist the committee in determining the appropriate remuneration levels and practices.

5.6. Dealing in Shares

The Company has a policy, in line with the ZSE Listing Requirements, prohibiting dealings in shares by Directors, Officers and Executive Management for a designated period (closed period), being one month prior to the end of the reporting period until the preliminary announcement of the Company's interim and year end results, or when they are in possession of price sensitive information not within the public domain.

5.7. Professional Advice

Padenga's policy where justifiable, entitles Directors to seek independent professional advice at the Company's expense in the furtherance of their duties or the advancement of the Company's business objectives.

5.8. Remuneration of Directors

The Remuneration Committee determines the remuneration packages for the Executive Directors. These packages include a guaranteed salary as well as a performance related incentive, linked to the achievement of pre-set targets which takes into account the needs of the Company from time to time.

Padenga also operates the 2017 Padenga Limited Share Option Scheme, a long-term incentive scheme designed to retain employees in the medium to long term, to focus their attention on longer term strategic goals and ensure sustained growth of the Company.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

5.9. Ethics and Business Integrity

Professional and ethical standards and the highest standards of integrity are an integral part of how the Company conducts its business affairs. The Company recognizes that investor and stakeholder perceptions are based on the manner in which the Company, its Directors, management and staff conduct business and the Company therefore strives to achieve the highest standards of integrity and business ethics at all times.

6. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

6.1. Capital Commitments

Padenga had the following capital commitments as at 31 December 2020 on a historical account basis.

Capital expenditure commitments	USD
Authorised but not yet contracted	1 663 376
Total	1 663 376

The capital expenditure will be for the solar project, new pens and the rebuilding of crocodile and alligator pens. This will be financed from the Group's own resources and borrowing facilities.

6.2. Contingent Liabilities

As of 31 December 2020, Padenga had no contingent liabilities.

7. MATERIAL CONTRACTS

As of 31 December 2020, Padenga had not entered into any material contracts, other than in the ordinary course of business.

8. LITIGATION STATEMENT

Other than those disclosed, the Company is not involved in any other material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of Padenga nor is the Company aware that any such proceedings are pending or threatened.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9. SHARE PRICE AND TRADING INFORMATION

9.1. Major shareholders

The table below details the top twenty shareholders of Padenga as at 24 May 2021:

Rank	Names	Shares	Percentage
1	Z.M.D. INVESTMENTS (PVT) LTD	119,754,476	22.11
2	H M BARBOUR (PVT) LTD	105,896,539	19.55
3	STANBIC NOMINEES (PVT) LTD	50,785,379	9.38
4	OLD MUTUAL LIFE ASS CO ZIM LTD	24,295,458	4.49
5	SARCOR INVESTMENTS (PVT) LTD	22,480,658	4.15
6	NSSA - WORKERS COMPENSATION IF	20,020,951	3.70
7	NSSA - NATIONAL PENSION SCHEME	16,360,557	3.02
8	SCB NOMINEES 033663900002	16,150,874	2.98
9	PHARAOH LIMITED	15,059,175	2.78
10	CITY AND GENERAL HOLDINGS P/L	9,822,598	1.81
11	SCHUTEX INVESTMENTS (PVT) LTD	8,715,234	1.61
12	MUSIC VENTURES PVT LTD	7,277,817	1.34
13	NORTON TEXTILES (PVT) LTD	6,612,271	1.22
14	MINING INDUSTRY PENSION FUND	4,398,251	0.81
15	ZIMBABWE ELECTRICITY IND. PF	4,020,407	0.74
16	FEDERATED PROPERTIES (PVT) LTD	3,940,001	0.73
17	J-SOFT (PVT) LTD	2,843,669	0.53
18	NSSA STAFF PENSION FUND - ABC	2,729,045	0.50
19	DATVEST NOMINEES (PVT) LTD	2,407,866	0.44
20	DELTA BEVERAGES PENSION FUND	2,387,716	0.44
Selected Shares		445,958,942	82.34
Non - Selected Shares		95,634,498	17.66
Issued Shares		541,593,440	100.00

