

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



(Incorporated and registered in Zimbabwe with limited liability under Certificate of Registration number 25/48 and Certificates of Change of Name dated 6 May 2013)

Address: No.36 Birmingham Road, Southerton, Harare, Zimbabwe
Website: <https://zimplow.co.zw/>

CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

THE TERMINATION OF THE LISTING OF ZIMFLOW HOLDINGS LIMITED'S SHARES ON THE ZIMBABWE STOCK EXCHANGE AND THE SUBSEQUENT LISTING BY INTRODUCTION OF ZIMFLOW HOLDINGS LIMITED'S SHARES ON THE VICTORIA FALLS STOCK EXCHANGE.

and incorporating

A NOTICE OF AN EXTRAORDINARY GENERAL MEETING

To be held, on Thursday, 6 July 2023, at 11:00 hours, at No.36 Birmingham Road, Southerton, Harare, Zimbabwe which notice was published on Thursday, 15 June 2023 in accordance with the requisite provisions of the Zimbabwe Stock Exchange Listings Requirements and the Companies and Other Business Entities Act [Chapter 24:31]. As set out at the end of this Document, Shareholders of Zimplow Holdings Limited are requested to complete and return the attached form of proxy in accordance with the instructions printed therein, as soon as possible, but not later than 11:00 hours, on Tuesday, 4 July 2023.

Financial Advisor



Akribos Advisory Services
Partnerships with a difference

Sponsoring Broker



Akribos Securities
Partnerships with a difference

A member of the Zimbabwe Stock Exchange

Legal Advisor



MAWERE SIBANDA
COMMERCIAL LAWYERS

Reporting Accountant



Grant Thornton

Transfer Secretary



This Circular is issued in compliance with the Zimbabwe Stock Exchange Listing Requirements and seeks to provide information to Zimplow Holdings Limited's Shareholders regarding the delisting of Zimplow Holdings Limited from the Zimbabwe Stock Exchange, as well as certain matters ancillary thereto.

Action Required:

- 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 Zimplow Holdings Limited, you should send this Circular and the accompanying Form of Proxy, as soon as possible, to the Stockbroker, Banker, or other agent through whom the disposal of your shareholding in Zimplow Holdings Limited was effected, for onward delivery to the purchaser or transferee of the shares in Zimplow Holdings Limited previously held by you.

The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at the Registered Office of Zimplow Holdings Limited, No. 36 Birmingham Road, Southerton, Harare, Zimbabwe. This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in Zimplow Holdings Limited.

Date of Issue of this Circular: 15 June 2023

TABLE OF CONTENTS

CORPORATE INFORMATION AND DETAILS OF PROFESSIONAL ADVISORS	3
FORWARD LOOKING STATEMENTS	4
INTERPRETATIONS AND DEFINITIONS	5
DIRECTORS' RESPONSIBILITY STATEMENT	7
PART A: SALIENT INFORMATION AND IMPORTANT DATES	8
PART B: CHAIRMAN'S LETTER TO SHAREHOLDERS	10
PART C: DETAILS OF THE PROPOSED TRANSACTION.....	11
PART D: INFORMATION ON ZIMFLOW HOLDINGS LIMITED.....	14
PART E: APPENDICES	24
APPENDIX I: REPORT OF INDEPENDENT REPORTING ACCOUNTANTS ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF ZIMFLOW HOLDINGS LIMITED	24
APPENDIX II: ZIMFLOW HOLDINGS LIMITED HISTORICAL FINANCIAL STATEMENTS	32
APPENDIX III: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF ZIMFLOW HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020.....	35
APPENDIX IV: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF ZIMFLOW HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021.....	38
APPENDIX V: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF ZIMFLOW HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022.....	42
APPENDIX VI: NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS.....	47
APPENDIX VII: FORM OF PROXY.....	48

CORPORATE INFORMATION AND DETAILS OF PROFESSIONAL ADVISORS

***Company Secretary and
Registered Office***

Sharon Manangazira

Zimplow Holdings Limited
No.36 Birmingham Road,
Southerton,
Harare,
Zimbabwe

Website: <https://zimplow.co.zw/>

Financial Advisor

Akribos Advisory Services (Private) Limited
33 Cosham Road,
Borrowdale,
Harare,
Zimbabwe

Legal Advisor

MawereSibanda Commercial Lawyers
10th Floor Chiedza House,
Corner First St/Kwame Nkrumah Ave,
Harare,
Zimbabwe

***Reporting Accountant and
Auditor***

Grant Thornton Zimbabwe Registered Public Accountants
Camelsa Business Park,
135 Enterprise Road,
Highlands,
Harare,
Zimbabwe

Sponsoring Broker

Akribos Securities (Private) Limited
33 Cosham Road,
Borrowdale,
Harare,
Zimbabwe

Transfer Secretary

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

Principal Bankers

BancABC Limited
1 Endeavour Crescent,
Mt Pleasant Business Park,
Mt Pleasant,
Harare,
Zimbabwe

FBC Bank Limited
FBC Centre,
45 Nelson Mandela Avenue,
Harare

FORWARD LOOKING STATEMENTS

This Circular includes forward looking statements regarding Zimplot Holdings Limited. Forward looking statements include statements concerning Zimplot Holdings Limited's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. Throughout this Circular, Zimplot Holdings Limited uses words such as “should”, “may”, “anticipates”, “estimates”, “expects”, “believes” “intends”, “plans”, “will”, “seeks”, “projections”, “future”, “likely” and any similar expressions to identify forward-looking statements.

Zimplot Holdings Limited and its representatives have based these forward-looking statements on the current views of its Management and advisors with respect to future events and financial performance. These views reflect the best judgment of Zimplot Holdings Limited and its representatives but involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted. These forward-looking statements speak only as at the date of this Circular. Neither Zimplot Holdings Limited nor its representatives are obliged to or intend to update or revise any forward-looking statements made in this Circular, whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to Zimplot Holdings Limited, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Circular. As a result of these risks, uncertainties and assumptions, Zimplot Holdings Limited's Shareholders should not place undue reliance on these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. Zimplot Holdings Limited's Shareholders should be aware that several important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward-looking statements. Zimplot Holdings Limited does not make any representation, warranty, or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward - looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario and/or outcome.

INTERPRETATIONS AND DEFINITIONS

In this Circular to Shareholders, the following definitions shall have the meanings adjacent to them, unless the context requires otherwise. Words in the singular shall include the plural and *vice versa*, words importing natural persons shall include juristic persons and words in the masculine shall import both the feminine and neuter.

“Addressee(s)”	The parties to whom this Circular to Shareholders is addressed;
“Akribos Advisory Services” or “Financial Advisor”	Akribos Advisory Services (Private) Limited, a Securities and Exchange Commission of Zimbabwe licensed financial advisory services company, registered in Zimbabwe in terms of the Companies and Other Business Entities Act [Chapter 24:31], and Lead Advisors for the Proposed Transaction;
“Akribos Securities” or “Sponsoring Broker”	Akribos Securities (Private) Limited, a Member of the Zimbabwe Stock Exchange, licensed by the Securities and Exchange Commission of Zimbabwe as a securities dealing company, registered in Zimbabwe in terms of the Companies and Other Business Entities Act [Chapter 24:31], and Sponsoring Brokers for the Proposed Transaction;
“Articles”	Articles of Association of Zimplot Holdings Limited;
“Board” or “the Directors”	The Board of Directors of Zimplot Holdings Limited;
“Broker”	Any person or company registered as a member of the ZSE and authorized to buy and sell shares and other securities on behalf of customers;
“Business Day”	Any day except a Saturday, Sunday or any public holiday
“Circular” or “the Document”	This document dated 15 June 2023 including the appendices hereto, addressed to Zimplot Holdings Limited's Shareholders, which sets out the terms and conditions of the Proposed Transaction;
“Companies Act” or “COBE”	The Companies and Other Business Entities Act [Chapter 24:31];
“Conditions Precedent”	The Conditions Precedent to which the proposed Transaction is subject as set out in Part C Section 4
“CSD”	Central Securities Depository;
“Documents of Title”	Share certificates, dematerialized 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;
“EGM”	The Extraordinary General Meeting of Zimplot Holdings Limited Shareholders to be held on Thursday, 6 July 2023;
“FCA”	Foreign Currency Account;
“Form of Proxy” or “Proxy Form”	The form accompanying this Circular, which provides for Zimplot Holdings Limited's Shareholders to appoint a proxy to attend the EGM and vote on their behalf on the resolutions proposed;
“IAS”	International Accounting Standards;
“IFRS”	International Financial Reporting Standards;

“Independent Auditor” or “Reporting Accountants”	Grant Thornton Zimbabwe, Registered Public Auditors, Independent Auditors of the Company, and Reporting Accountants for the Proposed Transaction;
“Legal Advisor”	MawereSibanda Commercial Lawyers, registered legal practitioners and legal advisors to Zimplot Holdings Limited regarding the Proposed Transaction;
“Notice”	The notice of the Extraordinary General Meeting which was published in terms of the Companies and Other Business Entities Act [Chapter 24:31] on 15 June 2023, advising Zimplot Holdings Limited Shareholders of the Proposed Transaction and which forms part of this Circular;
“Resolutions”	The special and ordinary resolutions contained in the Notice giving effect to the Proposed Transaction which will be set before the Zimplot Holdings Limited Shareholders at the EGM;
“Register”	The Register of Shareholders of Zimplot Holdings Limited maintained by the Transfer Secretaries and the sub-register of nominee Shareholders maintained by each Broker;
“RBZ”	Reserve Bank of Zimbabwe;
“Shareholder(s)”	The holder(s) of the ordinary shares of Zimplot Holdings Limited;
“Proposed Transaction”	The delisting of Zimplot Holdings Limited's shares from the Zimbabwe Stock Exchange and the subsequent admission of Zimplot Holdings Limited on the Victoria Falls Stock Exchange.
“Transfer Secretaries” or “Corpserve”	Corpserve Registrars (Private) Limited, a company duly incorporated in Zimbabwe in terms of the Companies and Other Business Entities Act [Chapter 24:31] which provides share transfer secretarial services to Zimplot Holdings Limited;
“US\$”	The United States of America Dollar, the official currency of the United States of America;
“VFEX”	Victoria Falls Stock Exchange, a stock exchange registered by the Securities and Exchange Commission of Zimbabwe in terms of the Securities and Exchange Commission Act [Chapter 24:25] of 2004;
“VFEX Listing Requirements”	The Listing Requirements of the VFEX, being the rules regulating listings on the VFEX;
“Zimplot” or “the Company” or “the Group”	Zimplot Holdings Limited, a public company incorporated in Zimbabwe under Certificate of Registration number 25/48 and Certificates of Change of Name dated 6 May 2013 and listed on the Zimbabwe Stock Exchange since 1951;
“ZSE”	Zimbabwe Stock Exchange, a stock exchange registered by the Securities and Exchange Commission of Zimbabwe in terms of the Securities and Exchange Commission Act [Chapter 24:25] of 2004;
“ZSE Listing Requirements”	The Listing Requirements of the ZSE, being the rules regulating listings on the ZSE at the date of the submission of this Circular to the ZSE Listings Committee;
“ZWL”	The Zimbabwe Dollar, the official currency of Zimbabwe introduced under Sections 22 and 23 of the Finance (No. 2) Act of 2019;

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of Zimplow Holdings Limited whose names appear below, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that they have made all reasonable enquiries and declare that to the best of their knowledge and belief, there are no 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 facts.

The Directors also confirm that this Circular includes all such information within their knowledge (or which it will be reasonable for them to obtain by making enquiries) as investors and their professional advisors would reasonably require and expect in order to make an informed assessment of the Proposed Transaction, financial position, profits and losses and prospects of the Issuer, the rights attaching to the securities to which the Circular relates.

The Directors further confirm that there are no material legal proceedings, including any such proceedings which are pending or threatened, of which Zimplow Holdings Limited is aware, and which may have a material effect on the Company's financial position.

Signed at Harare, Zimbabwe .on this 14th .day of June 2023.

Godfrey T. Manhambara

[Signed on Original]

Chairman

Vimbayi Nyakudya

[Signed on Original]

Group Chief Executive Officer

Grant Pio

[Signed on Original]

Non-Executive Director

Benjamin N. Kumalo

[Signed on Original]

Non-Executive Director

Lance Kennedy

[Signed on Original]

Non-Executive Director

Angeline Vere

[Signed on Original]

Non-Executive Director

Kalpesh Patel

[Signed on Original]

Non-Executive Director

PART A: SALIENT INFORMATION AND IMPORTANT DATES

1. Introduction

On 13 April 2023, the Management of Zimplow Holdings Limited (“Zimplow”), sought and obtained Board approval to undertake a transaction involving the delisting of the Company from the Zimbabwe Stock Exchange (“ZSE”) through voluntary termination and thereafter admission on the Victoria Falls Stock Exchange (“VFEX”) by way of introduction.

This summary presents the salient information in relation to the Proposed Transaction, and the detailed terms and conditions are more fully set out in this Circular. Accordingly, this Circular should be read in its entirety for a full appreciation of the Proposed Transaction and its implications for Shareholders to make an informed determination as regards the actions required to be taken.

2. Extraordinary General Meeting

Zimplow Shareholders are being called by notice dated Thursday, 15 June 2023 (which is attached to and forms part of this Circular) to attend an EGM of the Company which will be held on Thursday, 6 July 2023 to consider and, if deemed fit, to approve the termination of the Company’s ZSE listing and the admission of the Company’s shares on the VFEX.

The resolutions for the approval of the Proposed Transaction are set out in full in Appendix VI.

