



(Border Timbers Limited, incorporated in Zimbabwe on 28 June 1945 under Company Registration Number 35/1945)

## ABRIDGED CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

The terms and conditions of an Offer to the Border Timbers Limited ("BTL") shareholders for the acquisition of the entire issued ordinary shares of BTL by Cicada Plantations Zimbabwe (Private) Limited ("CPZ") by way of a share swap on the basis of One (1) new CPZ share to be issued for every 1.1079 BTL Shares held, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL.

And incorporating

### A NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of BTL, to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link "https://escrowgm.com/eagmZim/Login.aspx", on Friday, 18 August 2023, at 1000 hours, which notice was published on Friday, 28 July 2023 in accordance with the Zimbabwe Stock Exchange ("ZSE") Listings Requirements and the Companies and Other Business Entities Act (Chapter 24:31), as set out at the end of this Document.

#### Financial Advisors



#### Sponsoring Brokers



#### Reporting Accountants



#### Transfer Secretaries



#### Independent Financial Advisors



#### Legal Advisor



#### Action Required:

1. Read this Document in its entirety.
2. Attend and vote to approve the terms of the Offer at the EGM to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link "https://escrowgm.com/eagmZim/Login.aspx", on Friday, 18 August 2023, at 1000 hours;
3. Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete, and sign the Form of Proxy included with this Document and ensure it is lodged at the physical offices of BTL situated at 4 – 12 Paisley Road, Southerton, Harare, so that it is received by the Transfer Secretaries by no later than 1600 hours, on Wednesday, 16 August 2023. Shareholders may attend the meeting virtually notwithstanding the completion and return of a Form of Proxy. A director or officer of the Company cannot be appointed as a proxy for a shareholder.

Date of Issue of this Abridged Circular: Friday, 28 July 2023



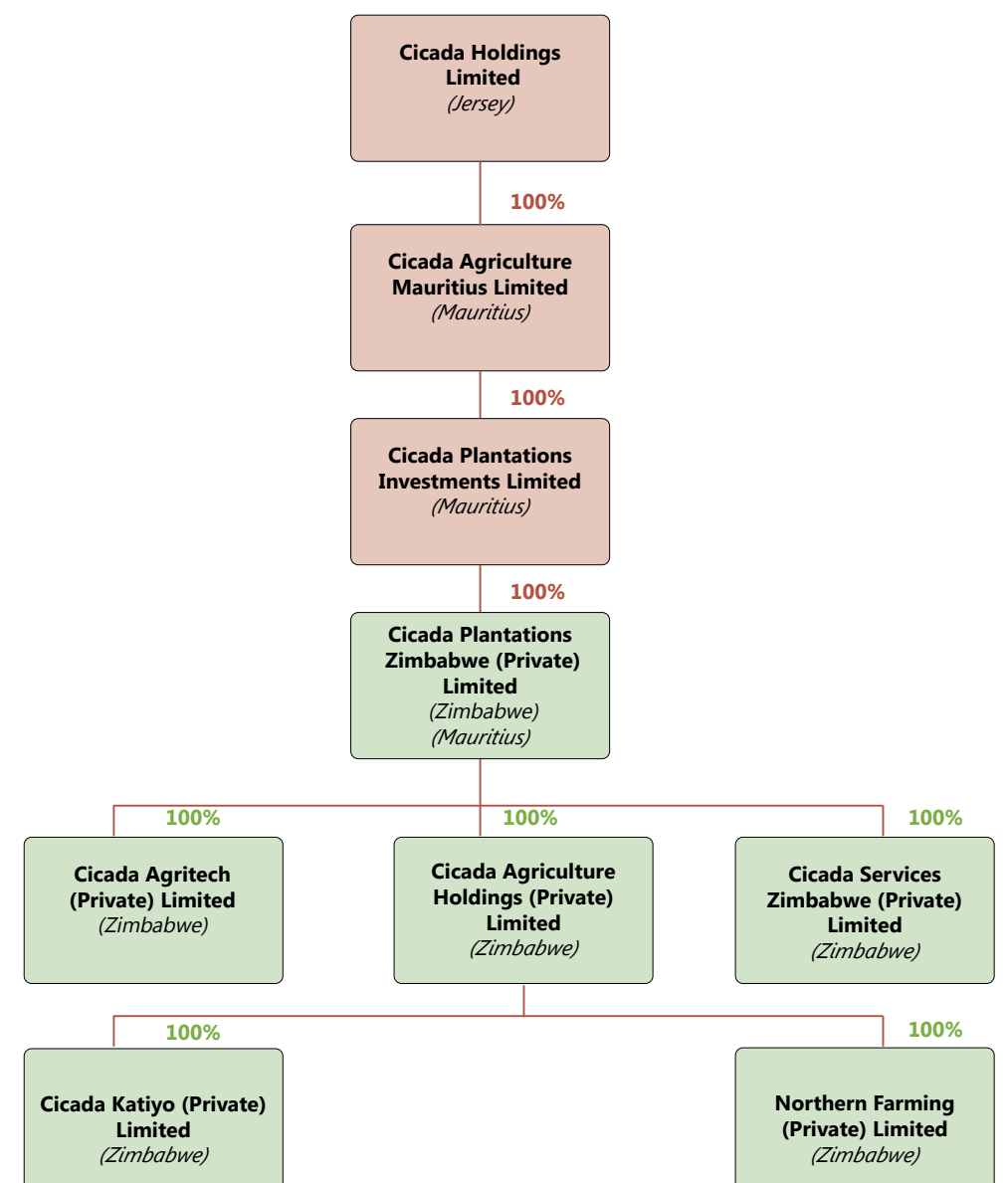
### 1. OVERVIEW OF CPZ

#### 1.1. Background

CPZ is an agricultural entity which intends to list its share capital on the Victoria Falls Stock Exchange ("VFEX") within twenty-four (24) months following its intended acquisition of the entire issued share capital of Makandi and of BTL, subject to market interest. CPZ is 100% owned by Cicada Plantations Investment Limited (CPIL), a Mauritian registered company, invested in Zimbabwe under a Zimbabwe Investment and Development Authority ("ZIDA") licence.

The Enlarged CPZ Group structure will include Cicada Katiyo, Northern Farming, Makandi and BTL.

#### 1.2. Current CPZ Group Structure





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### 1. OVERVIEW OF CPZ (cont'd)

#### 1.3. Cicada Katiyo (Private) Limited

Cicada Katiyo (Private) Limited ("Cicada Katiyo") is a wholly owned subsidiary of CPZ. Katiyo Estate is 1,700 ha in extent and situated in the northern reaches of the Honde Valley, on the Eastern Border of Zimbabwe ("the Estate").

##### The Estate currently comprises the following:

- 193 ha of macadamia, with an average crop age profile of 2 years 9 months from which 750 tonnes of macadamia are to be produced per year when fully mature in 2028 – 2029; and
- 250 ha of avocado, with an average crop age profile of 2 years from which 6,000 tonnes of avocados are expected to be produced per year when the plants are fully mature in 2028 – 2029.

By 2025, the Estate will house 193 ha of fully irrigated nut bearing macadamias, 310 ha of fully irrigated fruit bearing avocados, fully rehabilitated infrastructure and a packhouse to suit its own production. By 2028 it is envisaged that a further upgrade of infrastructure will see it able to handle smallholder production from within the Honde Valley.

Cicada Katiyo has signed a 20-year (renewable to 30 years) contract with Agricultural and Rural Development Authority ("ARDA") to redevelop the Katiyo Estate. Cicada Katiyo has a further opportunity to cultivate 200 ha of ARDA land 18 km away. This contract will not be affected by the implementation of this Offer.

A valuation of Cicada Katiyo has been carried out and is referred to in the Independent Financial Advisor's Report.

#### 1.4 Northern Farming (Private) Limited

Northern Farming (Pvt) Ltd ("Northern Farming") is a Zimbabwean agricultural entity wholly owned by CPZ. During 2020, the company sold its grower book to Paperhole Investments (Pvt) Limited. Northern Farming is therefore now comprised of one fully irrigated ARDA estate, on which the company grows 484 hectares of wheat (winter) and 484 hectares of soya beans (summer).

A valuation of Northern Farming has been carried out and is referred to in the Independent Financial Advisor's Report.

#### 1.5. Proposed acquisition of Makandi Estates (Private) Limited

Makandi is based in Chipinge, Zimbabwe, was acquired by Rift Valley Holdings in 2005 and is now housed under Cicada Agriculture Mauritius Limited, as are CPZ and BTL. It comprises nine properties consisting of three farms which are Rusitu (3800 ha), Chipinge Holdings (500 ha) and Smaldeel (880 ha) (the "Makandi Estate"). Makandi produces macadamias, avocado and maize – avocados are exported to the European market, macadamia nuts are exported to South Africa, while maize and bananas are produced for local markets.

The farms currently comprise the following:

- 640 ha of macadamia, from which 1,000 tonnes of macadamia are expected to be produced in 2023;
- 100 ha of avocados, from which 1,500 tonnes of avocado are expected to be produced in 2023;
- 100 ha of maize, from which 500 tonnes of maize are expected to be produced in 2023;
- 180 ha of bananas at Rusitu under partnership with Matanuska;
- 700 head of beef cattle; and
- 800 employees across 3 farms.

Makandi also has a 50% stake in a joint venture, the Chipinge Banana Company (Private) Limited ("CBC"), located in the South-Eastern Region of Zimbabwe. CBC houses a 200-ha mature banana plantation and is one of the country's largest banana estates. Of the 7,000 – 8,000 tonnes of bananas that it currently produces annually, CBC sells about 90% locally while 10% is exported to South Africa.