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9.2. Share Price History

The tables below provide statistical information on the market price and volumes traded of Padenga shares:

Daily Share Price

Date	Closing Price	Volume	Date	Closing Price	Volume
31/03/2021	29.63	403000	27/04/2021	29.00	183100
01/04/2021	29.62	27900	28/04/2021	29.52	68500
06/04/2021	26.86	44300	29/04/2021	29.93	67500
07/04/2021	25.50	194400	30/04/2021	30.00	198500
08/04/2021	24.99	178900	30/04/2021	30.00	545300
09/04/2021	24.46	88200	03/05/2021	30.00	152200
12/04/2021	24.96	29000	04/05/2021	30.00	110200
13/04/2021	24.62	72800	05/05/2021	30.67	50700
14/04/2021	25.00	37000	06/05/2021	30.45	23000
15/04/2021	25.00	170300	07/05/2021	32.96	5500
16/04/2021	25.06	68100	10/05/2021	33.51	100
20/04/2021	26.20	100	11/05/2021	36.00	265100
21/04/2021	30.00	64900	12/05/2021	35.99	42600
22/04/2021	29.79	7300	13/05/2021	35.98	531300
23/04/2021	29.94	5500	14/05/2021	36.02	23400
26/04/2021	29.26	52300			

Monthly Share Price

Date	Price (ZWL\$)
31/03/2020	5.59
30/04/2020	5.40
29/05/2020	10.45
26/06/2020	13.80
31/08/2020	14.10
30/09/2020	13.10
30/10/2020	13.01
30/11/2020	15.04
31/12/2020	23.32
29/01/2021	26.00
26/02/2021	34.91
31/03/2021	29.63

Quarterly Share Price

Date	Price (ZWL\$)
31/03/2020	5.59
26/06/2020	13.80
30/09/2020	13.10
31/12/2020	23.32

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

10. EXPERTS' CONSENT

The Lead Financial Advisors, Sponsoring Brokers, Legal Advisors, Transfer Secretaries, Independent Financial Advisors, Independent Auditors, and Reporting Accountants have submitted their written consents to act in the capacities stated and to their names being stated in this Circular, which consents have not been withdrawn as at the date of this Circular. The above-mentioned consents are available for inspection by interested parties in terms of Paragraph 12 below.

11. REGULATORY ISSUES

- The ZSE - The ZSE approved the distribution of this Circular on Monday the 7th of June 2021.

12. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The public may inspect this Circular and the documents available as listed below between 0800 hours and 1600 hours on Monday the 14th of June 2021 to Thursday the 1st of July 2021 at the Financial Advisors', Sponsoring Brokers', and Padenga's Registered Offices at the addresses set out in the "Corporate Information" section of this Document:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- The written consents detailed in Paragraph 10 of the Document;
- The audited financial statements for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 for Padenga Holdings Limited and its subsidiaries;
- The ZSE approval letter for the distribution of the circular.
- The ZSE letter granting Padenga a dispensation permitting all Padenga shareholders to vote in the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear 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 would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquires) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

Director's Name	Position	Signature
Thembinkosi Nkosana Sibanda	Non-Executive Chairman	[Signed on original]
Gary Sharp	Chief Executive Officer	[Signed on original]
Oliver Kamundimu	Chief Financial Officer	[Signed on original]
Michael Fowler	Executive Director	[Signed on original]
Annie Mutsa Mazvita Madzara	Non-Executive Director	[Signed on original]
Jerome Caraguel	Non-Executive Director	[Signed on original]
Sternford Moyo	Non-Executive Director	[Signed on original]

ANNEXURE 1 – REPORT OF THE INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS ON HISTORICAL FINANCIAL INFORMATION



Chartered Accountants (Zimbabwe)
Angwa City, Corner Julius Nyerere Way/
Kwame Nkrumah Avenue
PO Box 702 or 62
Harare