3. Important Dates and Times

Event	Indicative Date
Notice of Zimplow EGM published	Thursday, June 15, 2023
Mailing of Circular to Zimplow Shareholders	Thursday, June 15, 2023
Record Date, Zimplow share register closed (at 16:00 hours)	Wednesday, June 28, 2023
Last day of lodging Proxy Forms (at 11:00 hours)	Tuesday, July 4, 2023
Zimplow EGM (at 11:00 hours)	Thursday, July 6, 2023
Publication of Zimplow EGM Results	Friday, July 7, 2023
Last day of trading Zimplow Shares on the ZSE	Friday, July 7, 2023
Expected date of de-listing Zimplow shares from the ZSE	Wednesday, July 12, 2023
Transfer of Zimplow share register from the ZSE to the VFEX	Thursday, July 13, 2023
Expected date of listing Zimplow shares on the VFEX	Friday, July 14, 2023
Zimplow share register reopens	Monday, July 17, 2023

Notes

- The dates stated above are subject to change at the discretion of Zimplow and any such change will be published to Shareholders through the Zimbabwean press.
- All times indicated above and elsewhere in this Circular are Zimbabwean standard times.
- If the EGM is adjourned or postponed, Forms of Proxy submitted in respect of the EGM will remain valid in respect of any adjournment or postponement thereof.
- If the Proposed Transaction is approved by Zimplow Shareholders at the EGM, update announcements will be made on progress regarding completion of any outstanding Conditions Precedent.

4. Actions to be taken by Zimplow Shareholders

Upon receipt of this Circular, the recipient should:

- Read this Document in its entirety. If you are in 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;
- Attend the EGM to be held on Thursday, 6 July 2023 at No.36 Birmingham Road, Southerton, Harare, Zimbabwe and vote on the resolutions that will be required to give effect to the Proposed Transaction as presented in this Circular.

Shareholders who are unable to attend the EGM, but who wish to be represented there, should complete and sign the Proxy Form included in this Document and ensure that it is either lodged to the Company Secretary at the registered offices of Zimplot being, No. 36 Birmingham Road, Southerton, Harare, Zimbabwe, or at the offices of the Transfer Secretaries at 2nd Floor, ZB Centre, Corner 1st Street & Kwame Nkrumah Avenue, Harare, Zimbabwe, or scanned and emailed to the Company Secretary at smanangazira@zimplot.co.zw, or scanned and emailed to the Transfer Secretaries at corpserve@escrowgroup.org so that it is received by the Transfer Secretaries by 11:00 hours, on Tuesday, 4 July 2023.

5. Documents Available for Inspection

Copies of the following documents will be available for inspection between Thursday, 15 June 2023 and Wednesday, 5 July 2023, during normal working hours, at the Lead Advisor and Zimplot's Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- i. The Memorandum of Association of the Company,
- ii. The Articles of Association of the Company,
- iii. The written consents of the advisors for the Proposed Transaction,
- iv. Zimplot Holdings Limited's Board Approval for the Proposed Transaction,
- v. The audited financial statements for the three financial years ended 31 December 2020, 31 December 2021, and 31 December 2022 for Zimplot Holdings Limited,
- vi. A signed original copy of this Circular, and
- vii. The ZSE approval letter for the distribution of the Circular.

PART B: CHAIRMAN'S LETTER TO SHAREHOLDERS



(Incorporated and registered in Zimbabwe with limited liability under Certificate of Registration number 25/48 and Certificates of Change of Name dated 6 May 2013).

Directors: Godfrey T. Manhambara (Chairman), Vimbayi Nyakudya (CEO), Grant Pio, Ben N. Kumalo, Lance Kennedy, Kalpesh Patel, Angeline Vere (appointed on 1 June 2023)

Address: No.36 Birmingham Road, Southerton, Harare, Zimbabwe

Dear Shareholder

Zimplow intends to list on the Victoria Falls Stock Exchange. The Company has continued to entrench its name in the construction, mining, infrastructure, and agricultural sectors in Zimbabwe and in the Region through manufacturing and marketing of a diverse range of products. Its success in the region presents an opportunity to attract a diverse investor base and foreign currency capital for further growth into the region and beyond. The Victoria Falls Stock Exchange that was established as a distinct conduit targeting foreign investors proffers the right platform to annex these opportunities.

Whilst on the local scene, your Company endured difficulties which are largely attributable to the volatile operating environment, the listing will offer local investors an opportunity to preserve value. In addition, Zimbabwe seeks to have a prosperous and empowered upper middle-income society by 2030 driven by agriculture, mining, and manufacturing. Being a major capital equipment solutions provider within Zimbabwe and beyond Zimbabwean borders, Zimplow remains pivotal in this national endeavour and so are its plans for expansion.

To drive the impetus for growth in Zimbabwe and in the region as well as to protect and increase shareholder value, your company is asking you to consider and approve the proposal to migrate its listing from the Zimbabwe Stock Exchange to the Victoria Falls Stock Exchange.

The rationale for the Proposed Transaction

- To promote Zimplow's local and international profile thereby boosting its public and commercial standing since VFEX is an offshore business driven Stock Exchange;
- To take advantage of offshore settlement options which allows investors to efficiently repatriate their dividends thus eliminating the foreign currency risk of holding shares as a foreign investor.
- Capital raising, if required, is done in USD or any other convertible currency, while trading, clearing, and settlement on or offshore happen in USD;
- Increased marketability of Zimplow regionally, which can lead to improved flexibility in raising external capital and funding for regional expansion against a 'dollarized' balance sheet;
- To take advantage of offshore settlement options which allow investors to efficiently repatriate their dividends thus eliminating the foreign currency risk of holding shares as a foreign investor;
- Lower trading costs of 2.12% compared to 4.63% on the ZSE;
- Trades on the VFEX do not attract Capital Gains Tax and withholding tax on dividends for investors was lowered from 10% to 5%.

Accordingly, on behalf of the Board, I recommend all Shareholders to vote in favour of the resolutions approving the Proposed Transaction.

15 June 2023

[Signed on Original]

G. T. Manhambara
Chairman

PART C: DETAILS OF THE PROPOSED TRANSACTION

1. Overview of the Proposed Transaction

The Board of Directors of Zimplow considered and approved a proposal by Management to terminate the Company's ZSE Listing, with the intention to list on the VFEX. The resolutions gave Executive Directors the power to execute the Proposed Transaction with the aim of unlocking the advantages listed below to the Company and its Shareholders.

2. Rationale of the Proposed Delisting

2.1. Enhanced ability to source capital in an appropriate currency.

Listing on the VFEX improves Zimplow's pathway to access USD debt facilities during normal course of business against a 'dollarized' balance sheet. The VFEX exchange control regime is designed to attract international investors with ease with which they can deal in shares listed thereon as well as repatriate both their capital and earnings in US\$. This is critical for offshore investors intending to make long term investments as it addresses a key concern regarding the Company's current ZSE listing. After migrating to the VFEX, Zimplow will have a potential source of capital that matches its needs better than what is available through the ZSE listing.

2.2. Enhanced Profile for Zimplow

The VFEX is an Offshore Business driven Stock Exchange with trading and settlement in foreign currency, hence the migration will promote Zimplow's local and international profile thereby boosting its public and commercial standing. The Government regards the VFEX as a potential regional Exchange, thus the migration from the ZSE to the VFEX would be received positively by the Government.

2.3. An accurate valuation of Zimplow

The listing of Zimplow on the VFEX will enhance shareholder value as it provides a de facto US\$ valuation of the Company by the market, which can reduce valuation volatility and facilitate more effective decision-making, including acquisitions and divestments.

2.4. Tax Incentives for Zimplow Shareholders

The VFEX offers tax incentives for shareholders which include a 5% withholding tax on dividends due to shareholders and there is no capital gains tax at share disposal. Shareholders would be able to retain more of their earnings compared to the ZSE.

2.5. Easier repatriation of dividends

Capital raised through a VFEX listing may be held in an approved local or offshore account, and there would be an allowance for offshore settlements for executed trades for easier repatriation of dividends and more transactional flexibility to existing shareholders. This would attract a more diverse shareholder base and enable Zimplow's shareholders to realise the value of their holdings incentivizing greater liquidity.

2.6. Proficient Financial Reporting

Companies listed on the VFEX are required to report in USD, making the financial information more easily understandable which is expected to attract greater investor interest. Moreover, companies listed on the VFEX are required to meet specific governance and reporting requirements, which can improve the overall management and performance of the Company which is expected to attract greater interest to investors.

2.7. Lower Trading Costs

The VFEX's lower trading costs of 2.12% compared to 4.63% on the ZSE will improve the shares' liquidity.

3. Mechanics of the Proposed Transaction

3.1. Voluntary termination of listing from the ZSE

The Company will voluntarily delist from the ZSE through termination on request. Zimplot meets the basic requirements needed as per the listing rules to undertake such a transaction. The ZSE will approve the delisting, provided Shareholders have approved the same at the Extraordinary General Meeting of the Company with 75 per centum of the votes of all Shareholders present or represented by proxy excluding the controlling Shareholder.

3.2. Listing by way of introduction on the VFEX

Zimplot will list on the VFEX by way of an introduction. The Company meets the requirements to undertake such a transaction, key among them being the spread of Shareholders and the intention to list without involving an issue of new securities or any marketing of existing securities.

3.3. Timelines and Milestones

The table in Part A Section 3 details the proposed timelines and milestones that Management believes are feasible for Zimplot to list on the VFEX by Friday 14 July 2023.

3.4. Transaction Costs

The costs of implementing the Proposed Transaction are estimated to amount to US\$65,450.00 which relates to various advisory, accounting, regulatory as well as advertising, printing, and postage charges. The transaction costs are broken down in the table below.

Fee	Amount (US\$)
Advisory Fees	23,000
Legal Fees	15,000
Sponsoring Broker Fees	4,000
Reporting Accountant Fees	6,000
Transfer Secretary Fees	7,500
Printing and Distribution Fees	3,000
ZSE & VFEX application & documentation review	6,950
Total Fees	65,450

4. Conditions Precedent

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

- i. Zimplot's Board approval of the voluntary delisting from the ZSE and listing on the VFEX.
- ii. The passing of the Resolutions by Shareholders of Zimplot, by the requisite majority, at an EGM to be held on Thursday, the 6th of July 2023 at No.36 Birmingham Road, Southerton, Harare, Zimbabwe in terms of the Notice of the EGM published in the national press, dated Thursday, the 15th of June 2023.
- iii. Obtaining a letter of good standing from the ZSE in favour of Zimplot.
- iv. Zimplot Directors signing an undertaking to abide by the VFEX listing rules, and
- v. Obtaining all such other necessary regulatory approvals as may be required.

5. Experts' Consent

Akribos Advisory Services (Private) Limited, Akribos Securities (Private) Limited, Grant Thornton Zimbabwe, Corpserve Registrars (Private) Limited and MawereSibanda Commercial Lawyers have given, and as at the date of this Circular, have not withdrawn their consent to the issue of this Circular with the inclusion of their names and reports in the forms and context in which they appear.

6. Regulatory Issues

This Circular is issued in compliance with the ZSE Listings Requirements. A cautionary announcement has been issued to the Shareholders of Zimplot Holdings Limited, informing them of the Company's intention to delist from the ZSE. The Listings Committee of the ZSE approved the Proposed

Transaction subject to the conditions in Section 4 above and has consequently granted approval for the publication of the Circular, EGM Notice, and the distribution to Shareholders of this Circular in respect of the Proposed Transactions on Thursday, 15 June 2023. All VFEX transactions have presumed Exchange Control approval and therefore no specific approval is required for this transaction.

7. Solvency, Liquidity and Working Capital Adequacy Statement

The Directors are of the opinion that, post the Proposed Transaction, based on the current year and five-year projections, Zimplow will be able to service all its financial obligations as they fall due.

8. Contingent Liabilities

The Group monitors potential contingent liabilities on an ongoing basis. Where there are contingent liabilities, the Group provides the required disclosures in the financial statements and where there are provisions, the Group records a liability in the financial statements.

9. Material Contracts

Other than in the ordinary course of business, no material contracts have been entered into by Zimplow during the past twelve months.

10. Directors' Opinions and Voting Recommendations

The Directors of Zimplow have considered the terms of the Proposed Transaction and are unanimously of the opinion that the Proposed Transaction is in the best interests of Zimplow's Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions giving effect to the proposed transaction.

The Directors of Zimplow will collectively vote in favour of the resolutions to approve the Proposed Transaction at the EGM in respect of their own shareholdings, if any.

PART D: INFORMATION ON ZIMLOW HOLDINGS LIMITED

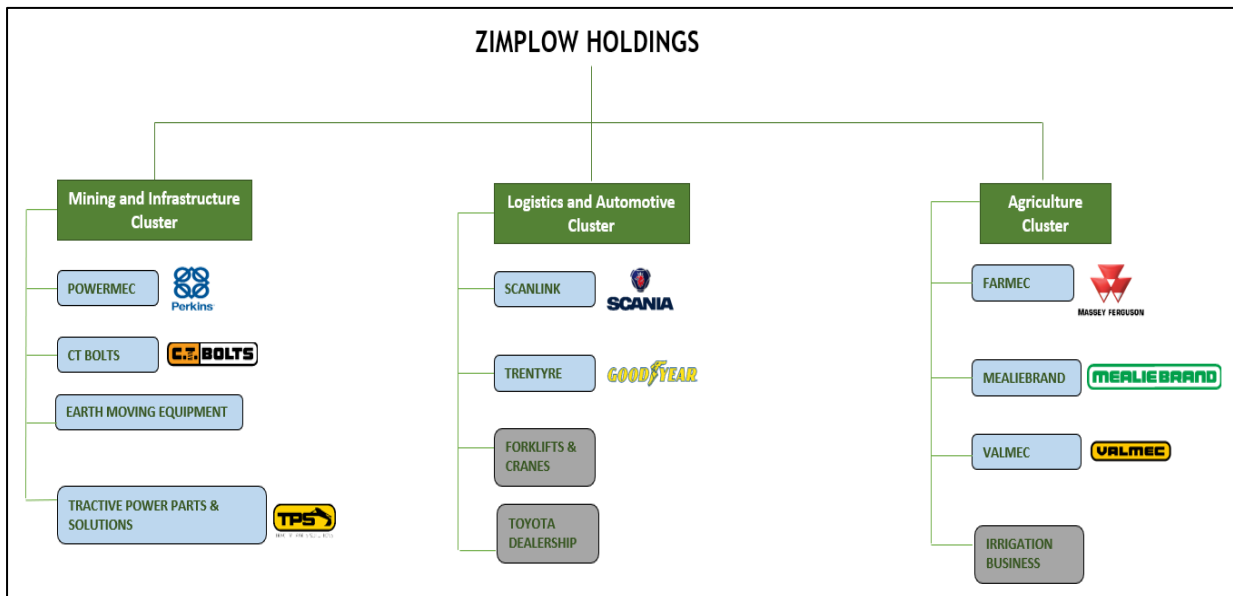
1. Background Information

Zimplot manufactures and markets a diverse range of products for the construction, mining, infrastructure, logistics, automotive and agricultural sectors in Zimbabwe and has interests in property management and leasing. Established in 1939, the Company has transitioned to a regional powerhouse in these spaces. For more than three quarters of a century, Zimbabwe's farmers have been tilling the soil using Zimplot products. Zimplot has been contributing to the national agricultural output, infrastructure development and mineral wealth extraction. Its machinery and equipment can be seen in action at most of Zimbabwe's mines, construction sites fields, plantations, and estates. It is one of the largest distributors of agricultural, transportation, infrastructure, and mining equipment in the country.