Certain of the properties that comprise the Makandi Estate were expropriated by the Government of Zimbabwe in the early 2000's but were the subject of an award handed down on 28 July 2015 by a tribunal at the International Centre for Settlement of Investment Disputes in Washington D.C. in favour of Heinrich von Pezold and his family (the "VP Family") ("VP Award") whereby the Government of Zimbabwe was ordered to restore title to the affected properties of the Makandi Estate or alternatively to pay damages and or compensation. As part of the settlement agreement entered into between the VP Family and the Border Timbers Limited and others in December 2021 relating to the Border Award and the VP Award, it was agreed among other things, that the VP Family are prohibited from settling the VP Award as it relates to the Makandi Estate on terms that involve them or any other person (other than BTL or a member of the Rift Valley Corporation group or other entity owned by the principal shareholders in Rift Valley Corporation) acquiring any interest in all or any part of the Makandi Estate.

### 2. OVERVIEW OF BORDER TIMBERS LIMITED

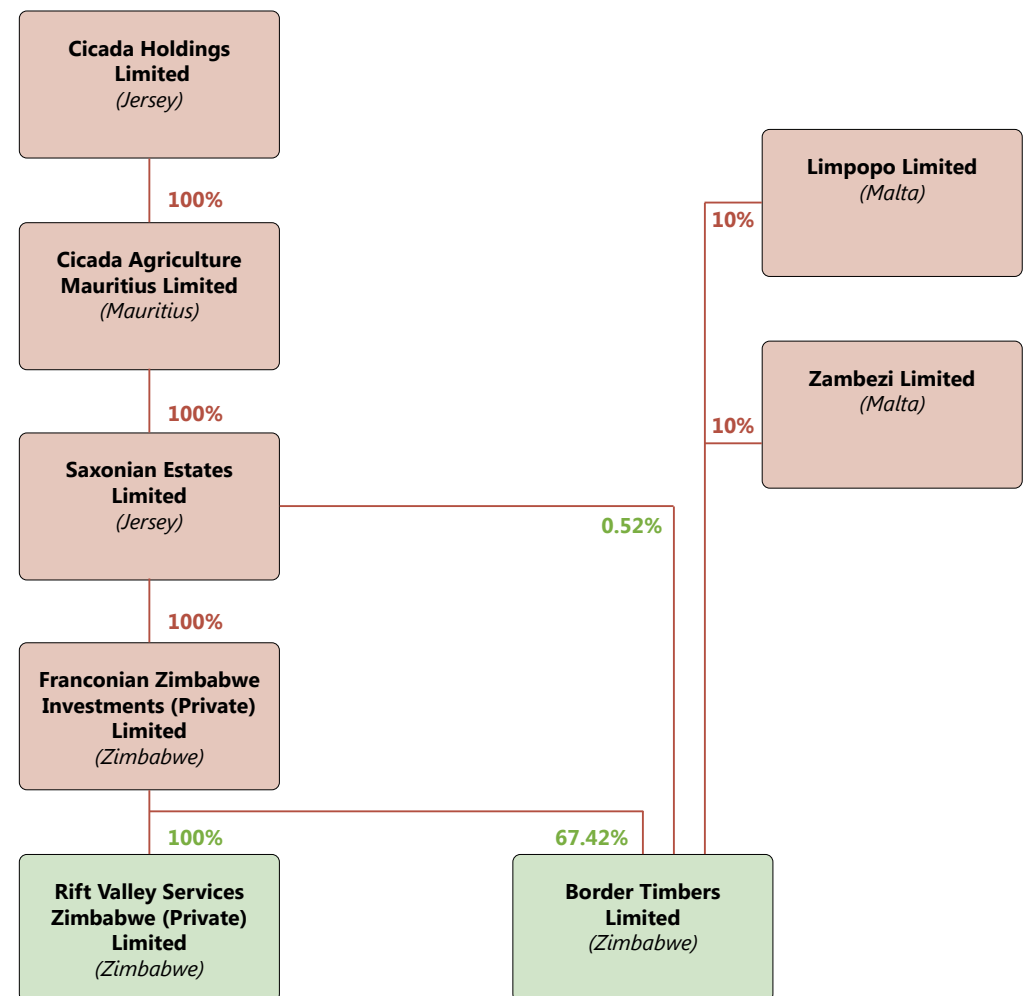
#### 2.1. Background

BTL is a limited-liability company incorporated under the laws of Zimbabwe. The Company's shares have been listed on the Zimbabwe Stock Exchange since 1959.

Border Timbers Limited (BTL), is a timber growing and milling company and has been in the business of managing plantations for over 50 years. The plantations are at five sites, Sheba and Imbeza estates in Penhalonga (Northern Area) and Charter, Tilbury and Sawerombe estates in Chimanimani (Southern Area). BTL operates on about 48,000 hectares of land, of which some 20,000 is plantable, across four estates around Mutare, Zimbabwe. Its two sawmills have the capacity to produce 90,000 m<sup>3</sup> of sawn logs annually. It also has a pole treatment plant.

BTL's markets include Botswana, South Africa, Mozambique, Malawi and Zambia.

#### 2.2. Current BTL Corporate Structure



#### 2.3. Forest management

BTL owns and manages five plantations namely Charter, Sawerombi, Sheba, Imbeza and Tilbury. Total landholding is 48,000ha with 20,000ha of plantable land of which 13,100ha is under forestry and the balance is available for planting. Road establishment and maintenance are carried out within strict parameters to minimize the impact on the environment, ensure adequate levels of drainage and maximize the aesthetics of the planted area.

##### 2.3.1. Silvicultural Practices

Silvicultural operations focus on the establishment and maintenance of both pine and eucalyptus plantations. In establishing the plantations, care is taken to match plant species with the site characteristics in order to produce the best possible yield and quality and reduce the risk of pathogens. The silvicultural practices employed in maintaining, thinning, and pruning the trees are done with a primary purpose of maximizing the yield of clear and tight knot timber.

##### 2.3.2. Harvesting Operations

Sawlog harvesting takes place on a rotational period of 22 years for pine and 12 years for eucalyptus. Harvesting operations are carried out in a manner that minimizes environmental damage.

#### 2.4. Pole Production

Border Timbers Limited produces poles from its own managed forests. BTL has 2,500 hectares devoted to eucalyptus production which is managed for poles.

Border Timbers Limited produces light, telephone, and transmission poles from two species, namely eucalyptus grandis and eucalyptus cloeziana. Eucalyptus grandis transmission poles have a minimum strength of 55MPa while eucalyptus cloeziana transmission poles have a minimum strength of 75MPa. The product availability of these two species of poles has been a major strength to Border Timbers Limited as it gives ability to meet varied requirements from customers. Where a customer requests higher strength poles, BTL supplies eucalyptus cloeziana exclusively.

##### 2.4.1. Plant location

The pole treatment plant is in Mutare which is 150km away from the forests in Chimanimani and 35km from the forests in Penhalonga. The plant has an annual production capacity of 15,000m<sup>3</sup> - 20,000m<sup>3</sup>. This makes BTL the biggest pole producer in Zimbabwe and a major player in the region.

##### 2.4.2. Pole Market

Border Timbers Limited sells its poles in the SADC region where transmission poles are sold direct to power utilities. Power utilities that are supplied by BTL are BPC (Botswana), ZESCO (Zambia), ESCOM (Malawi), EDM (Mozambique) and ZESA (Zimbabwe). BTL also supplies various companies that are assisting or contracted by power utilities to erect power lines such as Eltel (Botswana and Mozambique), and projects that are funded by the rural electrification authorities of Zimbabwe and Zambia.





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## ABRIDGED CIRCULAR TO SHAREHOLDERS

### 3. PROPOSED ACQUISITION OF BTL BY CPZ

CPZ has put forward an offer to acquire 100% of BTL's issued share capital in exchange for its shares ("the Acquisition"), resulting in the immediate termination of BTL's ZSE Listing, (together "the Proposed Transaction"). Should the Offer be accepted, it has been concluded that the purchase consideration at the Effective Date is to be settled via the issuance of 1 new CPZ share in exchange for every 1.1079 BTL Shares held, representing 100% of BTL's issued ordinary shares, resulting in the issuance of 38,758,568 new CPZ shares to the shareholders of BTL. On completion of the Acquisition, BTL will become a wholly owned subsidiary of CPZ.

BTL Shareholders will be asked to consider and action the following:

- Pass an ordinary resolution requesting BTL Shareholders to approve the terms and conditions of the Offer for the acquisition of the entire issued share capital of BTL;
- Pass an ordinary resolution authorizing the Directors to take such actions as are necessary to give effect to the resolutions;
- For those BTL Shareholders who wish to accept the Offer to sign and return the Form of Acceptance Surrender and Transfer.