Tel: +263 242 750905/14
Fax: +263 242 750707
ey.com

DM/NJM/JH-02/21

7 June 2021

The Chief Financial Officer
Padenga Holdings Limited
121 Borrowdale Road
Gunhill
Harare

Attention: Mr Oliver Tendai Kamundimu

Dear Sir,

REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PADENGA HOLDINGS LIMITED ("PHL" OR "THE COMPANY")

(A public company incorporated in the Republic of Zimbabwe under company registration number 2888/2020)

1. Introduction

The directors of PHL are proposing:

The de-listing of Padenga Holdings Limited Shares from the Zimbabwe Stock Exchange and the simultaneous admission of the Company on the VFEX.

The directors are responsible for the preparation of the circular to which this report relates, and the information contained therein. This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange for the purpose of inclusion in the Circular to Shareholders dated 1 June 2021.

2. Directors' responsibilities for the annual financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and other Businesses Entities (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

ANNEXURE 1 – REPORT OF THE INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS ON HISTORICAL FINANCIAL INFORMATION (CONTINUED)

3. Scope of audited annual financial statements

We audited PHL's consolidated financial statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020.

We conducted our audits in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform that audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

4. Prior year audited financial statements

As the auditors of PHL, we have reported on the entity's consolidated annual financial statements for the years ended: 31 December 2018, 31 December 2019 and 31 December 2020. Our audit reports for these financial periods were issued with adverse opinions.

We draw attention to certain pertinent issues that resulted in PHL receiving adverse audit opinions to the consolidated financial statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020. These relate to non-compliance with International Financial Reporting Standards: International Accounting Standards (IAS) 21- The Effects of Changes in Foreign Exchange Rates; International Accounting Standards (IAS) 8- Accounting Policies, Changes in Accounting Estimates and Errors; and International Accounting Standards (IAS) 29 – Financial Reporting in Hyperinflationary Economies.

A detailed outline of the basis for the adverse opinion is given in the respective audit report of each set of the consolidated financial statements in the Annual Reports which are included as part of the documents available for inspection in accordance with section 12 of the Circular.

5. Scope

As the purpose of the appended financial information differs from the purpose of the consolidated financial statements prepared for members, the appended financial information is not intended to comply with the full presentation and disclosure requirements of the Companies and other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards. Our reporting shall not in any way constitute recommendations regarding the completion of the Transactions or the issue of the Circular to the Shareholders.

6. Exclusion of Notes and Accounting Policies

At the request of the Company, and with the approval of the ZSE, the notes to the consolidated financial statements, and the accounting policies have been excluded from the Circular but are available in the Annual Reports as set out in section 12 of the Circular.

7. Distribution and Assurances

This report is prepared solely for the Directors of PHL. Any uses 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.