Zimplot serves a whole range of customers - from large-scale agricultural corporations through to the smallest subsistence farmer requiring tillage equipment. From the most sophisticated earthmoving equipment for mines, construction, and engineering firms, through to the tiniest bolt that keeps it all together, Zimplot supplies and compliments that with timely after sales services to its customers. The Group is now firmly rooted in the key sectors of the economy serving agriculture, mining, and infrastructural development. Zimplot Holdings is continually developing ways which will best exploit potential synergies and enhance value for all stakeholders.

2. Overview of Zimplot Operations

Zimplot Holdings Limited is a group of companies which specializes in industrial engineering and aftersales services of equipment in the agriculture, mining construction, logistics and alternative power sectors. The Group supplies equipment solutions through its divisions and subsidiaries comprised of Farmec, Mealie Brand, Powermec, CT Bolts, Trentyre and Scanlink. The Group sales and marketing approach was recently restructured into three clusters to deliver an integrated customer focused one stop shop equipment solutions provider status through a broader product offering these include the Mining & Infrastructure Cluster, the Logistics & Automotive Cluster, and the Agriculture Cluster



3. Zimplot Brands



3.1. Mealie brand

A 100% owned Division of Zimplot Holdings Limited, Mealie Brand is the largest manufacturer and distributor of animal drawn ploughs, harrows, rippers, and planters in Zimbabwe and across Sub Saharan Africa. “Mealie Brand”, now tried and tested, is a household name and recognised regional brand. It was started in 1939 when the first plough was produced. With a wide distribution network, its products can be found in the best-known wholesalers down to some of the most remote hardware stores. It remains committed to continue empowering and resourcing the African farmer through its products. Mealie Brand works closely with conservation and extension departments in Zimbabwe to ensure the value is delivered to the grassroots level farmer across all its markets. Through its ISO 9001: 2015 Certification, the quality of Mealie Brand products is guaranteed to meet the requirements of even the most discerning and export customer.

3.2. Farmec

A 100% owned Division of Zimplot Holdings Limited, Farmec is the flagship for mechanised agriculture equipment in the Group, holding franchise agreements for Massey Ferguson, Valtra, Challenger tractors, combine harvesters as well as distributorships for Monosem, Vicon and Falcon implement ranges. The business is a one stop shop for the small to the most advanced farmer.

Farmec has branches in the main agricultural regions of the country and provides support to its valued customers and the agriculture sector at large. It has branches located in Harare, Chiredzi, Mutare, Marondera and Bulawayo.

3.3. Valmec

Valmec is a wholly owned subsidiary of Zimplow that distributes Valtra branded tractors in Zimbabwe. The division has a desirable mix of second-tier agricultural implements from Turkey that include Farmer branded equipment from Farmer Ziraat (disc harrows, rippers, chisel plough and rollers), Mosh Agriculture (field sprayers, fertilizer spreaders and seed drills), and Kayhan Ertugrul (hay equipment). The company also provides affordable aftermarket tractor spare parts for top tractor brands and makes through its Sparex brand.

3.4. Powermec

Powermec, a 100% owned Division of Zimplow Holdings Limited. The Division is a holder of rights to distribute Perkins products in Zimbabwe. Powermec supplies Perkins engines, spare parts, and the related services of Perkins engines in the country. Powermec also offers solar packages from domestic up to industrial solutions such as installations, solar panels, inverters, and batteries.

3.5. CT Bolts

A 100% owned Division of Zimplow Holdings Limited. It was established in 1954 and incorporated into Zimplow since 2006, CT Bolts is a distributor of mild steel bolts, nuts, nails, and a wide range of fasteners including specialised mining, construction, agriculture, and infrastructure fasteners. It is a key barometer of the economy as its products are required in the most basic to the most advanced sectors of the economy.

3.6. Tractive Power Solutions

Tractive Power Holding T/A Tractive Power Solutions ("TPS") is a wholly owned Subsidiary of Zimplow. TPS is a member of the expanding Zimplow Holdings Mining and Infrastructure Cluster, specializing in delivering mining and infrastructure equipment, filtration, ground engaging tools and lubricants. TPS is a one-stop shop for OEMs, aftermarket parts, and service solutions provided to reputable leading brands. It is determined through its brands, people, back-up services workshops and factory, to deliver performance to its valued customers.

3.7. Scanlink

A 100% owned subsidiary of Zimplow Holdings Limited, established in 2004 and incorporated into Zimplow in 2021. Scanlink (Private) Limited is the sole distributor of Scania products in Zimbabwe. The Company offers vehicle sales and after-sales support for Scania vehicles in the country. Scania also offers a wide range of generators.

3.8. Trentyre Zimbabwe

A 100% owned subsidiary of Zimplow Holdings Limited, established in 1996 and incorporated into Zimplow in 2021. Tredcor Zimbabwe (Private) Limited trading as Trentyre Zimbabwe is the exclusive distributor for the Goodyear brand of tyres in Zimbabwe. The Company is involved in tyre re-treading, fleet tyre management, tyre fitting services and distribution of various brands of new vehicle tyres. Trentyre Zimbabwe was established as a partnership between the multi-national tyre distribution and re-treading subsidiary of the world-renowned tyre manufacture, Goodyear Tire and Rubber Company and a local Company Clan Services (Private) Limited.

3.9. Manica Road Investments

Manica Road Investments is a 100% owned subsidiary of Zimplow Holdings Limited. The Company is a property holding investment Company which owns the property that is used by Zimplow for office accommodation, showrooms, and workshops.

4. Share Capital

The authorized share capital of the Company is Four hundred million (400 000 000) shares at a nominal value of ZWL 0.0004 each.

4.1. Issued share capital.

The issued share capital of the Company is 344,580,486.

4.2. Authorised but unissued share capital

The authorised but unissued ordinary shares of 55,419,514 of the Company are 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.

5. Shareholders and Shareholding Structure as of 12 June 2023

The table below details the top 20 shareholders of Zimplot.

Zimplot Holdings Limited Top 20					
Rank	Names	Tax	Industry	Shares	Percentage
1	Sino Properties (Proprietary) Limited	MAU	FC	84,215,334	24.44%
2	Stanbic Nominees (Private) Limited	ZIM	LN	39,867,336	11.57%
3	Essential Proposition Properties (Private) Limited	ZIM	LC	28,090,650	8.15%
4	Pioneer Development Company (Private) Limited	ZIM	LC	26,257,033	7.62%
5	Kencor Holdings (Private) Limited	ZIM	LC	24,936,122	7.24%
6	Charter Mining (Private) Limited	ZIM	LC	19,745,346	5.73%
7	Clan Services (Private) Limited	ZIM	LC	18,399,564	5.34%
8	Unifreight Africa Limited	ZIM	LC	15,774,446	4.58%
9	Magister Investments Limited	MAU	FC	14,791,807	4.29%
10	Yumiko Investments (Private) Limited	WNP	LC	13,089,629	3.80%
11	Comm and Allied Industries Pension Fund	ZIM	PF	7,569,608	2.20%
12	Barloworld Equipment UK Limited	UK	FC	7,340,933	2.13%
13	Tetrad Investment Bank	ZIM	BK	6,427,738	1.87%
14	Flame Lily Venture Capital Group	ZIM	LC	4,054,625	1.18%
15	Tractive Power Holdings Workers Trust (Private) Limited	ZIM	LC	3,683,201	1.07%
16	Holdsworth Holdings (Private) Limited	ZIM	LC	2,886,206	0.84%
17	Public Service Pension Fund-Smartvest	ZIM	PF	2,684,581	0.78%
18	Mega Market (Private) Limited	ZIM	LC	2,458,376	0.71%
19	Mining Industry Pension Fund	ZIM	PF	1,720,016	0.50%
20	Bernard Norman Chitepo	ZIM	LR	1,587,620	0.46%
	Selected Shares			325,580,171	94.49%
	Non - Selected Shares			19,000,315	5.51%
	Issued Shares			344,580,486	100%

Source: Corpserve as at 12 June 2023

5.1. Share Price History

The following tables provide statistical information on Zimplot Share's market price and volumes traded on the ZSE over the 12-months and 30-days leading to the transaction; separately.

Monthly Share Price Statistics		
Month	VWAP Monthly Price (ZWL)	Total Volumes Traded
30-Jun-22	24.27	48,800
31-Jul-22	19.52	95,200
31-Aug-22	16.57	25,800
30-Sep-22	15.24	55,300
31-Oct-22	14.46	76,000
30-Nov-22	17.63	41,200
31-Dec-22	16.82	65,100
31-Jan-23	20.19	2,140,800
28-Feb-23	25.26	128,200
31-Mar-23	35.42	47,600
30-Apr-23	36.41	10,600
31-May-23	70.60	162,600

Daily Trading Statistics					
Date	Closing Price (ZWL)	Volumes Traded	Date	Closing Price (ZWL)	Volumes Traded
13-Mar-23	34.15	2,000	27-Apr-23	35.50	200
14-Mar-23	34.15	-	28-Apr-23	36.50	3,300
15-Mar-23	34.15	-	2-May-23	36.00	100
16-Mar-23	34.55	400	3-May-23	36.00	2,500
17-Mar-23	34.00	11,100	4-May-23	41.00	200
20-Mar-23	36.13	8,400	5-May-23	47.00	5,000
21-Mar-23	36.04	5,000	8-May-23	54.00	6,400
22-Mar-23	35.10	2,400	9-May-23	54.00	400
23-Mar-23	34.00	2,400	10-May-23	55.51	15,100
24-Mar-23	36.50	100	11-May-23	63.80	74,800
27-Mar-23	36.50	11,600	12-May-23	73.00	5,000
28-Mar-23	36.50	2,300	15-May-23	83.95	10,200
29-Mar-23	36.50	-	16-May-23	95.00	200
30-Mar-23	36.50	200	17-May-23	96.48	20,600
31-Mar-23	36.50	200	18-May-23	96.02	3,100
3-Apr-23	36.50	3,200	19-May-23	96.04	800
4-Apr-23	36.50	-	22-May-23	95.00	800
5-Apr-23	36.13	1,600	23-May-23	92.49	500
6-Apr-23	36.13	-	24-May-23	90.00	100
11-Apr-23	36.13	-	26-May-23	85.65	6,100
12-Apr-23	36.13	-	29-May-23	85.00	10,400
13-Apr-23	36.50	400	30-May-23	83.67	300
14-Apr-23	36.50	300	1-Jun-23	83.24	6,000
17-Apr-23	36.50	-	2-Jun-23	75.01	6,795,800
19-Apr-23	36.50	-	5-Jun-23	86.00	2,000
20-Apr-23	36.50	1,000	6-Jun-23	98.90	700
21-Apr-23	36.50	200	7-Jun-23	100.00	600
24-Apr-23	36.50	-	8-Jun-23	100.00	250,000
25-Apr-23	36.00	400	9-Jun-23	110.00	330,000
26-Apr-23	36.00	-	12-Jun-23	109.96	1,440,410

6. Corporate Governance

Zimply recognises the importance of sound corporate governance and values. The Board ensures that the Company's conduct is consistent with best practices in corporate governance and legal provisions. Zimply will continue to review and align its corporate governance practices with SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, National Code of Corporate Governance in Zimbabwe ("ZIMCODE") and the Companies and Other Business Entities Act (Chapter 24:31).

6.1. Board of Directors

The Board of Directors consists of a Non-Executive Chairman; one Executive Director and five Non-Executive Directors.

Name	Position
Godfrey T. Manhambara	Chairman
Vimbayi Nyakudya	Group Chief Executive Officer
Grant Pio	Non-Executive Director
Benjamin N. Kumalo	Non-Executive Director
Lance Kennedy	Non-Executive Director
Angeline Vere**	Non-Executive Director
Kalpesh Patel	Non-Executive Director

*** (effective date of appointment is 1 June 2023)*

6.2. Profiles of Directors

6.2.1. Godfrey Tsikayi Manhambara (Chairman)

Godfrey holds a Bachelor of Science in Economics (Hons) degree from the University of London and an MBA from the University of Zimbabwe. He is a member of the Chartered Institute of Transport & Logistics (UK), the Institute of Directors (UK) and the Zimbabwe Institute of Management. He began his career in 1982 as a Graduate Trainee with British Rail (United Kingdom), before joining Afretair as Marketing Executive, a position he held until 1986 when he was promoted to Commercial Director and subsequently to Chief Executive Officer in 1991. In 1999, Godfrey joined the Civil Aviation Authority as its Chief Executive Officer.

He joined Reacon Services in 2001 as Managing Director and in July 2003, Godfrey joined the BETA Group as Group Chief Operating Officer, before assuming the position of Group Chief Executive Officer in November 2004. Godfrey is currently the Group CEO of Beta International, the parent company of BETA Holdings (Zimbabwe) and United Beta Zambia (Zambia). He is the Board Chairman of Zimplow Holdings Limited (Zimbabwe) and sits on the Board of Directors of James North Zimbabwe and Premier African Minerals (UK). He is also the non-executive Chairman of Zimnat Asset Management, and TCT Limatada (Mozambique).

6.2.2. Vimbayi Nyakudya

Vimbayi is a Chartered Accountant and a holder of a Master of Business Leadership. He trained at KPMG. Prior to his appointment as the Group Chief Executive Officer, he was the Group Chief Finance Officer.

6.2.3. Grant Pio

Grant is an industrialist with over twenty (20) years' experience in agriculture, business management, engineering, project management and project development. He is currently the Managing Director of Warapp Engineering, Zimbabwe.