### 4. BENEFITS OF THE PROPOSED TRANSACTION

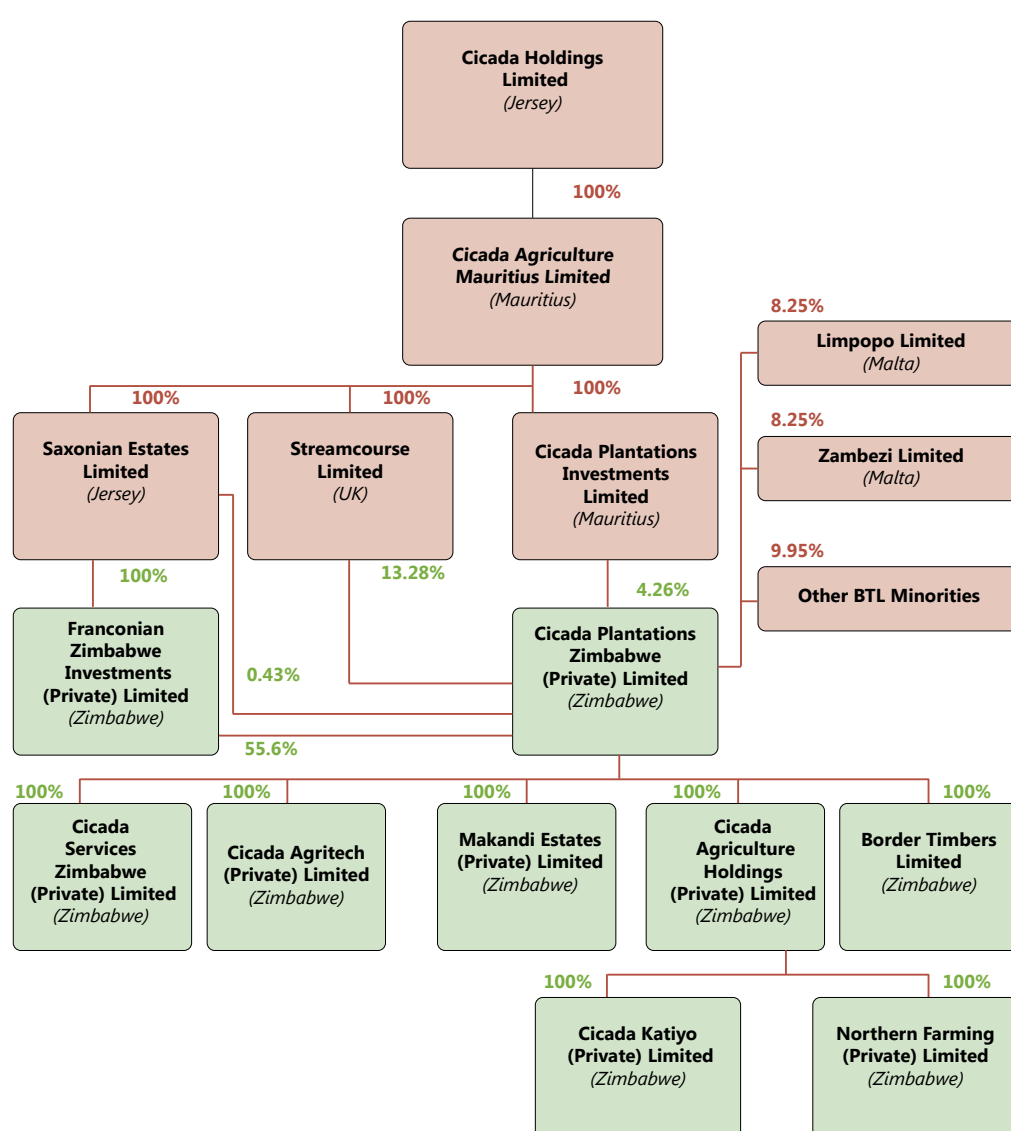
The benefits of the proposed transaction include, but are not limited to the following:

1. The consolidation of CPZ's, BTL's and Makandi's forestry, orchard and cereal interests under one organisation would result in a larger, diversified asset base, and would also result in synergies between the companies in the Enlarged CPZ Group, thus creating efficiencies for the Enlarged CPZ Group to further scale its operations, production and improve its market position.
2. It is anticipated that the Enlarged CPZ Group would trade (if successfully VFX listed) at a higher value in comparison to its current performance, resulting in greater value for the BTL Shareholders.
3. Through the combined balance sheet of the Enlarged CPZ Group, BTL, through the Enlarged CPZ Group, would have a larger capital base to leverage from for funding for development and expansion.
4. BTL would benefit from cost savings with the potential merging of the organisations' current administrative and other functions, freeing up cashflow for working capital and other requirements.

### 5. TIMETABLE FOR THE PROPOSED TRANSACTION

IMPORTANT DATES	
Circular incorporating Offer to BTL Shareholders and BTL EGM Notice published	Friday, 28 July 2023
Record Date, BTL Share Register closed (at 1600 hours)	Friday, 11 August 2023
Last day of lodging Forms of Proxy (at 1600 hours)	Wednesday, 16 August 2023
BTL EGM (at 1000 hours)	Friday, 18 August 2023
Publication of BTL EGM resolution results	Monday, 21 August 2023
Primary Offer opens at 0900	Monday, 4 September 2023
Primary Offer closes at 1600	Monday, 25 September 2023
Primary Offer Results released	Wednesday, 27 September 2023
Termination of BTL's ZSE listing	Friday, 3 November 2023

### 6. POST-TRANSACTION CPZ GROUP STRUCTURE



### 7. CONDITIONS PRECEDENT

The Proposed Transaction is subject to the following conditions being satisfactorily completed or lawfully waived:

- The Offer being accepted by BTL Shareholders representing not less than thirty-five per cent (35%) of the total BTL Shares ("Control Block");
- CPZ notifying the Remaining Shareholders of BTL of the Secondary Offer;
- The RBZ Exchange Control approval of payment of the Offer Consideration in the form of CPZ ordinary shares to Non-Resident Shareholders;
- Approval of the Acquisition of the BTL Shares by CPZ by the Competition and Tariff Commission.
- BTL Shareholders applying for and obtaining Capital Gains Tax clearance certificates from ZIMRA for the acquisition of their BTL Shares by CPZ.
- Obtaining all such other necessary regulatory approvals as may be required.

### 8. CORPORATE GOVERNANCE

#### 8.1. Introduction

BTL is committed to the highest corporate governance standards and best practices. The Company's culture of ethical business practices, transparency, integrity and accountability provide a robust foundation for effective corporate governance.

BTL recognizes that the primary objective of any system of corporate governance is to ensure that directors, executives, and managers carry out their responsibilities faithfully, effectively and efficiently. The Company's structure, operations, policies and procedures are continuously assessed and updated for compliance with national laws and generally accepted corporate governance practices. The Company continues to align its corporate governance practices with the Companies and Other Business Entities Act (Chapter 24:31), Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules 2019 (SI.134 of 2019) and the National Code on Corporate Governance in Zimbabwe (ZIMCODE).

The Board of Directors oversees determining the overall strategy, major policies, and risk tolerance levels. Additionally, it approves major purchases, sales, and interim and yearly operating as well as strategic plans and budgets. Key performance indicators and best practice benchmarks are used to track the application of the overall strategy, policies, and risk management. Executive management provides organised reports so the Board can keep track of the Company's performance.

#### 8.2. Board of Directors

The Company's Articles provide for the appointment of independent Directors. Directors were appointed in a formal and transparent manner. Each Director has been separately identified, as a person with the requisite qualifications, skills and experience as well as ethical standing, to contribute to the strategy and performance of the Company. Appointments of directors are ratified at the annual general meeting (AGM) of shareholders. The Board currently comprises two Executive Directors and six Non-Executive Directors, three of whom are independent. The Chairman of the Board is an Independent Non-Executive Director, thus ensuring a separation of powers and authority.

The Directors serving on the Board that are classified as independent have an absence of an interest, position, association or relationship which is likely to influence unduly or cause bias in decision-making. The Board is satisfied that these Directors act with independence of mind and in the best interest of the Company.

#### 8.3. Directors Interests

During the year under review, no Directors had any material interests which could cause significant conflict of interest with the Company's objectives.

As at 26 July 2023 the Directors do not hold, directly or indirectly any shares in the Company:

#### 8.4. Other interests

As at 26 July 2023, the Directors directly and / or indirectly held no other beneficial interests in/with BTL.

### 9. DIRECTORS RESPONSIBILITY STATEMENT

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

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







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## ABRIDGED CIRCULAR TO SHAREHOLDERS

### 10. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between Friday, 28 July 2023 and the Wednesday, 16 August 2023, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers and Financial Advisors Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Offer from CPZ;
- The Memorandum of Association of the Company;
- BTL Board approval of the terms of the Offer and the proposed Delisting of BTL from the ZSE;
- The written consents detailed in the full Circular;
- The historical financial statements including the Independent Reporting Accountant's Report on the historical information of BTL for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022, which is set out in the full Circular;
- The historical financial statements including the Independent Reporting Accountant's Report on the historical information of CPZ for the two financial years ended 30 June 2021 and 30 June 2022, which is set out in the full Circular;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Makandi;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Cicada Katiyo;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Northern Farming;
- The IH Advisory valuation reports used in determining the swap ratios for the purposes of the Proposed Transaction;
- The CPZ proforma financial information and the Independent Reporting Accountant's Report on the CPZ Proforma financial information, which is set out in the full Circular; and
- The Independent Financial Advisor's Report dated 26 July 2023.