Yours faithfully,

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

ANNEXURE 2 – HISTORICAL FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

	31 December 2020 Audited USD	31 December 2019 Audited USD	31 December 2018 Audited USD
Revenue	71 388 053	29 127 509	42 479 689
Other operating income	1 809 488	76 224	972 205
Credit impairment losses	(5 762)	-	-
Financial income	11 457 959	(368 074)	(41 972)
Cost of goods sold	(44 145 557)	(11 569 862)	(11 097 740)
Employee benefits expense	(12 404 381)	(4 264 090)	(7 456 503)
Operating Costs	(8 171 360)	(5 966 174)	(6 738 186)
Operating Profit before depreciation and amortisation	19 928 440	7 035 533	18 117 493
Depreciation and amortisation	(3 943 042)	(2 370 784)	(2 124 769)
Operating Profit before interest and fair value adjustments	15 985 398	4 664 749	15 992 723
Fair value adjustments on biological assets	468 113	5 358 433	1 198 347
Profit before interest and tax	16 453 511	10 023 182	17 191 070
Monetary loss	(5 535 026)	-	-
Interest income	13 381	69 916	1 735 172
Interest payable - loans	(6 665 084)	(1 423 532)	(1 150 692)
Interest payable - leases	(182 406)	(77 715)	-
Profit before tax	4 084 376	8 591 851	17 775 550
Income tax expense	(1 214 865)	(1 847 265)	(5 048 984)
Profit for the period	2 869 511	6 744 586	12 726 566
Total comprehensive income for the period	2 869 511	6 744 586	12 726 566
Profit for the period attributable to:			
Equity holders of the parent	1 079 721	6 915 140	13 175 300
Non-controlling interest	1 789 790	(170 554)	(448 734)
	2 869 511	6 744 586	12 726 566
Total comprehensive income for the period attributable to:			
Equity holders of the parent	1 079 721	6 915 140	13 175 300
Non-controlling interest	1 789 790	(170 554)	(448 734)
	2 869 511	6 744 586	12 726 566

ANNEXURE 2 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

STATEMENT OF FINANCIAL POSITION

	31 December 2020 Audited USD	31 December 2019 Audited USD	31 December 2018 Audited USD
ASSETS			
Non-current assets			
Property, plant and equipment	58 494 615	24 088 899	21 702 398
Right of use assets	1 068 018	1 156 377	-
Rehabilitation assets	1 536 945	-	-
Exploration and evaluation asset	1 320 757	-	-
Goodwill	3 672 214	-	-
Intangible assets	113 938	51 220	32 378
Biological assets	7 226 343	6 790 778	5 369 348
	73 432 830	32 087 274	27 104 124
Current assets			
Biological assets	28 485 850	32 205 176	35 831 172
Inventories	22 446 079	12 566 854	5 233 436
Tax receivable	438 740	-	-
Trade and other receivables	17 954 225	10 770 978	13 956 030
Cash and cash equivalents	3 951 118	9 366 759	21 632 695
	73 276 012	64 909 767	76 653 333
Total assets	146 708 842	96 997 041	103 757 457
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	54 159	54 159	54 159
Share premium	27 004 245	27 004 245	27 004 245
Share based payment reserve	189 671	2 099	-
Retained earnings	41 866 100	40 786 379	41 344 889
Change in ownership reserve	(63 863)	(63 863)	(63 863)
Equity attributed to equity holders of the parent	69 050 312	67 783 019	68 339 430
Non- controlling interest	16 715 950	(579 333)	(408 780)
Total shareholders' equity	85 766 262	67 203 686	67 930 650
Non-current liabilities			
Interest bearing borrowings	5 000 000	6 335 000	7 235 000
Lease liabilities	585 505	464 144	-
Provisions	1 926 083	-	-
Deferred tax liabilities	9 021 793	7 259 730	7 901 480
	16 533 381	14 058 874	15 136 480
Current liabilities			
Bank overdraft	7 252 118	-	-
Customer deposits	1 336 925	2 936 325	3 125 925
Short-term interest bearing borrowings	29 401 501	10 579 610	13 337 860
Trade and other payables	4 291 515	1 194 395	3 539 862
Lease liabilities	198 000	147 000	-
Accruals	63 530	38 885	367 496
Tax payable	1 865 610	838 266	319 184
	44 409 199	15 734 481	20 690 327
Total liabilities	60 942 580	29 793 355	35 826 807
Total equity and liabilities	146 708 842	96 997 041	103 757 457

ANNEXURE 2 – HISTORICAL FINANCIAL INFORMATION (CONTINUED)