6.2.4. Benjamin Nkosentya Kumalo

Ben is retired and is a former General Manager and Executive Director of the Industrial Development Corporation of Zimbabwe Limited (IDC). He is also former chairman of Chemplex Corporation Limited, Willowvale Motor Industries, FBC Building Society and ZimRe Holdings Limited. Ben has extensive experience in the manufacturing, tourism and automotive industries. He is a holder of a Bachelor of Accountancy (Hons) Degree and is a Chartered Accountant.

6.2.5. Lance Joseph Kennedy

Lance is a holder of a MSc in Business Management in the Agriculture and Food Industries from the Royal Agricultural University in Cirencester, United Kingdom. He has extensive experience in agribusiness and agriculture, including hands - on experience in managing farming operations. His career in the agricultural sector spans over 25 years.

6.2.6. Kalpesh Patel

Kalpesh is a seasoned executive in the Steel & Mining industry and is currently the Chief Executive Officer & Vice Chairman of Steelmakers Group and oversees its Sub-Saharan operations. He possesses a BSc in Economics and a BA in Political Science including a MSc in Economics from the London School of Economics. He sits on boards of various institutions including but not limited to companies carrying on business in the Banking, Insurance and Healthcare sectors.

6.2.7. Angeline Vere (effective date of appointment is 1 June 2023)

Angeline is a registered legal practitioner with a wealth of working experience in the areas of corporate governance, compliance, legal risk management and business management, attained over twenty (20) years working for the Ministry of Justice, insurance and the telecommunications industry. She holds a master's in law (LLM), Bachelor of Law Honours Degree (LLB), a Diploma in Finance and Accounting and an Executive Diploma in Business Administration.

6.3. Senior Management

6.3.1. Vimbayi Nyakudya (Group CEO)

Vimbayi is a Chartered Accountant and a holder of a Master of Business Leadership. He trained at KPMG. Prior to his appointment as the Group Chief Executive Officer, he was the Group Chief Finance Officer.

6.3.2. Sharon Manangazira (Group Company Secretary)

Sharon assumed the role of Corporate Services Executive on 1 May 2022. She is a registered legal practitioner with a wealth of experience in the areas of corporate governance, legal, compliance and risk management attained over her twelve (12) years working experience in private practice, the financial services and health insurance sectors. Prior to joining Zimplow Holdings Limited, she served as the Group Legal Advisory and Corporate Services Manager for Premier Service Holding Company (Private) Limited. She has also worked for FBC Holdings Limited, Agribank (now AFC Commercial Bank), and Winterton Legal Practitioners during her career as Corporate Legal Counsel.

6.3.3. Charles Chaibva (Group CFO)

Charles Chaibva assumed the position of Group Chief Financial Officer on 1 April 2019. He is a qualified Chartered Accountant (Zimbabwe) and a registered Public Accountant (RPA). He completed his Articles of Clerkship with Ernest & Young Zimbabwe in 2013. He has also worked at Inncor Africa Limited and Tata Zimbabwe. Prior to his appointment within the Zimplow Group, he was the Group Finance Manager for the Afmine Group.

He is the holder of a Bachelor of Accounting Science (Postgraduate Honours) attained from the University of South Africa (UNISA) in 2011 and a Bachelor of Accountancy (Honours) Degree from the University of Zimbabwe.

6.3.4. Blessing Scott (Head Executive - Operations)

Blessing Scott was appointed as the Group Operations Executive on 1 May 2022. He has been in the Group since 2016. Prior to his most recent appointment he was the Group Finance Manager. His area of expertise encompasses Financial Accounting, Auditing, Financial Management and Modelling, Operations Management, Project Management, Aftersales Solutions, and Supply Chain Management. Before joining the Zimplow Group, he worked at Sinvac Group in South Africa, under the Mining & Engineering Division, where he extensively worked in both the Finance and Operations Departments. Blessing trained with KPMG Chartered Accountants and acquired a master's in business administration (MBA) from the National University of Science and Technology (NUST). He is a holder of a Post Graduate Honours in Accounting Science from the University of South Africa (UNISA), and Bachelor of Accountants Honours degree the University of Zimbabwe (UZ).

6.3.5. Gladys Machawira (Group Risk, Audit & Compliance Executive)

Gladys Machawira assumed the position of Group Risk, Audit & Compliance Executive on 1 May 2022. She is passionate about Risk Management & Audit and has over 20 years' experience in the aforesaid fields. She has been with the Zimplow Group for 10 years as the Group Internal Audit Manager. She

has audited various industries including manufacturing, construction, pharmaceutical, insurance, financial services, and retail. Her favourite quotes are by Sir Winston Churchill, “success is not final, failure is not fatal, it is the courage to continue that counts” and Maya Angelou “my mission in life is not merely to survive but thrive and to do so with some passion, some compassion, some humour and some style!”

6.3.6. Walter Chigwada (Group Strategy and Business Development Executive)

Walter Nesbert Chigwada joined the Zimplow Group as Managing Director for Mealie Brand in August 2013, a position that he held until his recent redeployment to Head Office as the Group Strategy and Business Development Executive on 1 May 2022. He is a seasoned Business Executive and Marketer with vast experience in a wide range of business operations that include the manufacturing and distribution of steel-fabricated products, agro and veterinary products and agricultural and earth moving equipment. He is endowed with the ability to inspire subordinates to achieve as a team. Before joining Zimplow, Walter was the Managing Director for Agricura and Hastt Zimbabwe respectively. He has served as President for the Agricultural Dealers and Manufacturers Association (ADMA) and as the National Vice President of the Confederation of Zimbabwe Industries (CZI). He is a former Board Member for ZimTrade.

6.3.7. Hatson Chimutasha (Executive Head - Logistics & Automotive Cluster Executive)

Hatson Chimutasha assumed the role of Cluster Head - Logistics and Automotive Cluster on 1 May 2022. He is a Marketer and Diesel Plant Fitter by profession with a wealth of experience in the Motor Industry attained over twenty-five (25) years. Prior to joining Zimplow Holdings Limited, he served as the General Manager for Croco Motors (Private) Limited.

6.3.8. Randy Pote (Executive Head - Agriculture)

Randy Tapiwa Pote assumed the role of Cluster Head - Agriculture Cluster for Zimplow Holdings Limited on 1 May 2022. He has served as the General Manager for Farmec since 2020 and previously occupied the position of National Sales Manager. He has been under the employ of the Group for the past 16 years. He is results oriented, a relationship champion and possess great passion for market development. He enjoys farm visits and working with farmers in bridging mechanisation gaps in their operations.

6.3.9. Willem Swan (Executive Head - Mining & Infrastructure)

Willem Swan joined the Group in 2021 wherein he assumed the role of General Manager for CT Bolts. In 2021 he was re-deployed to assume the role of Group Operations Executive at Group Level. On 1 May 2022, he assumed his current role as the Cluster Head, Mining, and Infrastructure Cluster. Prior to joining Zimplow Holdings Limited, he was the Managing Director of MacSteel in Malawi then South Africa for a combined period of six (6) years. He has also worked as the National Sales and Marketing Manager for Innscor Distribution as well as the Marketing Manager for Metro Peech / Makro.

6.4. Board Committees

The Chairman of the various Committees are all Non-Executive Directors. The Board meets regularly to review results, dictate policy, formulate overall strategy, and approve the budgets. Certain functions and responsibilities have been delegated to the following Committees. Their Terms of Reference and composition are regularly reviewed.

6.4.1. Audit, Risk and Compliance Committee

The Group has an Audit, Risk and Compliance Committee that assists the Board in the fulfilment of its duties. The Audit, Risk and Compliance Committee deals, inter alia, with compliance, internal controls, and risk management. The Committee is currently comprised of 3 (three) Non-Executive Directors chaired by a Non-Executive Director. The Committee meets at least 3 (three) times a year with the Group's internal and external Auditors to consider compliance with financial reporting requirements, monitor the appropriateness of accounting policies, the effectiveness of systems of Internal control and consider the findings of the internal and external Auditors. Both the internal and external Auditors have unrestricted access to the Audit Committee to ensure their independence and the objectivity of their reports.

6.4.2. Human Resources Committee

The Human Resources Committee comprises 3 (three) Non- Executive Directors. The Group's Remuneration Policy is to provide packages that attract, retain, and motivate high quality individuals who will contribute substantially to the growth and success of the Group. This Committee sets the remuneration of the Executive Directors and approves Guidelines for the Group's pay reviews. Remuneration packages include a guaranteed salary as well as a performance related incentive linked to the achievement of present profit targets, by the Group and its Clusters.

6.4.3. Investments Committee

The Investments Committee consists of three (3) non- executive directors. This Committee assists the Board in the identification of new business opportunities and undertaking the appraisal of the said identified opportunities, to ensure they are aligned to the Group's strategic thrust, vision, and mission. Its scope also entails monitoring the execution and/or implementation of any Board approved investments, divestments, and disposals. The Committee's mandate includes the review of recommendations regarding loans, borrowings, and capital expenditure.

In addition, this Committee sets, approves and monitors overall borrowing limits for the Group and for the individual companies within the Group. This Committee reviews the Group's annual budgets and business plans as well as the implementation of half-year reviews thereof. The formulation, implementation and review of capital and liquidity planning for the Group vests in this Committee. The Investments Committee seeks to provide guidelines for currency management, Group financing and internal Group capital management, as well as establishing and overseeing the requisite Group-wide risk management and monitoring system thereof.

6.4.4. Nominations Committee and Board Membership Criteria

The Nominations Committee is responsible for developing criteria for filling vacant Board positions taking into consideration such factors as it deems appropriate. Relevant considerations include education, background, leadership, and ability to exercise sound judgement, general business experience and familiarity with the Group's business. Candidates should not have any personal interests that would materially impair their ability to exercise independent judgement or otherwise discharge the fiduciary duties owed as a Director to the Company and its Stakeholders. All candidates must be individuals of personal integrity, ethical character and value and appreciate these qualities in others. It is expected that each Director will devote the necessary time to the fulfilment of his or her duties as a Director.

In this regard, the Nominations Committee considers the number and nature of each Director's other commitments, including other Directorships. The Nominations Committee seeks to promote through the nomination process diversity on the Board of professional background, experience, expertise, perspective, age, gender, and ethnicity.

6.4.5. Executive Committee

The Executive Committee sits regularly to deliberate and consider detailed operational issues of the Group, which includes strategy implementation.

6.4.6. Business Unit Governance

Each individual business unit in the Group has an executive with clearly defined responsibilities and objectives, which is responsible for the day-to-day running of its operations. A comprehensive financial reporting system ensures that each business unit is brought to account monthly.

6.5. Directors' Interest

The Board of Zimplow believes in the observance of ethical business values from the top to the bottom. To this end, the Board has in place a policy that manages conflict of interest including situational and transactional conflict. Directors disclose their interests on joining the Board and at

every meeting of the Directors they disclose any additional interests and confirm or update their declarations of interest accordingly.

As of Monday, 12 June 2023, the Directors directly and/or indirectly, held beneficial interests in Zimplow shares aggregating approximately 38,025,751 representing 11.04% of the issued share capital of the Company.

As at 12 June 2023 the following Directors held shares directly or indirectly in the Company.

Name of Shareholder	Ultimate Beneficial Owner	Number of Shares Held
1. Kencor Holdings Private Limited	Lance Joseph Kennedy	24,936,122
2. Yumiko Investments (Private) Limited	Kalpesh Patel	13,089,629

PART E: APPENDICES**APPENDIX I: REPORT OF INDEPENDENT REPORTING ACCOUNTANTS ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF ZIMLOW HOLDINGS LIMITED**



Grant Thornton
Camelsa Business Park
135 Enterprise Road, Highlands
PO Box CY 2619
Causeway,
Harare
Zimbabwe
T +263 242 442511-14
F +263 242 442517/ 496985
E info@zw.gt.com
www.grantthornton.co.zw

To the members of Zimplow Holdings Limited**Introduction**

The Directors of Zimplow Holdings Limited and its subsidiaries (“the Group”) are proposing to delist shares from the Zimbabwe Stock Exchange (“ZSE”) and simultaneous admission on Victoria Falls Stock Exchange (“VEFX”) (“the proposed transaction”) as contained in the circular to shareholders of Zimplow Holdings Limited dated 15 June 2023 (“the Circular”).

Ernst and Young Chartered Accountants (Zimbabwe) were the appointed auditors to Zimplow Holdings Limited and its subsidiaries during the period covered by this Circular from 2020 to 2022, from which the financial information included in Appendix 2 has been extracted. The audit reports and modifications therein for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 are as indicated below in this report.

In terms of Section 240 to 245 as read with section 223 of the Securities and Exchange Listing Requirements (Zimbabwe Stock Exchange (“ZSE”) Listing Requirements) Rules 2019 (“the Zimbabwe Stock Exchange Listing Requirements”), we present our report in respect of the Consolidated Financial Information for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Responsibilities

The Directors of the Zimplow Holdings Limited and its subsidiaries are solely responsible for the compilation, contents and presentation of the Circular to shareholders dated 15 June 2023 of which this report is a part, and for the consolidated financial statements and other financial information from which the financial information contained in the Circular has been prepared, in accordance with International Financial Reporting Standards (“IFRSs”) and other applicable regulations and guidance, as may be applicable to the Group from time to time. This responsibility includes designing, implementing and maintaining internal controls 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.

Audit Opinions

We have reproduced sections of the predecessor auditor’s reports in respect of the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 which indicate the modifications to the audit reports on the Group’s financial statements for the years then ended.

The predecessor auditors have reviewed the summaries and sections reproduced in this report from their audit reports of the years indicated, including the updates and or additions indicated above, and they have consented to the manner, context and form of these for purposes of this report.

Grant Thornton Chartered Accountants (Zimbabwe) are the current auditors of the Group, having been appointed with effect from the financial year ending 31 December 2023.