### 11. PROFORMA FINANCIAL INFORMATION

#### CPZ Proforma Statement of Profit and Loss and Other Comprehensive Income

	Pre-acquisition Group 2022 US\$	Border Timbers 2022 US\$	Makandi Estates 2022 US\$	Group Pre-adjustments 2022 US\$	Adjustments	Acquisition Proforma for Group 2022 US\$
Revenue	3,322,973	12,900,445	5,659,330	21,882,748	(13,581)	21,869,167
Cost of sales	(1,233,093)	(14,526,751)	(4,668,645)	(20,428,489)	-	(20,428,489)
<b>Gross profit/(loss)</b>	<b>2,089,880</b>	<b>(1,626,306)</b>	<b>990,685</b>	<b>1,454,259</b>	<b>(13,581)</b>	<b>1,440,678</b>
Other income	4,152,903	750,756	1,293,614	6,197,273	-	6,197,273
Other expenses	(206,672)	(5,196,410)	-	(5,403,082)	-	(5,403,082)
<b>Net other income/(loss)</b>	<b>3,946,231</b>	<b>(4,445,654)</b>	<b>1,293,614</b>	<b>794,191</b>	-	<b>794,191</b>
Administrative expenses	(2,235,615)	(3,825,431)	(893,212)	(6,954,258)	13,581	(5,632,768)
Selling and distribution expenses	-	(351,454)	-	(351,454)	-	(1,659,363)
Fair value gain/(loss) due to biological assets transformation	-	14,832,022	(330,110)	14,501,912	-	14,501,912
<b>Operating income</b>	<b>3,800,496</b>	<b>4,583,177</b>	<b>1,060,977</b>	<b>9,444,650</b>	-	<b>9,444,650</b>
Interest income	143,392	19,131	709,750	872,273	(54,007)	818,266
Interest expense	(571,625)	(139,494)	(540,690)	(1,251,809)	-	(1,197,803)
<b>Net finance (cost)/income</b>	<b>(428,233)</b>	<b>(120,363)</b>	<b>169,060</b>	<b>(379,537)</b>	<b>(54,007)</b>	<b>(379,537)</b>
Share of (loss) on equity accounting	-	-	(739,000)	(739,000)	-	(739,000)
Monetary (loss)/Gains	(840,118)	5,308,571	-	4,468,453	-	4,468,453
<b>Profit before income tax</b>	<b>2,532,145</b>	<b>9,771,385</b>	<b>491,037</b>	<b>12,794,567</b>	<b>(54,007)</b>	<b>12,794,567</b>
Income tax (expense)/credit	(413,873)	3,246,734	(918,195)	1,914,666	-	1,914,666
<b>Profit/(loss) for the year</b>	<b>2,118,272</b>	<b>13,018,119</b>	<b>(427,158)</b>	<b>14,709,233</b>	<b>(54,007)</b>	<b>14,709,233</b>
<b>Items that will not be reclassified to profit or loss</b>						
Gain on revaluation of PPE	398,493	2,085,465	4,913,003	7,396,962	-	7,396,962
Impairment loss	-	(180,539)	-	(180,539)	-	(180,539)
Foreign currency translation	(1,423,081)	-	-	(1,423,081)	-	(1,423,081)
Deferred tax effects	(61,062)	(470,897)	(741,640)	(1,273,600)	-	(1,273,600)
Monetary loss/ gain on conversion	-	-	-	-	-	-
Share of other comprehensive income from equity accounting	-	-	725,000	725,000	-	725,000
<b>Total other comprehensive (loss)/income</b>	<b>(1,085,650)</b>	<b>1,434,029</b>	<b>4,896,363</b>	<b>5,244,742</b>	-	<b>5,244,742</b>
<b>Total comprehensive income for the year</b>	<b>1,032,622</b>	<b>14,452,148</b>	<b>4,469,205</b>	<b>19,953,975</b>	<b>(54,007)</b>	<b>19,953,975</b>







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### 11. PROFORMA FINANCIAL INFORMATION

#### CPZ Proforma Statement of Financial Position

	Pre-acquisition Group 2022 US\$	Border Timbers 2022 US\$	Makandi Estates 2022 US\$	Group Pre- adjustments 2022 US\$		Adjustments	Acquisition Proforma for Group 2022 US\$
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	16,362,016	24,122,169	17,240,906	57,725,091	-	-	57,725,091
Biological assets	-	38,365,885	266,350	38,632,235	-	-	38,632,235
Investments	-	-	324,633	324,633	-	-	324,633
Right-of-use assets	503,202	-	-	503,202	-	-	503,202
Deferred tax assets	7,572	-	-	7,572	-	-	7,572
Related party receivables	-	-	6,353,709	6,353,709	-	(6,029,652)	324,057
<b>Total Non-Current Assets</b>	<b>16,872,790</b>	<b>62,488,054</b>	<b>24,185,598</b>	<b>103,546,442</b>	<b>-</b>	<b>(6,029,652)</b>	<b>97,516,790</b>
<b>Current assets</b>							
Biological assets	185,365	4,946,939	4,381,433	9,513,737	-	-	9,513,737
Inventories	438,007	3,460,806	704,819	4,603,632	-	-	4,603,632
Trade and other receivables	734,843	1,248,294	571,256	2,554,393	-	-	2,554,393
Amount due from related parties	72,356	-	-	72,356	-	-	72,356
Prepayments	23,796	-	-	23,796	-	-	23,796
Cash and bank balances	53,318	178,420	623,564	855,302	-	-	855,302
<b>Total current assets</b>	<b>1,507,685</b>	<b>9,834,459</b>	<b>6,281,072</b>	<b>17,623,216</b>	<b>-</b>	<b>-</b>	<b>17,623,216</b>
<b>Total assets</b>	<b>18,380,475</b>	<b>72,322,513</b>	<b>30,466,670</b>	<b>121,169,658</b>	<b>-</b>	<b>(6,029,652)</b>	<b>115,140,006</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Capital and reserves</b>							
Share capital	200	157,348	122,000	279,548	(279,348)	-	200
Revaluation reserve	337,431	1,434,029	21,350,619	23,122,078	(22,784,646)	-	337,432
Non-distributable reserve	-	-	889,000	889,000	(889,000)	-	-
Foreign currency translation reserve	(1,423,081)	-	(11,480,981)	(12,904,062)	11,480,981	-	(1,423,081)
Capital reserve from acquisition of controlled entities	-	-	-	-	-	68,193,162	68,193,162
Retained earnings	4,267,630	54,294,546	1,426,602	59,988,779	(55,721,149)	-	4,267,630
<b>Equity attributed to equity holders of the parent</b>	<b>3,182,180</b>	<b>55,885,923</b>	<b>12,307,240</b>	<b>71,375,343</b>	<b>(68,193,162)</b>	<b>68,193,162</b>	<b>71,375,343</b>
Non-controlling interests	-	-	153,900	153,900	-	-	153,900
<b>Total shareholders' equity</b>	<b>3,182,180</b>	<b>55,885,923</b>	<b>12,461,140</b>	<b>71,529,243</b>	<b>(68,193,162)</b>	<b>68,193,162</b>	<b>71,529,243</b>
<b>Non-current liabilities</b>							
Long term borrowings	3,787,609	4,015,036	-	7,802,645	-	-	7,802,645
Amounts due to related parties	9,335,125	-	12,590,480	21,925,605	-	(6,029,652)	15,895,953
Lease liabilities	854,127	-	-	854,127	-	-	854,127
Deferred tax	-	6,012,388	3,785,244	9,797,632	-	-	9,797,632
<b>Total non-current liabilities</b>	<b>13,976,861</b>	<b>10,027,424</b>	<b>16,375,724</b>	<b>40,380,009</b>	<b>-</b>	<b>(6,029,652)</b>	<b>34,350,357</b>
<b>Current liabilities</b>							
Trade and other payables	536,199	5,459,154	688,429	6,683,782	-	-	6,683,782
Lease liabilities	240,000	-	-	240,000	-	-	240,000
Short term borrowings	20,345	865,311	732,324	1,617,980	-	-	1,617,980
Provisions	30,630	-	125,927	156,557	-	-	156,557
Bank overdraft	-	84,701	-	84,701	-	-	84,701
Deferred tax liability	233,162	-	-	233,162	-	-	233,162
Tax liability	161,098	-	83,126	244,224	-	-	244,224
<b>Total current liabilities</b>	<b>1,221,434</b>	<b>6,409,166</b>	<b>1,629,806</b>	<b>9,260,406</b>	<b>-</b>	<b>-</b>	<b>9,260,406</b>
<b>Total liabilities</b>	<b>15,198,295</b>	<b>16,436,590</b>	<b>18,005,530</b>	<b>49,640,415</b>	<b>-</b>	<b>(6,029,652)</b>	<b>43,610,763</b>
<b>Total equity and liabilities</b>	<b>18,380,475</b>	<b>72,322,513</b>	<b>30,466,670</b>	<b>121,169,658</b>	<b>(68,193,162)</b>	<b>62,163,510</b>	<b>115,140,006</b>





(Border Timbers Limited, incorporated in Zimbabwe on 28 June 1945 under Company Registration Number 35/1945)

## ABRIDGED CIRCULAR TO SHAREHOLDERS



(Border Timbers Limited, incorporated in Zimbabwe on 28 June 1945 under Company Registration Number 35/1945)

### NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“EGM”) of the Shareholders of Border Timbers Limited is to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link “https://escrowagm.com/eagmZim/Login.aspx”, on Friday, 18 August 2023, at 1000 hours, for the purpose of transacting the following business: -

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

#### ORDINARY RESOLUTION 1 – APPROVAL OF THE TERMS OF THE OFFER

“**THAT** the terms and conditions of the proposed Offer made by Cicada Plantations Zimbabwe (Private) Limited to the Border Timbers Limited shareholders to acquire up to 100% of the issued share capital of Border Timbers Limited by means of a share swap at a swap ratio of 1 new Cicada Plantations Zimbabwe (Private) Limited ordinary share for every 1,1079 Border Timbers Limited ordinary shares held, resulting in the issuance of 38,758,568 new CPZ shares to the shareholders of BTL, with the result that Border Timbers Limited shareholders who accept the offer will become shareholders in Cicada Plantations Zimbabwe (Private) Limited and Border Timbers Limited may become a subsidiary of Cicada Plantations Zimbabwe (Private) Limited, and otherwise for the implementation of the Proposed Transaction described in the Circular to shareholders be and are hereby approved.”