STATEMENT OF CASH FLOWS

	31 December 2020 Audited USD	31 December 2019 Audited USD	31 December 2018 Audited USD
Cash flows from operating activities	5 543 307	8 285 913	9 105 394
Interest received	13 381	69 916	1 681 033
Interest paid	(1 427 319)	(679 429)	(945 385)
Taxation paid	(2 485 236)	(1 857 802)	(2 198 534)
Net cash generated from operations	1 644 133	5 818 598	7 642 508
Net cash utilised in investing activities	(27 689 829)	(4 735 028)	(5 189 512)
- proceeds on disposal of property, plant and equipment	9 177	35 395	63 888
- purchase of property, plant and equipment	(27 458 052)	(4 571 497)	(5 091 544)
- expenditure on non-current biological assets	(119 665)	(167 852)	(153 385)
- purchase of intangible assets	(121 289)	(31 074)	(8 470)
Net cash (outflow) /inflow before financing activities	(26 045 696)	1 083 570	2 452 996
Net cash utilised in financing activities	11 841 668	(532 790)	(3 535 452)
- proceeds from borrowings	13 680 508	6 608 854	4 000 000
- repayments of borrowings	(1 642 150)	(5 065 269)	(1 036 331)
- lease payments	(196 690)	-	-
- dividends paid	-	(2 076 375)	(6 499 121)
Net (decrease)/increase in cash and cash equivalents	(14 204 028)	550 780	(1 082 456)
Net foreign exchange difference	366 397	(1 327 728)	-
Effects of hyperinflation from subsidiary	8 421 990	-	-
Cash and cash equivalents at the beginning of the period	9 366 759	10 143 707	11 226 163
Cash and cash equivalents at the end of the period	3 951 118	9 366 759	10 143 707

ANNEXURE 3 – NOTICE OF EXTRAORDINARY GENERAL MEETING



PADENGA

HOLDINGS LIMITED

(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of Padenga Holdings Limited is to be held virtually, on Friday the 2nd of July 2021, at 1000 hours, for the purpose of transacting the following business: -

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

SPECIAL RESOLUTION 1 – DE-LISTING OF PADENGA FROM THE ZIMBABWE STOCK EXCHANGE

THAT the Company’s shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.

ORDINARY RESOLUTION 1- AUTHORISED BUT UNISSUED SHARES BE PLACED UNDER THE CONTROL OF THE DIRECTORS

THAT the authorised but unissued ordinary shares of the Company, be placed under the control of the Directors for a period of twelve months or until the next Annual General Meeting, to be issued in compliance with the terms of the Memorandum and Articles of the Company and the VFEX listing requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.

ORDINARY RESOLUTION 2 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

“THAT the directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions.”

BY ORDER OF THE BOARD

ANNEXURE 4 – FORM OF PROXY

I / We
 Of.....
 Being member/members of the above Company, hereby appoint:
 Mr. / Mrs. / Ms. / Dr
 Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Friday the 2nd of July 2021, at 1000 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
SPECIAL RESOLUTION 1 - DE-LISTING OF PADENGA FROM THE ZSE THAT , the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listings Requirements, in order to enable the Company to seek admission onto the Victoria Falls Stock Exchange.			
ORDINARY RESOLUTION 1 - AUTHORISED BUT UNISSUED SHARES BE PLACED UNDER THE CONTROL OF THE DIRECTORS THAT , the authorised but unissued ordinary shares of the Company, be placed under the control of the Directors for a period of twelve months or until the next Annual General Meeting, to be issued in compliance with the terms of the Memorandum and Articles of the Company and the VFEX listing requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.			
ORDINARY RESOLUTION 2 - DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS "THAT the directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."			

Signed this.....day of..... 2021

Signature(s) of member

NOTE

- In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A director or officer of the Company shall not be appointed as a proxy for a shareholder.
- Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.
- According to the approval granted by the ZSE, special resolution number 1 may be passed by a threshold of 75 per centum ordinary shares of the votes of all shareholders present or represented by proxy at the general meeting.

FOR OFFICIAL USE
 NUMBER OF SHARES HELD

ANNEXURE 4 – FORM OF PROXY (CONTINUED)

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. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction 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 all the 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. 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 or signatories
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 the same as those on the share register.

[illegible]

[illegible]