Year ended 31 December 2020

The audit opinion for the financial year ended 31 December 2020 was adverse and outlined as follows:

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated and separate financial statements do not present fairly, in all material respects, the inflation adjusted consolidated

and separate financial position of the Group and Company as at 31 December 2020, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Non-compliance with International Financial Reporting Standards IAS 21 - The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

As explained in Note 2.1 to the consolidated and separate inflation adjusted financial statements, the Group and Company changed its functional and reporting currency from United States Dollar (US\$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019. We however believe that the change occurred on 1 October 2018 in terms of IAS 21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019. Our audit report for the year ended 31 December 2019 was therefore modified as management prospectively applied the change in functional currency from US\$ to ZWL from 23 February 2019, which we disagreed with. The correct approach would have been a retrospective restatement as a prior period error in terms of International Financial Reporting Standards - IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The matter continues to impact the following amounts on the consolidated and separate inflation adjusted statements of financial position which still comprise of material amounts from opening balances: Inventories (Group :ZWL\$ 702,513,391; Company: ZWL\$ 563 727 337); Deferred Tax Liability (Group: ZWL\$208 328 454; Company: ZWL\$ 81 743 746), Investment in Subsidiary (Company: ZWL\$ 288 245 540); Revaluation Reserve (Group: ZWL\$ 415 590 109; Company: ZWL\$ 136 665 016); Accumulated Profit (Group: ZWL\$ 601 940 313; Company: ZWL\$629 738 554), Property, Plant and Equipment (Group: ZWL\$ 1 036 308 903; Company: ZWL\$ 344 392 282) and Non-Controlling Interest (Group: ZWL\$ 269 755 678)

Exchange rates used in current year:

In the current year, the Group translated foreign denominated transactions and balances to ZWL using the interbank exchange rates for the period 1 January 2020 to 22 June 2020, prior to introduction of the Foreign Exchange Auction Trading System. This includes the period between March and June 2020 when the exchange rate was fixed at US\$1: ZWL25. As in the prior year, we concluded that the interbank exchange rates did not meet the definition of a spot exchange rate as per IAS 21, as they were not available for immediate delivery. Consequently, the following elements are materially misstated in addition to those listed above: Prepayments of ZWL\$ 44 093 249 included in prepayments of ZWL\$ 334 914 841 Group) and ZWL\$ 319 133 351 (Company), and (2019: ZWL\$ 271 155 109 Group, ZWL\$ 200 361 927 Company).

The impact in the consolidated and separate inflation adjusted statements of profit or loss and other comprehensive income, changes in equity and cash flows can however not be quantified due to the lack of a reference point on appropriate rates and impracticability given the volume of transactions. Our opinion was also modified in respect of this matter in the prior year.

Valuation of Investment Property, Freehold land and buildings and Manufacturing Plant and Equipment (Group and Company) (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

In the prior year, the Group's Investment Property, Freehold land and buildings and Manufacturing Plant and Equipment was incorrectly valued at year end as a conversion rate was applied to US\$ valuation inputs to calculate the ZWL assets values which we disagreed with. Those incorrect values were brought forward into the current year as opening balances without any adjustments being made in terms of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The correct approach would have been a retrospective restatement as a prior period error in terms of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The matter is continuing in the current year.

The Group's Investment Properties are carried at: Group (2020: ZWL\$ 22 082 000; 2019: ZWL\$ 17 248 041), Freehold land and buildings (Group 2020: ZWL\$ 855 963 243; 2019: ZWL\$ 801 616 103) (Company 2020: ZWL\$ 123 450 290; 2019: ZWL\$ 124 838 444) and Manufacturing plant and equipment are carried at: Group and Company (2020: ZWL\$ 250 819 865; 2019: ZWL\$ 189 705 917) as at 31 December as described on Note 10.

These assets were valued by management experts using historical US\$ denominated inputs and converted into ZWL at the auction exchange rate both in prior year and as at 31 December 2020. The implicit investment method was applied for Industrial and commercial properties and key inputs into the calculations include rentals per square meter and capitalisation rates. Residential properties and vacant stands were valued in terms of the market comparable approach. Manufacturing Plant and Equipment was valued in terms of the Gross Replacement Cost approach and Depreciated Replacement Cost approach.

The translation process adopted by management would not meet the fair value measurement principles of the affected items as set out in IFRS 13 "Fair Value Measurement" due to the following considerations: 1) The US\$ estimated rentals (used in the implicit investment approach) may not be an appropriate proxy for the ZWL amounts in which rentals are settled. 2) While historical US\$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate. Consequently, property and manufacturing plant and equipment may be materially misstated and owing to lack of information on relevant inputs in ZWL we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our opinion on the current year's consolidated and separate financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, Property, Plant and Equipment at Cost (Group: ZWL\$ 62 510 255; Company: ZWL\$ 62 510 255; Non-Controlling Interest (Group: ZWL\$ 317 517 425); Retained Earnings (Group: ZWL\$ 772 081 172; Company: ZWL\$ 662 256 020) and Deferred Tax Liability (Group: ZWL\$ 238 266 976; Company: ZWL\$ 109 294 892) on the consolidated and separate inflation adjusted Statement of Financial Position and virtually all elements on the consolidated and separate inflation adjusted statement of profit or loss and other Comprehensive Income would have been materially different.

Overall Consequential Impacts

As no restatements have been recorded in current year per IAS 8 to correct the above matters, our audit report on the Group and Company inflation adjusted financial statements for the year ended 31 December 2020 is further modified for the following reasons;

- Virtually all corresponding numbers remain misstated on the consolidated and separate inflation adjusted Statements of Financial Position, consolidated and separate inflation adjusted Statements of Profit or Loss and other Comprehensive Income, consolidated and separate inflation adjusted Statements of Cash Flows and consolidated, and separate inflation adjusted Statements of Changes in Equity, this also impacts comparability of the current period's figures.

- As opening balances enter into the determination of cash flows and performance, our audit report is modified in respect of the impact of these matters on the consolidated and separate inflation adjusted Statements of Profit or Loss and Other Comprehensive Income, consolidated and separate inflation adjusted Statements of Cash Flows and consolidated, and separate inflation adjusted Statements of Changes in Equity.

The effects of the above departures from IFRS are material and pervasive to the consolidated inflation adjusted financial statements.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Years ended 31 December 2021

The audit opinion for the financial year ended 31 December 2021 was qualified and outlined as follows:

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects the inflation adjusted consolidated and separate financial position of the group and company as at 31 December 2021, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31)

Non-compliance with International Financial Reporting Standards (IAS) 21 - The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Impact of prior year modification on current period

Historical date of change in functional currency

As explained in note 2.1 to the consolidated and separate inflation adjusted financial statements, the Group and Company changed their functional and reporting currency from United States Dollar (US\$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

We however believe that the change occurred on 1 October 2018 in terms of IAS 21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019. Our prior year audit report for the year ended 31 December 2020 was modified due to impact of this matter on Property Plant and Equipment on the consolidated and separate inflation adjusted Statement of Financial Position which still comprised of material amounts from opening balances, as well as movements on the consolidated and separate inflation adjusted statements of profit or loss, cashflows and changes in equity.

This matter has not been corrected through a restatement in terms of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Our opinion on the current period's consolidated inflation adjusted financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Exchange rates used in prior year:

Further contributing to the adverse opinion was the use of inappropriate exchange rates which did not meet IAS 21 requirements for a spot rate for the period 22 February 2019 to 22 June 2020. The interbank exchange rate was used to translate foreign denominated transactions and balances to ZWL functional currency; however, the rate was not available for immediate delivery therefore not a spot rate in terms of IFRS. The misstatements could however not be quantified as an appropriate exchange rate had not been identified.

Management has not made retrospective adjustments in terms of IAS 8 to correct this matter. The matter continues to impact the following amounts on the consolidated and separate inflation adjusted statement of financial position which still comprise material amounts from opening balances: Retained Earnings stated at Group ZWL 1 278 422 688 (2020: ZWL 1 087 588 869) Company ZWL 903 982 542 (2020: ZWL 946 962 768), Non-Controlling Interest Group ZWL 608 641 255 (2020: ZWL 475 872 570).

As opening balances enter into the determination of financial performance, our audit report is modified in respect of the impact of these matters on Cost of Sales stated at Group ZWL 4 162 818 103 (2020: ZWL 2 950 348 866) Company ZWL 2 222 649 017 (2020: ZWL 1 698 473 038) and Tax Expense stated at Group ZWL 525 740 303 (2020: ZWL 165 756 800) Company ZWL 221 716 154 (2020: ZWL 212 025 932) in the consolidated and separate inflation adjusted Statement of Profit or Loss. Consequently, the consolidated and separate inflation adjusted Statement of Changes in equity and consolidated and separate inflation adjusted Statement of Cashflows may also require amendments.

Further, corresponding numbers relating to Revaluation Reserve on the consolidated inflation adjusted statement of Profit or Loss remains misstated. Corresponding numbers relating to Inventories, Prepayments, Property, Plant and Equipment and Deferred Tax Liability on the consolidated and company inflation adjusted Statement of Financial Position remain misstated. Our opinion on the current period's consolidated and separate inflation adjusted financial statements is therefore also modified because of the possible effects of the above matter on the comparability of the specified current period's figures and the corresponding figures.

Valuation of Property and Manufacturing Plant and Equipment (Group and Company) (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The Group's Investment Properties and Freehold Land and Buildings are carried at Group ZWL 140 816 504 (2020: ZWL 35 493 985) Company ZWL 162 830 000 and Group ZWL 1 830 472 156 (2020: ZWL 1 881 095 605) Company ZWL 586 907 368 (2020: ZWL 682 291 850) respectively as at 31 December 2021 as described in Note 10. The implicit investment method was applied for Industrial and commercial properties and key inputs into the calculations include rentals per square metre and capitalisation rates. Residential properties and vacant stands were valued in terms of the market comparable approach. In both cases, the valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using a rental yield as determined by management as described on Note 13.

We have concerns over the appropriateness of using a foreign currency for the valuation inputs and then applying a conversion rate to a US\$ valuation to calculate ZWL Property and Manufacturing Plant and Equipment values as in our opinion this may not be an accurate reflection of the current dynamics where there is a disparity between exchange rates.

With respect to the implicit investment approach, the US\$ estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled. While historical US\$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

Consequently, property and manufacturing plant and equipment may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit report was also modified due to this matter, no restatements have been made in terms of IAS 8.

Consequential impact on IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different except for Investment Property and Property, Plant and

Equipment which are held at fair value therefore for which our opinion is modified only in respect of comparability. Consequently, the monetary gains or losses of on the consolidated and separate inflation adjusted Statement of profit or loss and other comprehensive income stated at Group ZWL 25 333 803 (2020: ZWL 75 834 470); Company ZWL 25 062 (2020: (ZWL 130 031 830)), are impacted. Our prior year audit report was also modified due to this matter.

The effects of the above departures from IFRS while material are confined to specific accounts and are not pervasive to the consolidated and separate inflation adjusted financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matters described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

- Goodwill impairment
- Application of IFRS 3 Business Combinations on new acquisitions

Year ended 31 December 2022

The audit opinion for the financial year ended 31 December 2022 was qualified and outlined as follows:

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects the inflation adjusted consolidated and separate financial position of the group and company as at 31 December 2022, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Non-compliance with International Financial Reporting Standards (IAS) 21- The Effects of Changes in Foreign Exchange Rates, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 13 Fair Value Measurement

Impact of prior year modification on current period

Exchange rates used in prior year.

The Group used an interbank exchange rate to translate foreign denominated transactions and balances to ZWL functional currency for the period 22 February 2019 to 22 June 2020. However, the rate was not available for immediate delivery therefore not a spot rate in terms of IAS 21. The misstatements could however not be quantified as an appropriate exchange rate had not been identified.

Management has not made retrospective adjustments in terms of IAS 8 to correct the following corresponding financial statement line items which were impacted in prior year: Group and company Retained Earnings and Group Non-Controlling Interests on the consolidated and separate inflation adjusted statement of financial position-, Group and company Income tax Expense on the consolidated and separate inflation adjusted statement of profit or loss, as well as cash generated from operations on the consolidated and separate inflation adjusted Statement of Cashflows.

Our audit opinion on the current year consolidated and separate inflation adjusted financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures with the prior year figures inflation adjusted figures.

Valuation of Investment Properties, Land and Buildings

In the prior year the Group performed a revaluation of investment properties. The valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using a rental yield as determined by management. We had concerns over the appropriateness of using a foreign currency for the valuation inputs and then applying a conversion rate to a US\$ valuation to calculate ZWL Investment Property values as in our opinion this may not be an accurate reflection of the current dynamics. This matter has not been corrected in terms of IAS 8 therefore opening balances remain impacted.

As opening balances enter into the determination of financial performance, Income Tax Expense stated at Group ZWL 1 090 000 448 (2021 ZWL 1 807 284 220) , Company ZWL 1 495 338 077 (2021 ZWL 762 171 179), Monetary Gain/(Loss) stated at Group ZWL 4085 368 352 (2021 ZWL 87 087 450) , Company ZWL 1 602 051 230 (2021 ZWL86 154 802), Revaluation of Plant, Land and Buildings stated at Group ZWL 5 940 275 704 (2021: ZWL1 422 967 157) Company ZWL1 723 570 776, on the consolidated and separate inflation adjusted statement of profit or loss and other comprehensive income, and Revaluation Reserve stated at Group ZWL 6 959 343 592 (2021 ZWL1 524 879 211), Company ZWL2 535 952 055 (2021 ZWL 812 381 279) and Retained Earnings stated at Group ZWL 4 065 737 127 (2021 ZWL 4 394 704 264), Company ZWL4 854 543 064 (2021ZWL3 107 529 276) on the consolidated and separate inflation adjusted statement of changes in equity remain misstated. Further, corresponding amounts for Investment property and land and buildings included in PPE on the consolidated and separate inflation adjusted statement of financial position remain impacted.

Our audit opinion on the current year consolidated and separate inflation adjusted financial statements is therefore also modified because of the possible effect of this matter on the comparability of the current period's figures with the prior year figures inflation adjusted figures.

Valuation of Plant Machinery and Equipment (Group and Company) (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

Plant, Machinery & Equipment is carried at Group ZWL 2 578 738 071 (2021 ZWL 1 243 110 679) Company ZWL 2 372 998 317 (2021 ZWL 1 138 251 494). We have concerns over the appropriateness of using a foreign currency for the valuation and then applying a conversion rate to a US\$ valuation to calculate a ZWL value. We believe that this may not be an accurate reflection of the current dynamics. Our prior year audit opinion was modified due to this matter, and it has not been corrected in the current year.

Consequently, plant machinery and equipment may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts.