#### ORDINARY RESOLUTION 2 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

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

#### BY ORDER OF THE BOARD

#### FORM OF PROXY

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

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

Ordinary Resolutions	For	Against	Abstain
<b>ORDINARY RESOLUTION 1 – APPROVAL OF THE TERMS OF THE OFFER</b>  “ <b>THAT</b> the terms and conditions of the proposed Offer made by Cicada Plantations Zimbabwe (Private) Limited to the Border Timbers Limited shareholders to acquire up to 100% of the issued share capital of Border Timbers Limited by means of a share swap at a swap ratio of 1 new Cicada Plantations Zimbabwe (Private) Limited ordinary share for every 1.1079 Border Timbers Limited ordinary shares held, , resulting in the issuance of 38,758,568 new CPZ shares to the shareholders of BTL, with the result that Border Timbers Limited shareholders who accept the offer will become shareholders in Cicada Plantations Zimbabwe (Private) Limited and Border Timbers Limited may become a subsidiary of Cicada Plantations Zimbabwe (Private) Limited, and otherwise for the implementation of the Proposed Transaction described in the Circular to shareholders be and are hereby approved.”			
<b>ORDINARY RESOLUTION 2 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS</b>  “ <b>THAT</b> the directors be and are hereby authorised to do any and all such things as may be necessary or desirable to give effect to the above resolution.”			

Signed this..... day of.....2023

Signature(s) of member.....

#### NOTE

- In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A director or officer of the Company cannot be appointed as a proxy for a shareholder.
- Article 76 of the Company’s Articles provides that the instrument appointing a proxy shall be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

#### INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

- 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.
- 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.
- Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories.
- The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
  - under a power of attorney
  - 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.
- 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.
- 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.
- 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.
- 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.
- 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.

#### FORM OF ACCEPTANCE, SURRENDER AND TRANSFER

#### THIS FORM IS FOR USE BY BORDER TIMBERS LIMITED SHAREHOLDERS ONLY

Full Details of the Offer are contained in the Circular to Shareholders of BTL dated Friday, 28 July 2023 to which this Form is attached and forms a part. Accordingly, all definitions and terms used in this Form shall unless the context otherwise requires, have the corresponding meaning and interpretation attributed to them in the Circular.

This form must be completed by all Border Timbers Limited shareholders who are recorded in the Border Timbers Limited Shareholders’ Register at any time during which the Offer is open, and who wish to accept the Offer.

#### Instructions for completion:

**Part A:** Must be completed by all Border Timbers Limited shareholders who wish to accept the Offer. If you are in doubt of the action you should take, please consult your accountant, lawyer, banker, stockbroker or other professional advisor immediately.

This form must be returned to the Transfer Secretaries together with the relevant Documents of Title, to be received prior to the closing date of the Offer, which is Monday, 25 September 2023 by 1600hrs. If your Share Certificate/s have been dematerialised you should return this Form of Acceptance, Surrender and Transfer duly completed and accurate information that is consistent with the information provided to the CSD. Cicada Plantations Zimbabwe (Private) Limited, at their sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Document of Title has been lost or destroyed and upon provision of suitable indemnity. Unless otherwise agreed by CPZ, only indemnity forms obtained from the Transfer Secretaries (available upon request) will be regarded as suitable.

Signatories may be called upon for evidence of their authority or capacity to sign this Form of Acceptance, Surrender and Transfer.

In the case of Non-resident Shareholders, the Offer Consideration will be settled as per the normal settlement process of buying and selling shares on the ZSE. The Form of Acceptance Surrender and Transfer that follows these instructions makes provision for furnishing the banking details to be used. The attached Form of Acceptance, Surrender and Transfer makes provisions for a substitute address for this Offer only.

Kindly forward your instructions, together with the Documents of Title in respect of your Border Timbers Limited shares to the Transfer Secretaries, as follows:

#### Transfer Secretaries

##### By hand, courier, or post:

Corpserve (Private) Limited  
 2nd Floor, ZB Center  
 56 Union Avenue  
 Harare  
 Zimbabwe

To indicate your intention to participate in the Offer, Forms of Acceptance, Surrender and Transfer may be returned to the Transfer Secretaries electronically by email (corpserve@escrowgroup.org) however, **acceptance will only be processed upon receipt of the original forms** returned by post or delivered by hand to the Transfer Secretaries at the address indicated above. Kindly note that the return of the Form of Acceptance, Surrender and Transfer electronically by email or fax will not be deemed to be an acceptance of this Offer until the original Form of Acceptance, Surrender and Transfer has been received by post or delivery. For any queries in relation to the Form of Acceptance, Surrender and Transfer, contact Corpserve Transfer Secretaries.





(Border Timbers Limited, incorporated in Zimbabwe on 28 June 1945 under Company Registration Number 35/1945)

## ABRIDGED CIRCULAR TO SHAREHOLDERS

### FORM OF ACCEPTANCE, SURRENDER AND TRANSFER

THIS FORM IS FOR USE BY BORDER TIMBERS LIMITED SHAREHOLDERS ONLY

Dear Sir/Madam



#### The Offer

I/We the undersigned, hereby irrevocably and unconditionally accept the Offer of 1 new Cicada Plantations Zimbabwe (Private) Limited share for every 1.1079 Border Timbers Limited shares held by me/us, the details of which are included in the enclosed Circular. I/We hereby cede ownership and authorise the transfer of ownership of the Border Timbers Limited shares to Cicada Plantations Zimbabwe (Private) Limited ("Cicada Plantations Zimbabwe").

#### Part A – ALL BORDER TIMBERS LIMITED SHAREHOLDERS ACCEPTING THE OFFER MUST PLEASE COMPLETE THIS SECTION IN BLOCK LETTERS

Surname:	
Given Names (in full):	
Title (Mr., Mrs., Miss., Ms., Other):	
Address:	
Telephone:	
Mobile:	

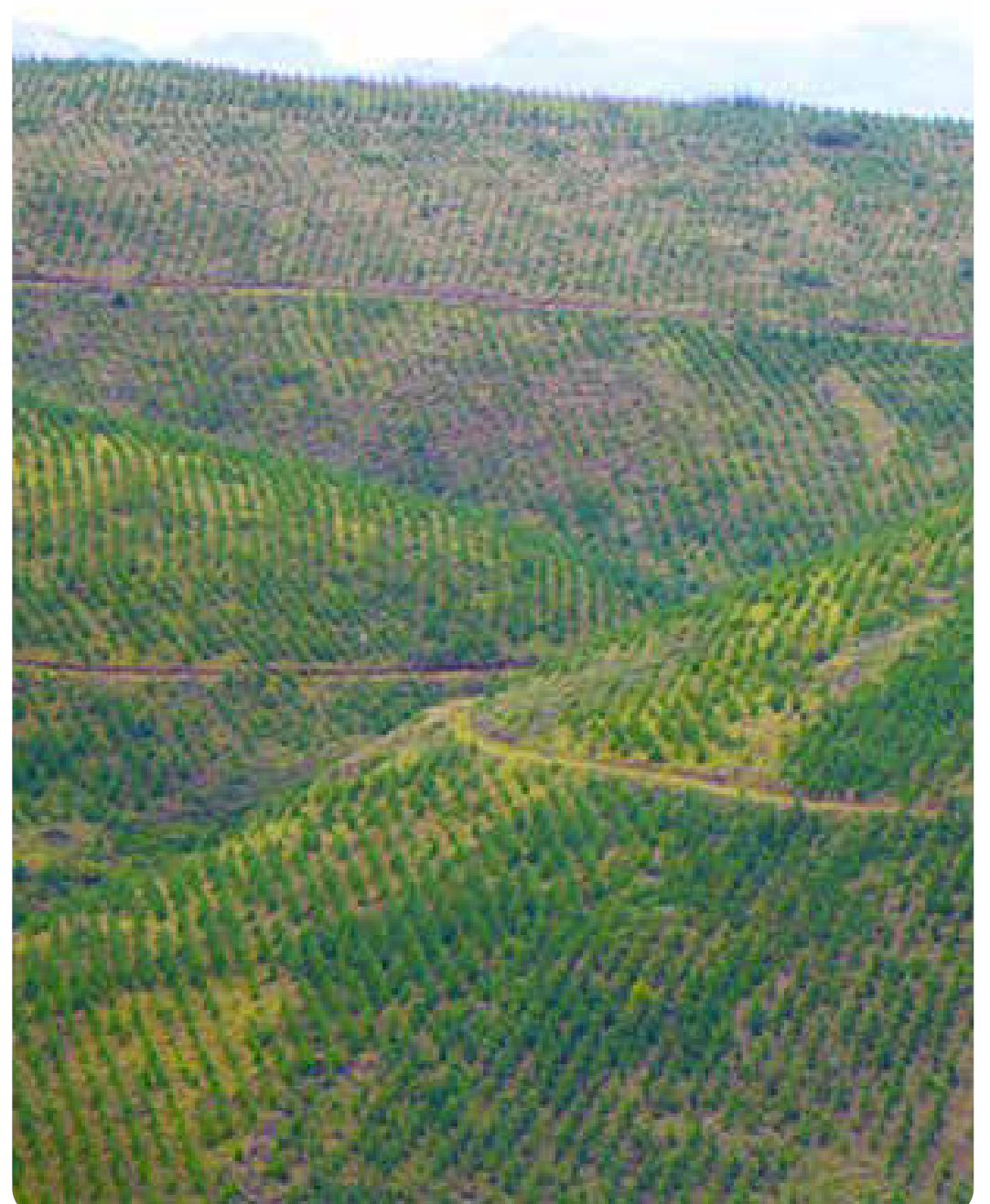
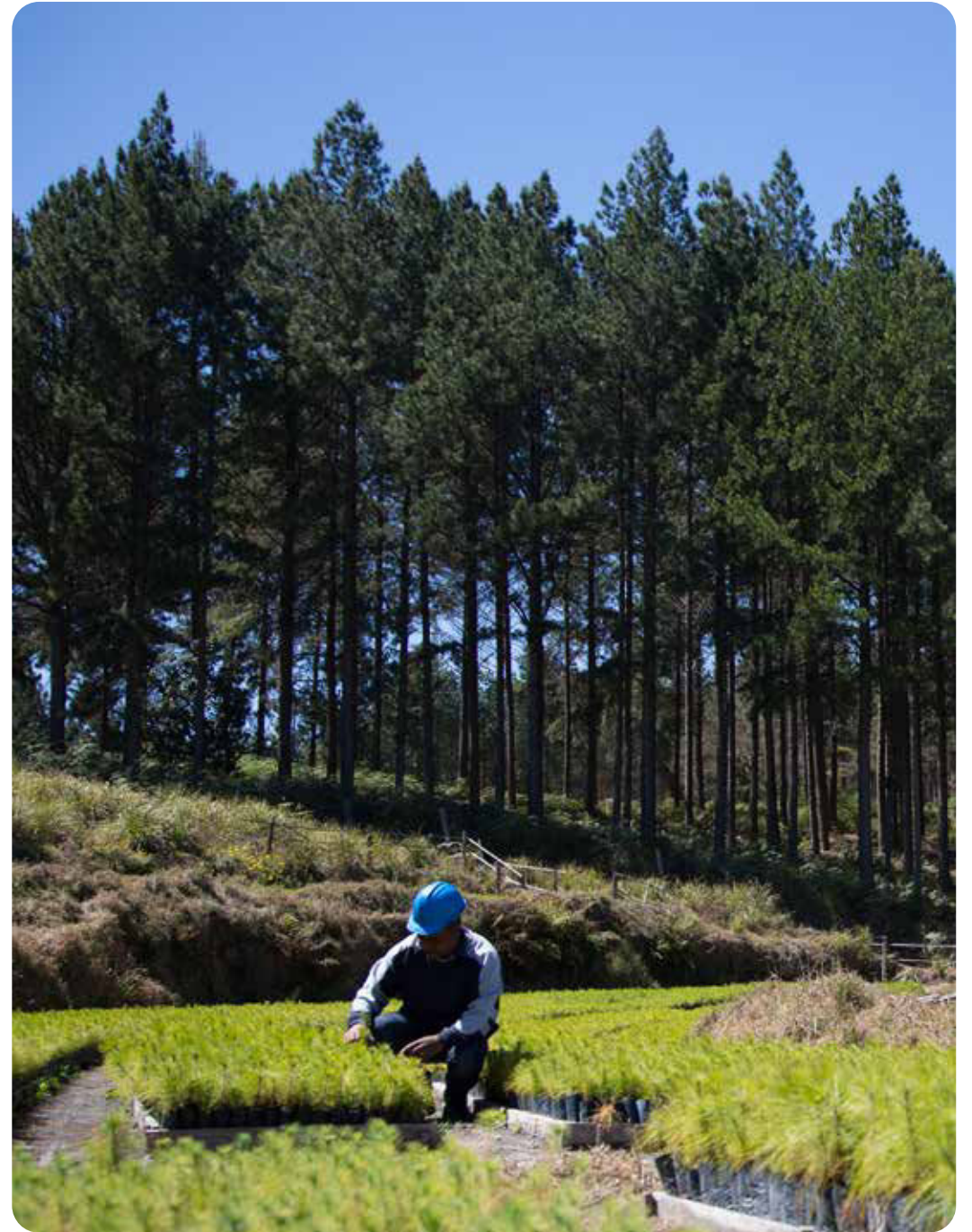
I/We hereby surrender the undermentioned shares/share certificates:

Name of registered holder (separate form for each holder)	Certificate number/CSD number (in numerical order) (if applicable)	Number of Border Timbers Limited Shares
	Total	

Signature of Shareholder:	Stamp and address of agent lodging this form (if any)
Date:	
Assisted by me (if applicable):	
State full name and capacity:	
Date:	
Telephone number (home):	
Telephone number (work):	
Mobile Number:	

#### Notes:

- No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Documents of Title lodged. Additional copies of this Form of Acceptance, Surrender and Transfer are available upon request from the Transfer Secretaries.
- Any alteration to this Form of Acceptance, Surrender and Transfer must be signed in full and not initialled. Any alteration may not be accepted by Cicada Plantations Zimbabwe.
- If this Form of Acceptance, Surrender and Transfer is signed under a power of attorney, then such power of attorney or a notarial certified copy hereof, must be sent with the form for noting, unless it has already been noted by the Transfer Secretaries.
- Where the Border Timbers Limited Shareholder is a company or a close corporation or other juristic person, a certified copy of all Directors' or members' or other resolution authorising the signing of this Form of Acceptance, Surrender and Transfer must be submitted together with this form.
- Where the Border Timbers Limited shares are jointly held, this Form of Acceptance, Surrender and Transfer must be signed by all joint holders; however, Cicada Plantations Zimbabwe shall be entitled to, in its absolute discretion, accept the signature of that holder whose name stands first in the register in respect of such Border Timbers Limited Shares.
- The Offer is made gross of tax, and where applicable Capital Gains Tax and other related costs will be deducted at source prior to settlement of the Offer Consideration.
- Shareholders with CSD accounts will have their new Cicada Plantations Zimbabwe shares credited automatically to their electronic accounts.







## CIRCULAR TO SHAREHOLDERS

Date of Issue of this Circular: 28 July 2023



**PASSIONATE**  
ABOUT DEVELOPING  
RESOURCES IN AFRICA



# PASSIONATE ABOUT DEVELOPING RESOURCES IN AFRICA





## CIRCULAR TO SHAREHOLDERS

### Relating to and seeking approvals for:

**The terms and conditions of an Offer to the Border Timbers Limited ("BTL") shareholders for the acquisition of the entire issued ordinary shares of BTL by Cicada Plantations Zimbabwe (Private) Limited ("CPZ") by way of a share swap on the basis of One (1) new CPZ share to be issued for every 1.1079 BTL Shares held, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL.**

### And incorporating

### NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of BTL, to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link "<https://escrowagm.com/eagmZim/Login.aspx>", on Friday, 18 August 2023, at 1000 hours, which notice was published on Friday, 28 July 2023 in accordance with the Zimbabwe Stock Exchange ("ZSE") Listings Requirements and the Companies and Other Business Entities Act (Chapter 24:31), as set out at the end of this Document. Shareholders are required to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours, on Wednesday, 16 August 2023.

### And

### A FORM OF ACCEPTANCE, SURRENDER AND TRANSFER FOR USE BY BTL SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER.

#### Financial Advisors



#### Sponsoring Brokers



#### Reporting Accountants



#### Transfer Secretaries



#### Independent Financial Advisors



#### Legal Advisors



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

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 BTL, you should send this Circular, as soon as possible, to the stockbroker, bank or other agents through whom the sale of your shareholding in BTL was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of BTL, whose names are given in Paragraph 3.2 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Circular false or misleading, and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

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

The Company's lead financial advisors, independent financial advisors, sponsoring broker, legal advisors, transfer secretaries and reporting accountants have consented in writing to act in the capacity stated and to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue of this Document: Friday, 28 July 2023

This Circular Is Important And Requires Your Immediate Attention



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## Appendices

- Appendix 1** – Historical Financial Information of BTL
- Appendix 2** – Independent Accountants Report on the Historical Financial Information of BTL
- Appendix 3** – Historical Financial Information of CPZ
- Appendix 4** – Independent Accountants Report on the Historical Financial Information of CPZ
- Appendix 5** – CPZ Proforma Financial Information
- Appendix 6** – Independent Accountants Report on the Proforma Financial Information of CPZ
- Appendix 7** – Report of the Independent Financial Advisors
- Appendix 8** – Notice of EGM
- Appendix 9** – Form of Proxy
- Appendix 10** – Form of Acceptance, Surrender and Transfer



## Corporate Information & Professional Advisors

The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange.

<b>BORDER TIMBERS LIMITED DIRECTORS</b>	Elias Hwenga Erhard Kuhn Lysius Karimanzira Bekezela Ncube Simon Hammond Carlo Ravizza Robert Strong Glenn Youngs
<b>REGISTERED OFFICE</b>	4-12 Paisley Road Southerton Harare, Zimbabwe
<b>PHYSICAL ADDRESS</b>	1 Aberdeen Road PO Box 458 Mutare, Zimbabwe
<b>COMPANY SECRETARY</b>	Munesh. B. Narotam PO Box ST 629 Southerton Harare, Zimbabwe
BTL derives professional services from the following:	
<b>FINANCIAL ADVISORS</b>	Inter-Horizon Advisory (Private) Limited Block 3, Tunsgate Business Park 30 Tunsgate Road Mount Pleasant Harare, Zimbabwe
<b>SPONSORING BROKER</b>	Inter-Horizon Securities (Private) Limited Block 3 Tunsgate Business Park 30 Tunsgate Road Mount Pleasant Harare, Zimbabwe
<b>LEGAL ADVISORS</b>	Kantor and Immerman Legal Practitioners MacDonald House John L. Nkomo Ave, P.O Box 19 Harare, Zimbabwe
<b>INDEPENDENT AUDITORS &amp; REPORTING ACCOUNTANTS</b>	Deloitte & Touche (Zimbabwe) Chartered Accountants West Block, Borrowdale Office Park Liberation Legacy Way Borrowdale Harare, Zimbabwe
<b>TRANSFER SECRETARIES</b>	Corpserve Registrars (Private) Limited 2nd Floor ZB Centre Corner 1st & Kwame Nkrumah Avenue Harare, Zimbabwe
<b>INDEPENDENT FINANCIAL ADVISORS</b>	Corporate Excellence Financial Advisory Services (Private) Limited 3 Drummond Chaplin Street Milton Park Harare, Zimbabwe
<b>PRINCIPAL BANKERS</b>	Ecobank Zimbabwe Limited Block A, Sam Levy's Office Park 2 Piers Road Borrowdale Harare, Zimbabwe