Group Inflation Adjusted Statement of Financial Position

Revaluation Reserve ZWL: 6 959 343 592 (2021 ZWL 1 524 879 211)

Deferred Tax Liability ZWL :3 178 963 488 (2021 ZWL 2 323 080 711)

Property, Plant Machinery and Equipment (which includes Plant Machinery and Equipment balance) ZWL: 12 631 748 218 (2021 ZWL6 292 428 835)

Retained Earnings ZWL4 038 284 710 (2021 ZWL 4 394 704 264)

Company Inflation Adjusted Statement of Financial Position

Revaluation Reserve ZWL 2 535 952 055 (2021 ZWL 812 381 279)

Deferred Tax Liability ZWL1 962 741 926 (2021 ZWL 1 006 411 599)

Property, Plant Machinery and Equipment (which includes Plant Machinery and Equipment balance)
ZWL 3 912 941 991 (2021 ZWL 2 017 552 047)

Retained Earnings ZWL4 854 543 064 (2021 ZWL 3 107 529 276)

Consequential impact on IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information, which was not in compliance with IAS 21, IAS 8 and IFRS 13 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the monetary gains or losses of on the consolidated and separate inflation adjusted Statement of profit or loss and other comprehensive income stated at Group ZWL 4 085 368 352 (2021 ZWL 87 087 450) Company ZWL1 602 051 230 (2021 ZWL 86 154 802) are impacted. Our prior year audit report was also modified due to this matter, and it has not been corrected in the current year.

The effects of the above departures from IFRS while material are confined to specific accounts and are not pervasive to the consolidated and separate inflation adjusted financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matters described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

- Goodwill impairment

Format of the financial information presented.

As the purpose of the financial information differs from the purpose of the financial statements prepared for members, the financial information in the Circular in Appendix 2 is not intended to comply in full with the presentation and disclosure requirements of the Companies and Other Business Entities Act [Chapter 24:31] and IFRSs promulgated by the International Accounting Standards Board ("IASB").

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

Yours faithfully



Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE

14 June 2023

APPENDIX II: ZIMLOW HOLDINGS LIMITED HISTORICAL FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME

Consolidated group and company statement of profit or loss and other comprehensive income

	Group			Company		
	Inflation adjusted		2020	Inflation adjusted		2020
	2022	2021		2022	2021	
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Continuing Operations						
Sales of goods	21 454 248 003	6 299 302 427	2 539 044 327	14 153 394 753	3 294 995 863	1 587 354 431
Rendering of services	2 599 479 631	310 993 975	105 669 844	993 973 141	158 838 226	66 584 799
Investment property rental income	53 910 506	9 478 168	5 862 783	75 278 034	7 704 349	-
Total revenue	24 107 638 140	6 619 774 570	2 650 576 954	15 222 645 928	3 461 538 438	1 653 939 230
Cost of sales	(13 508 082 520)	(4 162 818 103)	(1 835 511 130)	(9 941 081 176)	(2 222 649 017)	(1 056 677 128)
Gross profit	10 599 555 620	2 456 956 467	815 065 824	5 281 564 752	1 238 889 421	597 262 102
Other operating income	1 728 469 356	150 759 429	57 299 270	1 675 179 592	43 565 579	31 664 379
Selling and distribution expenses	(328 136 254)	(90 877 335)	(31 558 928)	(236 203 633)	(62 118 124)	(24 771 969)
Administrative expenses	(7 906 964 949)	(1 141 843 672)	(518 516 668)	(4 096 726 106)	(630 532 590)	(287 614 503)
Other operating expenses	(7 756 167 281)	(419 916 406)	(46 873 970)	(674 110 171)	(345 119 598)	(42 668 624)
Allowance for expected credit losses	(500 908 412)	(9 647 694)	(668 217)	(117 409 726)	(7 341 229)	(867 771)
Monetary gain/(loss)	4 085 368 352	25 333 803	47 179 171	1 602 051 230	25 062 495	(80 897 169)
Operating (loss) / profit	(78 783 568)	970 764 592	321 926 482	3 434 345 938	262 405 954	192 106 445
Finance costs	(89 362 379)	(11 633 700)	(4 280 422)	(41 006 516)	(8 690 861)	(7 469 038)
Finance income	2 908 292	1 160 522	129 729	365 869	826 973	101 616
Profit before tax	(165 237 655)	960 291 414	317 775 789	3 393 705 291	254 542 066	184 739 023
Income tax expense	(1 090 000 448)	(525 740 303)	(87 134 879)	(1 495 338 077)	(221 716 154)	(143 210 765)
Profit for the year	(1 255 238 103)	434 551 111	230 640 910	1 898 367 214	32 825 912	41 528 258
Other comprehensive income						
Other comprehensive income that may be recycled through profit or loss						
Exchange difference on translation of foreign operations	-	-	(758 806)	-	-	(758 806)
Other comprehensive income that will not be reclassified to profit or loss						
Revaluation of plant, land and buildings net of tax	5 940 275 704	(413 942 188)	92 317 688	1 723 570 776	(61 602 088)	48 682 794
Total other comprehensive income for the year, net of tax	5 940 275 704	(413 942 188)	91 558 882	1 723 570 776	(61 602 088)	47 923 988
Total comprehensive income for the year	4 685 037 601	20 608 923	322 199 792	3 621 937 990	(28 776 176)	89 452 246
Profit for the year attributed to:						
Owners of the parent	(177 613 711)	266 639 956	179 151 653	1 898 367 214	32 825 912	41 528 258
Non-controlling interests	(1 077 624 392)	167 911 155	51 489 257	-	-	-
	(1 255 238 103)	434 551 111	230 640 910	1 898 367 214	32 825 912	41 528 258
Total comprehensive profit for the year attributable to:						
Owners of the parent	5 256 850 671	(112 159 762)	274 438 045	3 621 937 990	(28 776 176)	89 452 246
Non-controlling interests	(571 813 070)	132 768 685	47 761 747	-	-	-
	4 685 037 601	20 608 923	322 199 792	3 621 937 990	(28 776 176)	89 452 246
Earnings per share						
Basic earnings per share	(0.52)	0.77	0.75	5.51	0.10	0.17
Diluted earnings per share	(0.52)	0.77	0.75	5.51	0.10	0.17
Headline earnings per share	(0.55)	0.78	0.75	4.49	0.11	0.17
Diluted headline earnings per share	(0.55)	0.78	0.75	4.49	0.11	0.17

STATEMENT OF FINANCIAL POSITION

Consolidate Group and Company Statement of Financial Position

as at 31 December

	Group			Company		
	Inflation adjusted			Inflation adjusted		
	2022 ZWL	2021 ZWL	2020 ZWL	2022 ZWL	2021 ZWL	2020 ZWL
ASSETS						
Non-current assets						
Property, plant and equipment	12 631 748 218	1 830 472 156	1 170 292 761	3 912 941 991	586 907 368	424 476 678
Intangible assets	8 561 219	3 014 768	2 201 775	8 561 219	3 014 768	2 201 775
Investment property	717 000 000	140 816 504	22 082 000	1 480 000 000	162 830 000	-
Investment in subsidiaries	-	-	-	4 945 988 187	1 492 452 128	288 245 540
Right of use assets	-	-	-	1 444 924	4 858 891	9 068 638
Long term receivables	406 133 376	205 720 550	49 503 847	406 133 376	178 554 050	28 884 347
Goodwill	2 437 203 437	800 556 829	23 259 071	-	-	-
Total non-current assets	16 200 646 250	2 980 580 807	1 267 339 454	10 755 069 697	2 428 617 205	752 876 978
Current assets						
Inventories	9 132 036 537	2 409 950 714	814 818 835	5 632 423 219	1 188 349 861	527 842 073
Inter company receivables	-	-	-	149 660 076	38 233 284	-
Trade and other receivables	1 816 654 633	748 970 504	195 598 945	1 163 885 313	131 387 704	63 514 744
Prepayments	3 272 017 898	493 523 680	334 914 841	1 702 921 482	327 571 670	319 133 351
Investment in financial assets	79 913	79 913	150 938	79 913	79 913	150 938
Cash and bank balances	1 644 255 222	1 420 375 670	154 946 753	849 952 580	309 129 451	78 749 309
Total current assets	15 865 044 203	5 072 900 481	1 500 430 312	9 498 922 583	1 994 751 883	989 390 415
Total assets	32 065 690 453	8 053 481 288	2 767 769 766	20 253 992 280	4 423 369 088	1 742 267 393
EQUITY AND LIABILITIES						
Equity						
Issued share capital	13 444 421	3 910 992	2 397 872	13 444 421	3 910 992	2 397 872
Share premium	7 552 945 490	2 197 157 374	496 442 887	7 552 945 490	2 197 157 374	496 442 887
Revaluation reserve	6 959 343 592	443 588 479	511 635 307	2 535 952 055	236 322 309	185 347 810
Capital reserve	(27 019 547)	(7 860 006)	(4 889 974)	(27 019 547)	(7 860 006)	(4 889 974)
Change in ownership reserve	(125 642 922)	(36 549 618)	(22 738 745)	-	-	-
Accumulated profit	4 065 737 127	1 278 422 688	772 081 173	4 854 543 064	903 982 542	662 256 020
Attributable to holders of the parent	18 438 808 161	3 878 669 909	1 754 928 520	14 929 865 483	3 333 513 211	1 341 554 615
Non-controlling interests	1 520 451 361	608 641 255	317 517 425	-	-	-
Total equity	19 959 259 522	4 487 311 164	2 072 445 945	14 929 865 483	3 333 513 211	1 341 554 615
Non-current liabilities						
Intercompany payables	-	-	-	-	-	5 941 179
Deferred tax liabilities	3 178 963 488	675 785 880	238 266 976	1 962 741 926	292 765 871	109 294 892
Total non-current liabilities	3 178 963 488	675 785 880	238 266 976	1 962 741 926	292 765 871	115 236 071
Current liabilities						
Trade and other payables	3 753 903 994	1 953 850 649	243 373 266	1 267 054 226	140 800 628	88 922 216
Provisions	653 134 508	21 854 308	15 860 900	80 602 283	9 632 818	5 587 953
Short term borrowings	793 203 542	154 148 168	5 726 114	435 875 569	86 195 930	5 726 114
Customer deposits	2 530 983 320	472 643 466	82 281 088	372 117 900	337 257 456	72 400 196
Lease liabilities	-	-	-	1 464 388	1 517 460	3 443 582
Current tax liabilities	1 196 242 079	287 887 653	109 815 477	1 204 270 505	221 685 714	109 396 646
Total current liabilities	8 927 467 443	2 890 384 244	457 056 845	3 361 384 871	797 090 006	285 476 707
Total equity and liabilities	32 065 690 453	8 053 481 288	2 767 769 766	20 253 992 280	4 423 369 088	1 742 267 393

STATEMENT OF CASH FLOWS

Consolidated Group and Company Statement of Cash Flows

	Group			Company		
	Inflation adjusted			Inflation adjusted		
	2022 ZWL	2021 ZWL	2020 ZWL	2022 ZWL	2021 ZWL	2020 ZWL
Cash flows from operating activities						
Operating profit before tax	(165 237 655)	960 291 414	317 775 789	3 393 705 291	254 542 066	184 739 023
Adjusted for:						
Depreciation of property plant and equipment and amortisation of intangible assets	468 464 392	120 121 654	18 252 412	416 371 593	102 392 799	19 817 938
Net fair value adjustments	(232 415 820)	-	(4 833 959)	(920 255 791)	-	-
Net unrealised foreign exchange differences	265 744 156	(96 500 546)	(12 373 991)	(224 591 586)	10 693 305	(9 424 264)
Interest received	(2 908 292)	(1 160 522)	(129 729)	(365 869)	(826 973)	(101 616)
Interest paid	89 362 379	11 633 700	4 280 422	41 006 516	8 690 861	7 469 038
Movement in provisions	578 008 166	(3 640 056)	8 840 208	164 898 246	650 903	(1 011 967)
Profit on disposal of property, plant & equipment	(13 726 208)	4 711 504	(266 601)	(8 965 611)	4 691 089	(266 601)
	987 291 118	995 457 148	331 544 551	2 861 802 789	380 834 050	201 221 551
Working capital changes						
(Increase)/Decrease in inventories	(847 592 922)	(1 100 233 880)	(112 305 444)	(1 547 353 196)	(339 911 387)	35 885 264
(Increase)/Decrease in trade and other receivables	758 005 452	(434 570 272)	(93 166 660)	(712 227 103)	(29 295 894)	(28 226 692)
Increase in prepayments	(1 575 481 502)	44 808 998	(63 759 732)	(576 861 512)	185 394 285	(118 771 424)
(Decrease)/Increase in customer deposits	906 224 722	340 387 167	(38 320 381)	(787 237 917)	220 883 418	(3 877 858)
Decrease in intergroup balances	-	-	-	(18 229 386)	(9 549 684)	(16 324 521)
Increase/ (Decrease) in trade and other payables	(2 962 650 597)	1 562 659 323	136 512 155	783 038 160	(2 130 437)	81 476 408
	(2 734 203 729)	1 408 508 484	160 504 489	2 931 835	406 224 351	151 382 728
Interest received	2 908 292	1 160 522	129 729	365 869	826 973	101 616
Interest paid	(89 362 379)	(11 633 700)	(4 280 422)	(41 006 516)	(8 690 861)	(7 469 038)
Income tax paid	(128 214 396)	(214 309 357)	(67 094 811)	(68 890 661)	(100 161 635)	(33 475 576)
Dividend paid	(151 353 426)	(75 806 138)	(9 010 793)	(151 353 426)	(75 806 138)	(9 010 793)
Net cash flow from/(used) in operating activities	(3 100 225 638)	1 107 919 811	80 248 192	(257 952 899)	222 392 690	101 528 937
Investing activities						
Acquisition of subsidiaries-cash acquired	-	63 645 703	-	-	-	-
Proceeds from release of long term receivable	29 217 454	-	-	-	-	-
Proceeds from sale of property, plant and equipment	55 231 670	630 122	575 274	1 932 880	630 122	575 274
Purchase of property, plant and equipment	(217 653 173)	(151 802 126)	(32 007 275)	(171 716 965)	(80 083 580)	(28 686 819)
Proceeds from sale of financial assets	-	71 025	-	-	71 025	-
Purchase of financial assets	-	-	(26 544)	-	-	(26 544)
Net cash flows used in investing activities	(133 204 049)	(87 455 276)	(31 458 545)	(169 784 085)	(79 382 433)	(28 138 089)
Financing Activities						
Lease liability principal repaid	-	-	-	(3 306 068)	(2 455 219)	(2 131 361)
Repayments of borrowings	(121 520 245)	(28 337 682)	(25 132 743)	(121 520 245)	(34 925 071)	(25 132 743)
Proceeds from borrowings	471 199 884	189 175 389	52 467 525	471 199 884	121 573 171	52 467 525
Net cash flows from/(used) in financing activities	349 679 639	160 837 707	27 334 782	346 373 571	84 192 881	25 203 421
Net increase/(decrease) in cash and cash Equivalents	(2 883 750 048)	1 181 302 242	76 124 429	(81 363 413)	227 203 138	98 594 269
Effects of exchange rate changes on cash and cash equivalents	287 595 680	23 402 361	30 687 375	264 610 712	22 003 000	24 282 005
Effects of IAS29	(642 272 069)	(33 385 977)	(49 085 215)	(395 957 740)	(66 656 107)	(133 733 193)
Cash and cash equivalents at 1 January	4 882 681 659	249 057 044	97 220 164	1 062 663 021	126 579 420	89 606 228
Cash and cash equivalents at 31 December	1 644 255 222	1 420 375 670	154 946 753	849 952 580	309 129 451	78 749 309
Comprising of:						
Cash and cash balances	1 644 255 222	1 420 375 670	154 946 753	849 952 580	309 129 451	78 749 309

APPENDIX III: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF ZIMFLOW HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
Zimbabwe

Tel: +263 4 750905-14 or 750979-83
Fax: +263 4 750707 or 773842
E-mail: admin@zw.ey.com
www.ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZIMFLOW LIMITED

Report on the Audit of the inflation adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated and separate financial statements of Zimplow Holdings Limited and its subsidiaries (the Group) and Company set out on pages 34 to 84, which comprise the inflation adjusted consolidated and separate Statements of Financial position as at 31 December 2020, and the inflation adjusted consolidated and separate Statements of Profit or Loss and Other Comprehensive Income, the inflation adjusted consolidated and separate Statements of Changes in Equity and the inflation adjusted consolidated and separate Statements of Cash flows for the year then ended, and notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated and separate financial statements do not present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of the Group and Company as at 31 December 2020, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation adjusted consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors As explained in Note 2.1 to the consolidated and separate inflation adjusted financial statements, the Group and Company changed its functional and reporting currency from United States Dollar (US\$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019. We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019. Our audit report for the year ended 31 December 2019 was therefore modified as management prospectively applied the change in functional currency from US\$ to ZWL from 23 February 2019, which we disagreed with. The correct approach would have been a retrospective restatement as a prior period error in terms of International Financial Reporting Standards – IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The matter continues to impact the following amounts on the consolidated and separate inflation adjusted statements of financial position which still comprise of material amounts from opening balances: Inventories (Group :ZWL\$ 702,513,391; Company: ZWL\$563 727 337); Deferred Tax Liability (Group: ZWL\$208 328 454; Company: ZWL\$81 743 746), Investment in Subsidiary (Company: ZWL\$288 245 540); Revaluation Reserve (Group: ZWL\$415 590 109; Company: ZWL\$136 665 016); Accumulated Profit (Group: ZWL\$601 940 313; Company: ZWL\$629 738 554), Property, Plant and Equipment (Group: ZWL\$1 036 308 903; Company: ZWL\$344 392 282) and Non-Controlling Interest (Group: ZWL\$269 755 678).

Exchange rates used in current year:

In the current year, the Group translated foreign denominated transactions and balances to ZWL using the interbank exchange rates for the period 1 January 2020 to 22 June 2020, prior to introduction of the Foreign Exchange Auction Trading System. This includes the period between March and June 2020 when the exchange rate was fixed at US\$1: ZWL25. As in the prior year, we concluded that the interbank exchange rates did not meet the definition of a spot exchange rate as per IAS 21, as they were not available for immediate delivery. Consequently, the following elements are materially misstated in addition to those listed above: Prepayments of ZWL\$44 093 249 included in prepayments of ZWL\$334 914 841 Group) and ZWL\$319 133 351 (Company), and (2019: ZWL\$271 155 109 Group, ZWL\$200 361 927 Company).

The impact in the consolidated and separate inflation adjusted statements of profit or loss and other comprehensive income, changes in equity and cash flows can however not be quantified due to the lack of a reference point on appropriate rates and impracticability given the volume of transactions. Our opinion was also modified in respect of this matter in the prior year.

Valuation of Investment Property, Freehold land and buildings and Manufacturing Plant and Equipment (Group and Company) (Non-compliance with IFRS 13 – Fair Value Measurement and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors)

In the prior year, the Group's Investment Property, Freehold land and buildings and Manufacturing Plant and Equipment was incorrectly valued at year end as a conversion rate was applied to US\$ valuation inputs to calculate the ZWL assets values which we disagreed with. Those incorrect values were brought forward into the current year as opening balances without any adjustments being made in terms of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The correct approach would have been a retrospective restatement as a prior period error in terms of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The matter is continuing in the current year. The Group's Investment Properties are carried at: Group (2020: ZWL\$22 082 000; 2019: ZWL\$17 248 041), Freehold land and buildings (Group 2020: ZWL\$855 963 243; 2019: ZWL\$801 616 103) (Company 2020: ZWL\$ 123 450 290; 2019: ZWL\$ 124 838 444) and Manufacturing plant and equipment are carried at: Group and Company (2020: ZWL\$250 819 865 ; 2019: ZWL\$189 705 917) as at 31 December as described on Note 10.

Independent Auditor's Report (cont.)

These assets were valued by management experts using historical US\$ denominated inputs and converted into ZWL at the auction exchange rate both in prior year and as at 31 December 2020. The implicit investment method was applied for Industrial and commercial properties and key inputs into the calculations include rentals per square metre and capitalisation rates. Residential properties and vacant stands were valued in terms of the market comparable approach. Manufacturing Plant and Equipment was valued in terms of the Gross Replacement Cost approach and Depreciated Replacement Cost approach.

The translation process adopted by management would not meet the fair value measurement principles of the affected items as set out in IFRS 13 "Fair Value Measurement" due to the following considerations: 1) The US\$ estimated rentals (used in the implicit investment approach) may not be an appropriate proxy for the ZWL amounts in which rentals are settled. 2) While historical US\$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate. Consequently, property and manufacturing plant and equipment may be materially misstated and owing to lack of information on relevant inputs in ZWL we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our opinion on the current year's consolidated and separate financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, Property, Plant and Equipment at Cost (Group: ZWL\$62 510 255; Company: ZWL\$62 510 255; Non-Controlling Interest (Group: ZWL\$317 517 425); Retained Earnings (Group: ZWL\$772 081 172; Company: ZWL\$662 256 020) and Deferred Tax Liability (Group: ZWL\$238 266 976; Company: ZWL\$109 294 892) on the consolidated and separate inflation adjusted Statement of Financial Position and virtually all elements on the consolidated and separate inflation adjusted statement of profit or loss and other Comprehensive Income would have been materially different.

Overall Consequential Impacts

As no restatements have been recorded in current year per IAS 8 to correct the above matters, our audit report on the Group and Company inflation adjusted financial statements for the year ended 31 December 2020 is further modified for the following reasons;

- Virtually all corresponding numbers remain misstated on the consolidated and separate inflation adjusted Statements of Financial Position, consolidated and separate inflation adjusted Statements of Profit or Loss and other Comprehensive Income, consolidated and separate inflation adjusted Statements of Cash Flows and consolidated, and separate inflation adjusted Statements of Changes in Equity, this also impacts comparability of the current period's figures.
- As opening balances enter into the determination of cash flows and performance, our audit report is modified in respect of the impact of these matters on the consolidated and separate inflation adjusted Statements of Profit or Loss and Other Comprehensive Income, consolidated and separate inflation adjusted Statements of Cash Flows and consolidated, and separate inflation adjusted Statements of Changes in Equity.

The effects of the above departures from IFRS are material and pervasive to the consolidated inflation adjusted financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate inflation adjusted annual financial statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Other information consists of the Report of the Directors', Chairman's Statement and Director's Responsibility Statement which we obtained prior to the date of this report. Other information does not include the inflation adjusted consolidated and separate financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, IAS 29 – Financial Reporting in Hyperinflationary Economies and inappropriate valuation of Properties and Manufacturing Plant and Equipment (Non-compliance with IFRS 13 – Fair Value Measurement and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors). We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated and Separate Financial Statements

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

Independent Auditor's Report (cont.)

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Mr Walter Mupanguri** (PAAB Practicing Certificate Number 367).



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Date: 29 April 2021

APPENDIX IV: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF ZIMLOW HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
Zimbabwe

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

Independent Auditor's Report

To the Shareholders of Zimplow Holdings Limited

Report on the Audit of the Inflation adjusted Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the inflation adjusted consolidated and separate financial statements of Zimplow Holdings Limited and its subsidiaries (the Group) and company set out on pages 48 to 99, which comprise the inflation adjusted consolidated and separate Statements of Financial position as at 31 December 2021, and the inflation adjusted consolidated and separate Statements of Profit or Loss and other Comprehensive income, the inflation adjusted consolidated and separate Statements of Changes in Equity and the inflation adjusted consolidated and separate Statements of Cash flows for the year then ended, and notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects the inflation adjusted consolidated and separate financial position of the group and company as at 31 December 2021, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standards (IAS) 21- The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors

Impact of prior year modification on current period

Date of Change of Functional Currency

Historical date of change in functional currency

As explained in note 2.1 to the consolidated and separate inflation adjusted financial statements, the Group and Company changed their functional and reporting currency from United States Dollar (US\$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019. Our prior year audit report for the year ended 31 December 2020 was modified due to impact of this matter on Property Plant and Equipment on the consolidated and separate inflation adjusted Statement of Financial Position which still comprised of material amounts from opening balances, as well as movements on the consolidated and separate inflation adjusted statements of profit or loss, cashflows and changes in equity.

This matter has not been corrected through a restatement in terms of IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors. Our opinion on the current period's consolidated inflation adjusted financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Exchange rates used in prior year

Further contributing to the adverse opinion was the use of inappropriate exchange rates which did not meet IAS 21 requirements for a spot rate for the period 22 February 2019 to 22 June 2020. The interbank exchange rate was used to translate foreign denominated transactions and balances to ZWL functional currency; however, the rate was not available for immediate delivery therefore not a spot rate in terms of IFRS. The misstatements could however not be quantified as an appropriate exchange rate had not been identified.

Management has not made retrospective adjustments in terms of IAS 8 to correct this matter. The matter continues to impact the following amounts on the consolidated and separate inflation adjusted statement of financial position which still comprise material amounts from opening balances: Retained Earnings stated at Group ZWL1 278 422 688 (2020: ZWL1 087 588 869) Company ZWL903 982 542 (2020: ZWL946 962 768), Non-Controlling Interest Group ZWL608 641 255 (2020: ZWL475 872 570).

Independent Auditor's Report (Continued)

Zimplow Holdings Limited

As opening balances enter into the determination of financial performance, our audit report is modified in respect of the impact of these matters on Cost of Sales stated at Group ZWL4 162 818 103 (2020: ZWL2 950 348 866) Company ZWL2 222 649 017 (2020: ZWL1 698 473 038) and Tax Expense stated at Group ZWL525 740 303 (2020: ZWL165 756 800) Company ZWL221 716 154 (2020: 212 025 932) in the consolidated and separate inflation adjusted Statement of Profit or Loss. Consequently, the consolidated and separate inflation adjusted Statement of Changes in equity and consolidated and separate inflation adjusted Statement of Cashflows may also require amendments.

Further, corresponding numbers relating to Revaluation Reserve on the consolidated inflation adjusted statement of Profit or Loss remains misstated. Corresponding numbers relating to Inventories, Prepayments, Property, Plant and Equipment and Deferred Tax Liability on the consolidated and company inflation adjusted Statement of Financial Position remain misstated. Our opinion on the current period's consolidated and separate inflation adjusted financial statements is therefore also modified because of the possible effects of the above matter on the comparability of the specified current period's figures and the corresponding figures.

Valuation of Property and Manufacturing Plant and Equipment (Group and Company) (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The Group's Investment Properties and Freehold Land and Buildings are carried at Group ZWL140 816 504 (2020: ZWL35 493 985) Company ZWL162 830 000 and Group ZWL 1 830 472 156 (2020: ZWL 1 881 095 605) Company ZWL586 907 368 (2020: ZWL682 291 850) respectively as at 31 December 2021 as described in Note 10. The implicit investment method was applied for Industrial and commercial properties and key inputs into the calculations include rentals per square metre and capitalisation rates. Residential properties and vacant stands were valued in terms of the market comparable approach. In both cases, the valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using a rental yield as determined by management as described on Note 13.

We have concerns over the appropriateness of using a foreign currency for the valuation inputs and then applying a conversion rate to a US\$ valuation to calculate ZWL Property and Manufacturing Plant and Equipment values as in our opinion this may not be an accurate reflection of the current dynamics where there is a disparity between exchange rates.

With respect to the implicit investment approach, the US\$ estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled. While historical US\$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

Consequently, property and manufacturing plant and equipment may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit report was also modified due to this matter, no restatements have been made in terms of IAS 8.

Consequential impact on IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different except for Investment Property and Property, Plant and Equipment which are held at fair value therefore for which our opinion is modified only in respect of comparability. Consequently, the monetary gains or losses of on the consolidated and separate inflation adjusted Statement of profit or loss and other comprehensive income stated at Group ZWL25 333 803 (2020: ZWL75 834 470); Company ZWL25 062 (2020: (ZWL130 031 830)), are impacted. Our prior year audit report was also modified due to this matter.