## Forward-looking Statements

This Circular includes forward-looking statements regarding BTL, Makandi and CPZ (“the Entities”). Forward-looking statements are those other than statements of historical facts, included in this Circular, and include without limitation, those regarding the Entities’ financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Entities’ products and services). Any statements preceded by, followed by or including the words “believes”, “expects”, “aims”, “estimates”, “anticipates”, “may”, “will”, “should”, “could”, “intends”, “plans”, “seeks”, or similar expressions, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Entities’ actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward-looking statements are inherently based on numerous estimates and assumptions regarding the Entities’ present and future business strategies and the environment in which the Entities will operate in the future. Such estimates and assumptions may not eventuate. These forward-looking statements speak only as at the date of this Circular. The Directors of BTL expressly disclaim any obligation or undertaking to disseminate, after the distribution of this Document, any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions, or circumstances on which any such forward looking statement is based, unless legally required to do so.





## Action Required By Border Timbers Limited Shareholders

The definitions commencing on page 10 of this Circular apply, with necessary changes, to this section setting out the actions required by BTL Shareholders.

Read this Document in its entirety. This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisors of your choice. If you have disposed of your Shares, this Circular should be handed to the purchaser of such shares or to the agent or stockbroker who disposed of your shares for you;

### **ACTION**

#### **(i) Attend and Vote at EGM to approve the Terms of the Offer-**

- Attend and vote to approve the terms of the Offer at the EGM to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link, “<https://escrowagm.com/eagmZim/Login.aspx>”, on the Friday, 18 August 2023, at 1000 hours;
- Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete, and sign the Form of Proxy included with this Document and ensure it is lodged at the physical offices of BTL situated at 4 – 12 Paisley Road, Southerton, Harare, so that it is received by the Transfer Secretaries by no later than 1600 hours, on Wednesday, 16 August 2023;
- Shareholders may attend the meeting virtually notwithstanding the completion and return of a Form of Proxy; and
- A director or officer of the Company cannot be appointed as a proxy for a shareholder.

#### **(ii) Acceptance of Offer-**

- Shareholders who wish to accept the Offer must complete the Form of Acceptance, Surrender and Transfer attached to this Circular in accordance with the instructions therein. The completed Form of Acceptance, Surrender and Transfer must be forwarded together with the relevant share certificates or other proof of ownership and Documents of Title to the Transfer Secretaries as follows:

#### **Transfer Secretaries**

#### **By Hand, Courier or Post**

#### **Corpserve Registrars (Private) Limited**

2nd Floor, ZB Centre  
56 Union Avenue  
Harare  
Zimbabwe

## Action Required By Border Timbers Limited Shareholders

- All acceptances to be received by the Transfer Secretaries no later than 1600 hours on the Closing Date being Monday, 25 September 2023.
- Neither BTL nor any of their advisors take any responsibility, nor will be held liable for any failure on the part of any stockbroker, asset manager or custodian to notify a Shareholder of the Offer and/or to obtain instructions from a Shareholder and submit acceptances timeously to the Transfer Secretaries. Should there be any doubt or dispute as to whether you have accepted the Offer or not, then you will be deemed not to have accepted the Offer.
- If a Form of Acceptance, Surrender and Transfer is rejected due to non-compliance with the instructions contained therein, then the BTL Shareholder concerned will be deemed to not have accepted the Offer. CPZ may nevertheless, in its sole discretion, condone the non-compliance by the BTL Shareholder of any terms and conditions of the Offer, in which case the deemed rejection of the Offer herein envisaged will not take effect.
- If you accept the Offer in respect of all or some of your BTL Shares and surrender the relevant Documents of Title, you will not be able to trade such BTL Shares from the date of your acceptance of the Offer and surrender of the relevant Documents of Title in respect thereof.
- If you do not wish to accept the Offer, you do not need to take any action.

### QUERIES

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

#### **IH Advisory (Private) Limited**

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

#### **IH Securities (Private) Limited**

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



## Important Dates And Times

IMPORTANT DATES	
Circular incorporating Offer to BTL Shareholders and BTL EGM Notice published	Friday, 28 July 2023
Record Date, BTL Share Register closed (at 1600 hours)	Friday, 11 August 2023
Last day of lodging Forms of Proxy (at 1600 hours)	Wednesday, 16 August 2023
BTL EGM (at 1000 hours)	Friday, 18 August 2023
Publication of BTL EGM resolution results	Monday, 21 August 2023
Primary Offer opens at 0900 hours	Monday, 4 September 2023
Primary Offer closes at 1600 hours	Monday, 25 September 2023
Primary Offer Results released	Wednesday, 27 September 2023
Termination of BTL's ZSE listing	Friday, 3 November 2023

### NOTES

- The above dates may be subject to changes as may be agreed by the Boards of BTL and CPZ and approved by the ZSE. If required, any such change will be published to Shareholders. All times indicated above and elsewhere in the Circular are Zimbabwean standard times.
- Although the salient dates and times are subject to changes, such statements may not be regarded as consent or dispensation for any change in time periods which may be required in terms of the COBE Act, where applicable such consents or dispensations shall be specifically applied for and granted.
- The Primary Offer will close at 1600 hours on Monday, 25 September 2023.
- In terms of Section 237 the COBE Act, the Secondary Offer must remain open for at least thirty (30) days from the date of sending the Offer to Shareholders. Accordingly, the Offeror reserves the right to change the closing date of the Secondary Offer to a later business day, which date shall not be earlier than thirty (30) days after the Opening Date of the Offer.
- Offerees should note that acceptance of the Offer will be irrevocable.

## Interpretations And Definitions

In this Document, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

<b>“Acquisition” or “the Proposed Transaction”</b>	The Offer by CPZ to acquire all the shares in BTL;
<b>“Articles”</b>	The Articles of Association of BTL;
<b>“Associate”</b>	Has the meaning given to the term in Section 3 of the COBE Act;
<b>“Auditors” or “Independent Reporting Accountants”</b>	Deloitte & Touche (Zimbabwe) Chartered Accountants, Independent Auditors of the Company and Independent Reporting Accountants to the Proposed Transaction;
<b>“Board” or “Directors”</b>	The Board of Directors of BTL, whose names appears in paragraph 3.2 of this Circular;
<b>“Border Award”</b>	The financial award issued in July 2015 by the International Centre for the Settlement of Investment Disputes with respect to the investment treaty between Switzerland and Zimbabwe, in favour of Border Timbers Limited, issued in respect of land belonging to the Company that was expropriated by the Government of Zimbabwe in 2005;
<b>“Broker”</b>	Any person or company registered as a member with the ZSE and authorised to buy and sell shares and other securities on behalf of customers;
<b>“BTL” or “the Company”</b>	Border Timbers Limited, a public company incorporated in Zimbabwe under company registration number 35/1945 and listed on the ZSE;
<b>“BTL Shares”</b>	Ordinary shares in the issued ordinary share capital of BTL;
<b>“BTL Shareholder” or “Shareholder”</b>	The holder of ordinary shares in BTL to whom the Offer is being made;
<b>“BTL Share Register”</b>	The Register of Shareholders of the Company maintained by the Transfer Secretaries and the sub-register of nominee Shareholders maintained by each Broker;
<b>“Business Day”</b>	Monday to Friday, but excluding public holidays in Zimbabwe;
<b>“Cicada Agriculture Mauritius Limited”</b>	Cicada Agriculture Mauritius Limited a wholly owned subsidiary of Cicada Holdings Limited;



## Interpretations And Definitions

<b>“Cicada Holdings Limited”</b>	Cicada Holdings Limited, a private limited liability company registered in accordance with the laws of Jersey, Registration No. 127044;
<b>“Cicada Katiyo (Private) Limited” or “Cicada Katiyo”</b>	Cicada Katiyo (Private) Limited, a private limited liability company registered in accordance with the laws of Zimbabwe, Registration No. (2844/2013; and a subsidiary of CPZ;
<b>“Circular” or “the Document”</b>	This document dated Friday, 28 July 2023 including the appendices hereto, addressed to BTL Shareholders, which sets out the terms and conditions of the Offer;
<b>“Closing Date”</b>	The date on which the Primary Offer closes being Monday, 25 September 2023;
<b>“Companies Act” or “COBE Act”</b>	The Companies and Other Business Entities Act (Chapter 24:31);
<b>“Conditions Precedent”</b>	The Conditions Precedent to which the Acquisition is subject, and the Delisting is subject as set out in Paragraph;
<b>“Control Block”</b>	Thirty-Five Percent (35%) or more of the ordinary shares in BTL, a control and takeover threshold as defined in the COBE Act;
<b>“Corporate Excellence”</b>	Corporate Excellence Financial Advisory Services (Private) Limited, the independent financial advisors;
<b>“CPZ” or “Offeror”</b>	Cicada Plantations Zimbabwe (Private) Limited, a private limited liability company registered in accordance with the laws of Zimbabwe, Registration No. 7961/2019;
<b>“CSD”</b>	Central Securities Depository;
<b>“Delisting”</b>	Subject to the fulfilment of the Conditions Precedent, the proposed voluntary delisting of the BTL Shares from the ZSE;
<b>“Documents of Title”</b>	Share certificates, dematerialised shares in CSD accounts, certified transfer deeds, balance receipts or other physical documents of title to shares acceptable to the issuer of such shares;