The effects of the above departures from IFRS while material are confined to specific accounts and are not pervasive to the consolidated and separate inflation adjusted financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Inflation adjusted financial statements* section of our report. We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matters described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

Independent Auditor's Report (Continued)

Zimplow Holdings Limited

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Goodwill Impairment	
<p>The Group has goodwill of ZWL800 556 829 (2020: ZWL37 385 975). The increase in goodwill from the prior year was a result of the acquisition of Scanlink, Tredcor and Birmingham Properties as disclosed in note 27. Management identified an impairment indicator related to the carrying value of goodwill in the Birmingham division on acquisition. The Group's assessment of impairment in accordance with IAS 36 Impairment of Assets is a judgemental process which requires estimating future cash flows based on management's view of future business prospects. Our key audit matter focuses on the robustness of the revenue and profit forecasts of the Group. Given the significant level of judgement involved, we identified this key audit matter as a potential fraud risk.</p>	<p>We performed the following procedures in response to the key audit matter identified:</p> <ul style="list-style-type: none"> ➤ Completed a walkthrough of the impairment process and assessed the design and implementation of the key controls addressing the risk. ➤ We discussed with management to understand and critically challenge the key underlying assumptions used in the forecasts that form the basis of the Group's impairment review. ➤ We engaged our technical department who performed an assessment of the accuracy of the impairment done by management including cash flow projections made and the discounting factor used. ➤ Reviewed the disclosures in the financial statements, including the disclosure of the events and circumstances that led to the recognition of the impairment charge.
Application of IFRS 3 Business Combinations on new acquisitions	
<p>The Group acquired 100% of the share capital of Scanlink, Tredcor, and Birmingham Properties on 1 July 2021 for ZWL1 029 134 370. This transaction falls under the scope of IFRS 3 Business Combinations which requires significant management judgement in determining the fair value of assets acquired, including intangible assets which are inherently judgemental.</p> <p>Our key audit matter focuses on the valuation of assets acquired and the completeness of liabilities associated with the acquisition, including the valuation of the distribution agreement. Given the significant level of judgement involved, we identified this key audit matter as a potential fraud risk. The Group accounted for the transaction as at 31 December 2021 in accordance with IFRS 3. The acquisition is disclosed in note 27 of the consolidated and company inflation adjusted financial statements.</p>	<p>We performed the following procedures in response to the key audit matter identified:</p> <ul style="list-style-type: none"> ➤ Completed a walkthrough of the acquisition process and assessed the design and implementation of the key controls addressing the risk. ➤ Evaluated management's assessment of the due diligence findings and the actions taken. ➤ Risk assessed, appropriately scoped and tested the opening balance sheet for the acquired business. ➤ Reviewed the disclosures in the financial statements.

Other Information

Other information consists of the Directors' report, Chairman's Statement, Corporate Governance Statement, and the Statement of Director's Responsibility which we obtained prior to the date of this report. Other information does not include the inflation adjusted consolidated and separate financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the Group did not comply with the requirements of IAS 21 - *Effects of Changes in Foreign Exchange Rates*, IFRS 13 - *Fair Value Measurement*, consequently the application of IAS 29 - *Financial Reporting in Hyperinflationary Economies* was on an incorrect base. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated and Separate Financial Statements

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

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the group and 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 group and company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (Continued)*Zimplow Holdings Limited***Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

A handwritten signature in dark ink, appearing to read "Ernst & Young".

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

31 May 2022

APPENDIX V: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF ZIMLOW HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Accountants
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare
Zimbabwe

Tel: +263 4 750905 - 14 or 750979 - 83
Fax: +263 4 750707 / 773842
Email: admin@zw.ey.com
www.ey.com

Independent Auditor's Report

To the Shareholders of Zimplow Holdings Limited

Report on the Audit of the Inflation adjusted Consolidated and Separate Financial Statements

We have audited the inflation adjusted consolidated and separate financial statements of Zimplow Holdings Limited and its subsidiaries (the Group) and company set out on pages 37 to 88, which comprise the inflation adjusted consolidated and separate Statements of Financial position as at 31 December 2022, and the inflation adjusted consolidated and separate Statements of Profit or Loss and other Comprehensive income, the inflation adjusted consolidated and separate Statements of Changes in Equity and the inflation adjusted consolidated and separate Statements of Cash flows for the year then ended, and notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects the inflation adjusted consolidated and separate financial position of the group and company as at 31 December 2022, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standards (IAS) 21- The Effects of Changes in Foreign Exchange Rates, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 13 Fair Value Measurement

Impact of prior year modification on current period

Exchange rates used in prior year

The Group used an interbank exchange rate to translate foreign denominated transactions and balances to ZWL functional currency for the period 22 February 2019 to 22 June 2020. However, the rate was not available for immediate delivery therefore not a spot rate in terms of IAS 21. The misstatements could however not be quantified as an appropriate exchange rate had not been identified.

Management has not made retrospective adjustments in terms of IAS 8 to correct the following corresponding financial statement line items which were impacted in prior year: Group and company Retained Earnings and Group Non-Controlling Interests on the consolidated and separate inflation adjusted statement of financial position-, Group and company Income tax Expense on the consolidated and separate inflation adjusted statement of profit or loss, as well as cash generated from operations on the consolidated and separate inflation adjusted Statement of Cashflows.

Our audit opinion on the current year consolidated and separate inflation adjusted financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures with the prior year figures inflation adjusted figures.

Valuation of Investment Properties, Land and Buildings

In the prior year the Group performed a revaluation of investment properties. The valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using a rental yield as determined by management. We had concerns over the appropriateness of using a foreign currency for the valuation inputs and then applying a conversion rate to a US\$ valuation to calculate ZWL Investment Property values as in our opinion this may not be an accurate reflection of the current dynamics. This matter has not been corrected in terms of IAS 8 therefore opening balances remain impacted.

As opening balances enter into the determination of financial performance , Income Tax Expense stated at Group ZWL1 090 000 448 (2021 ZWL 1 807 284 220) , Company ZWL1 495 338 077 (2021 ZWL 762 171 179),

Monetary Gain/(Loss) stated at Group ZWL 4085 368 352 (2021 ZWL 87 087 450), Company ZWL1 602 051 230 (2021 ZWL86 154 802), Revaluation of Plant, Land and Buildings stated at Group ZWL5 940 275 704 (2021: ZWL1 422 967 157) Company ZWL1 723 570 776, on the consolidated and separate inflation adjusted statement of profit or loss and other comprehensive income, and Revaluation Reserve stated at Group ZWL 6 959 343 592 (2021: ZWL1 524 879 211), Company ZWL2 535 952 055 (2021 ZWL 812 381 279) and Retained Earnings stated at Group ZWL 4 065 737 127 (2021 ZWL 4 394 704 264), Company ZWL4 854 543 064 (2021: ZWL3 107 529 276) on the consolidated and separate inflation adjusted statement of changes in equity remain misstated. Further, corresponding amounts for Investment property and land and buildings included in PPE on the consolidated and separate inflation adjusted statement of financial position remain impacted.

Our audit opinion on the current year consolidated and separate inflation adjusted financial statements is therefore also modified because of the possible effect of this matter on the comparability of the current period's figures with the prior year figures inflation adjusted figures

Valuation of Plant Machinery and Equipment (Group and Company) (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

Plant, Machinery & Equipment is carried at Group ZWL 2 578 738 071 (2021 ZWL1 243 110 679) Company ZWL2 372 998 317 (2021 ZWL1 138 251 494). We have concerns over the appropriateness of using a foreign currency for the valuation and then applying a conversion rate to a US\$ valuation to calculate a ZWL value. We believe that this may not be an accurate reflection of the current dynamics. Our prior year audit opinion was modified due to this matter, and it has not been corrected in the current year.

Consequently, plant machinery and equipment may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts.

Group Inflation Adjusted Statement of Financial Position

Revaluation Reserve ZWL: 6 959 343 592 (2021 ZWL 1 524 879 211)

Deferred Tax Liability ZWL :3 178 963 488 (2021 ZWL 2 323 080 711)

Property, Plant Machinery and Equipment (which includes Plant Machinery and Equipment balance) ZWL: 12 631 748 218 (2021 ZWL6 292 428 835)

Retained Earnings ZWL4 038 284 710 (2021 ZWL 4 394 704 264)

Company Inflation Adjusted Statement of Financial Position

Revaluation Reserve ZWL 2 535 952 055 (2021 ZWL 812 381 279)

Deferred Tax Liability ZWL1 962 741 926 (2021 ZWL 1 006 411 599)

Property, Plant Machinery and Equipment (which includes Plant Machinery and Equipment balance) ZWL 3 912 941 991 (2021 ZWL 2 017 552 047)

Retained Earnings ZWL4 854 543 064 (2021 ZWL 3 107 529 276)

Consequential impact on IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information, which was not in compliance with *IAS 21, IAS 8 and IFRS 13* as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the monetary gains or losses of on the consolidated and separate inflation adjusted Statement of profit or loss and other comprehensive income stated at Group ZWL4 085 368 352 (2021 ZWL87 087 450) Company ZWL1 602 051 230 (2021 ZWL 86 154 802) are impacted. Our prior year audit report was also modified due to this matter, and it has not been corrected in the current year.

The effects of the above departures from IFRS while material are confined to specific accounts and are not pervasive to the consolidated and separate inflation adjusted financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Inflation *adjusted annual financial statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional

Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>Goodwill Impairment</p> <p>The Group is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit as the Group has goodwill of ZWL2 437 203 437 (2021 ZWL2 751 993 172). The goodwill has been tested for impairment and impairment has been recognised for Birmingham Investments as disclosed in Note 14 Goodwill amount is a key audit matter for the following reasons:</p> <ul style="list-style-type: none"> - It is a material balance on the Statement of Financial Position - Management's assessment process to determine the carrying value involves complex calculations and involves estimation in determining future cashflows and growth rates of the entity. - The determination of the carrying value in such a volatile market such as the one in Zimbabwe at the time of reporting requires management to apply significant judgments and assumptions. - The verification of the determined carrying value required the involvement of experts with the requisite experience to challenge assumptions and judgements made by management - - It involves determining of the cashflow forecasts and the discount rates. 	<p>We performed the following procedures in response to the key audit matter identified:</p> <ul style="list-style-type: none"> ➢ Completed a walkthrough of the impairment process and assessed the design and implementation of the key controls addressing the risk. ➢ We consulted our internal experts who critically challenged the key underlying assumptions and judgements used in the forecasts that formed the basis of the management's impairment review. ➢ We challenged the judgements made by management including cash flow projections and the discounting factor used, by making reference to collated relevant information available in the market. ➢ Verified the calculation of impairment to check the arithmetic accuracy ➢ Reviewed the disclosures in the financial statements, including the disclosure of the events and circumstances that led to the recognition of the impairment charge.

Other Information

Other information consists of the Directors' report, Chairman's Statement and the Statement of Director's Responsibility which we obtained prior to the date of this report. Other information does not include the inflation adjusted consolidated and separate financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the

Group did not comply with the requirements of IAS 8, IAS 21 - Effects of Changes in Foreign Exchange Rates, IFRS 13 - Fair Value Measurement, consequently the application of IAS 29 - Financial Reporting in Hyperinflationary Economies was on an incorrect base. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated and Separate Financial Statements

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

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the group's and 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 group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our audit opinion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

A handwritten signature in cursive script, appearing to read "Ernst & Young".

Ernst & Young
Chartered Accountants (Zimbabwe)
Harare

Date: 2 May 2023

APPENDIX VI: NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS



(Incorporated and registered in Zimbabwe with limited liability under Certificate of Registration number 25/48 and Certificates of Change of Name dated 6 May 2013).

Directors: Godfrey T. Manhambara (Chairman), Vimbayi Nyakudya (CEO), Grant C. Pio, Benjamin N. Kumalo, Lance Kennedy, Kalpesh Patel, Angeline Vere

Address: No.36 Birmingham Road, Southerton, Harare, Zimbabwe

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of members of Zimplow Holdings Limited ("the Company") will be held on Thursday, 6 July 2023, at 11:00 hours at No.36 Birmingham Road, Southerton, Harare, Zimbabwe.

TO CONSIDER, and if deemed fit, to pass with or without modification, the resolutions set out below:

AS SPECIAL RESOLUTIONS:

1. DELISTING OF ZIMFLOW SHARES FROM THE ZIMBABWE STOCK EXCHANGE.

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

2. LISTING OF ZIMFLOW SHARES ON THE VICTORIA FALLS STOCK EXCHANGE.

"THAT, the Company's ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements."

3. DIRECTORS AUTHORISED TO GIVE EFFECT TO THE 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."

Notes:

- a) In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member who is entitled to attend and vote at a meeting, is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
- b) Proxy forms must be lodged at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting.
- c) The Special Resolutions above will require that 75 per centum of the votes of all Shareholders present or represented by proxy, vote in favour of the resolutions.

BY ORDER OF THE BOARD,

15 June 2023

[Signed on Original]

Sharon Manangazira
Company Secretary

Registered Office
Zimplow Holdings Limited
No.36 Birmingham Road,
Southerton,
Harare,
Zimbabwe

APPENDIX VII: FORM OF PROXY

I/We _____
(Name in block letters)

Of _____

Being the holder of _____ shares in the Company hereby appoint

1. _____ or failing him/her

2. _____

Of _____

As my/our proxy to act for me/us at the EGM of the Company to be held on Thursday, 6 July 2023, at 1100 hours at No.36 Birmingham Road, Southerton, Harare, Zimbabwe 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 in accordance with the following instructions:

SPECIAL RESOLUTIONS	For	Against	Abstain
1. DELISTING OF ZIMLOW SHARES 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 in terms of Section 11 of the ZSE Listing Requirements".			
2. LISTING OF ZIMLOW SHARES ON THE VICTORIA FALLS STOCK EXCHANGE "THAT, the Company's ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements".			
3. DIRECTORS AUTHORISED TO GIVE EFFECT TO THE 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 _____ 2023.

Signature(s) _____

Assisted by me _____

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

NOTES TO THE FORM OF PROXY

1. In terms of section 171 (1) of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his/her stead. A proxy need not be a shareholder of the Company. A Director or Officer of the Company shall not be appointed as a proxy for a shareholder.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company, which is situated at No.36 Birmingham Road, Southerton, Harare, Zimbabwe to be received by the Transfer Secretaries not less than forty-eight (48) hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

FOR OFFICIAL USE ONLY**NUMBER OF SHARES HELD**

--

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 initialled. Any alteration or correction must be initialled by the signatory or signatories.
4. The Chairman shall be entitled to decline or accept the authority of a person signing the proxy form:
 - i. under a power of attorney;
 - ii. on behalf of a company.

unless 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.