## Interpretations And Definitions

<p><b>“Drag-Along”</b></p>	<p>A provision in the COBE Act whereby if at least 90% of the Remaining Shareholders accept the Secondary Offer, CPZ shall be entitled to acquire all the remaining BTL Shareholders’ shares on the same terms and conditions that applied to the shares whose holders accepted both the Primary and Secondary Offer in terms of the COBE Act. CPZ will approach the Magistrates Court for an order enforcing its drag along rights in terms of Section 238 of the COBE Act. In the event that the Drag Along provisions of the COBE Act are triggered as set out herein, BTL Shareholders who do not make an election or who are untraceable will have their allotted shares held in trust by the Transfer Secretaries for onward transmission upon tendering genuine and verifiable claims by the relevant BTL Shareholders;</p>
<p><b>“EGM”</b></p>	<p>Extraordinary General Meeting of BTL Shareholders convened in terms of the COBE Act and the same, to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link “<a href="https://escrowagm.com/eagmZim/Login.aspx">https://escrowagm.com/eagmZim/Login.aspx</a>”, on Friday, 18 August 2023, at 1000 hours, at which BTL Shareholders will consider and vote on the terms and conditions of the Offer;</p>
<p><b>“Enlarged CPZ Group”</b></p>	<p>CPZ including its existing subsidiaries Northern Farming (Private) Limited and Cicada Katiyo (Private) Limited, and, once acquired, Makandi Estates (Private) Limited and Border Timbers Limited as its subsidiaries;</p>
<p><b>“Exchange Control Regulations”</b></p>	<p>The Exchange Control Regulations promulgated under the Exchange Control Act [Chapter 22:05] including and without limitation, the Exchange Control Regulations, 1996 [Statutory Instrument 109 of 1996], as amended;</p>
<p><b>“Financial Advisors”</b></p>	<p>IH Advisory or Inter-Horizon Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe;</p>
<p><b>“Form of Proxy”</b></p>	<p>The Form of Proxy accompanying this Circular;</p>
<p><b>“Form of Acceptance, Surrender and Transfer” or “Form”</b></p>	<p>The Form included in this Circular which BTL Shareholders wishing to accept the Offer must complete and return to the Transfer Secretaries;</p>
<p><b>“IH Advisory”</b></p>	<p>Inter-Horizon Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the Financial Advisors to the Proposed Transaction;</p>



## Interpretations And Definitions

<b>“Independent Directors”</b>	Independent Directors of BTL comprising Elias Hwenga, Bekezela Ncube and Simon Hammond;
<b>“Independent Financial Advisors”</b>	Independent professional expert that the BTL Board has appointed to advise and report on the Offer;
<b>“Closing Date”</b>	The date on which the Primary Offer closes being Monday, 25 September 2023;
<b>“Companies Act” or “COBE Act”</b>	The Companies and Other Business Entities Act (Chapter 24:31);
<b>“Conditions Precedent”</b>	The Conditions Precedent to which the Acquisition is subject, and the Delisting is subject as set out in Paragraph 12;
<b>“IH Securities”</b>	Inter-Horizon Securities (Private) Limited, the sponsoring broker for the Proposed Transaction and a member of the Zimbabwe Stock Exchange;
<b>“Last Practicable Date”</b>	Thursday, 27 July 2023 being the last practicable date prior to the finalisation of this Circular;
<b>“Legal Advisors”</b>	Kantor and Immerman Legal Practitioners, the legal advisors to the Company;
<b>“Makandi Estates (Private) Limited” or “Makandi”</b>	Makandi Estates (Private) Limited, a private limited liability company registered in accordance with the laws of Zimbabwe, Registration No. 6486/97;
<b>“Memorandum of Association”</b>	A legal document of the Company incorporating Company’s relationship with Shareholders and specifies the objectives for which the Company has been formed;
<b>“Non-Resident Shareholder(s)”</b>	A holder of BTL Shares who is resident outside of Zimbabwe and is designated as a non-resident in terms of the Exchange Control Regulations;

## Interpretations And Definitions

<b>“Northern Farming (Private) Limited” or “Northern Farming”</b>	Northern Farming (Private) Limited, a private limited liability company registered in accordance with the laws of Zimbabwe, Registration No. (29970/2008); and a subsidiary of CPZ;
<b>“Notice”</b>	The notice of the Extraordinary General Meeting which was published in terms of the Companies and Other Business Entities Act on Friday, 28 July 2023, advising BTL Shareholders of the Acquisition and which forms part of this Circular;
<b>“Offer”</b>	The Offer by CPZ to acquire, on the terms and conditions set out in this Circular, 100% of the ordinary shares of BTL from BTL Shareholders for the Offer Consideration;
<b>“Offer Consideration”</b>	One (1) new CPZ ordinary share for every 1.1079 BTL Shares held. For the purposes of the Proposed Transaction, shares to be issued will be rounded to the nearest whole number;
<b>“Offerees”</b>	BTL Shareholders to whom the offer is being made;
<b>“Offeror”</b>	Cicada Plantations Zimbabwe (Private) Limited;
<b>“Offer Participants”</b>	BTL Shareholders who validly and lawfully accept the Offer by the Closing Date and who are thus entitled to receive the Offer Consideration;
<b>“Opening Date”</b>	The opening date of the Primary Offer, being Monday, 4 September 2023;
<b>“Primary Offer”</b>	The Offer from the Open Date until the announcement of the acquisition of a Control Block by CPZ or the commencement of the Secondary Offer, whichever occurs earlier;
<b>“RBZ”</b>	Reserve Bank of Zimbabwe;
<b>“Rift Valley Corporation”</b>	Rift Valley Corporation Limited, a private limited liability company registered in accordance with the laws of Jersey, Registration No. 109772;
<b>“Rift Valley Holdings”</b>	A wholly owned subsidiary of Rift Valley Corporation;
<b>“Registrar”</b>	The Registrar of Companies appointed in terms of the Companies Act;
<b>“Remaining Shareholders”</b>	Those BTL Shareholders (excluding any Associates of CPZ) remaining after the acquisition of the Control Block in BTL by CPZ;
<b>“Secondary Offer”</b>	The notice by CPZ to BTL Shareholders who do not accept the Primary Offer of its intention to acquire their shares on the same and conditions terms as those on which the Control Block was acquired;
<b>“Settlement Date”</b>	The date on which the Offer Consideration will be settled to the Offer Participants by way of transfer of CPZ shares;

## Interpretations And Definitions

<b>“Transfer Secretaries”</b>	Corpserve Registrars (Private) Limited who provide share transfer secretarial services to BTL;
<b>“US\$” or “USD”</b>	The United States Dollar;
<b>“VFEX”</b>	The Victoria Falls Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act [Chapter 24:25];
<b>“ZIMRA”</b>	The Zimbabwe Revenue Authority;
<b>“ZSE”</b>	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;
<b>“ZSE Listings Requirements”</b>	The Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, Statutory Instrument 134 of 2019;
<b>“ZW\$” or “ZWL”</b>	The Zimbabwe Dollar;



## Salient Features Of The Offer

### PROPOSED ACQUISITION OF BTL BY CPZ

CPZ has put forward an offer to acquire 100% of BTL's issued share capital in exchange for its shares ("the Acquisition"), resulting in the immediate termination of BTL's ZSE Listing, (together "the Proposed Transaction"). Should the Offer be accepted, it has been concluded that the purchase consideration at the Effective Date is to be settled via the issuance of 1 new CPZ share in exchange for every 1.1079 BTL Shares held, representing 100% of BTL's issued ordinary shares, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL. On completion of the Acquisition, BTL will become a wholly owned subsidiary of CPZ.

BTL Shareholders will be asked to consider and action the following:

- Pass an ordinary resolution requesting BTL Shareholders to approve the terms and conditions of the Offer for the acquisition of the entire issued share capital of BTL;
- Pass an ordinary resolution authorizing the Directors to take such actions as are necessary to give effect to the resolutions;
- For those BTL Shareholders who wish to accept the Offer to sign and return the Form of Acceptance Surrender and Transfer.

### OVERVIEW OF CPZ

Cicada Plantations Zimbabwe (Private) Limited ("CPZ") is an agricultural entity which intends to acquire the entire issued share capital of BTL. CPZ has also simultaneously made an offer to acquire the entire issued share capital of Makandi, a private sister company of BTL (both ultimate subsidiaries of Cicada Holdings Limited) and CPZ with agricultural operations under three estates (maize, macadamia, avocado). Following its acquisition of BTL and Makandi, CPZ intends to list its share capital on the VFEX within twenty-four (24) months of completion of the Proposed Transaction. The VFEX listing would, however, be subject to market interest in a capital raise to be conducted pursuant to the VFEX listing.

### Benefits of the proposed Acquisition of BTL by CPZ

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

- Diversification and synergies;
- Greater value for shareholders;
- Improved balance sheet; and
- Cost savings.

### Benefits of the proposed VFEX listing

The benefits of a VFEX listing of the Enlarged CPZ Group would be:

- Improved access to US\$ capital;
- Efficient dividend repatriation arising from the allowance for offshore settlement;
- Proficient US\$ financial reporting in comparison to ineffective ZW\$ reporting; and
- Limited company valuation volatility on the US\$ exchange.

## Salient Features Of The Offer

### Actions to be taken by BTL Shareholders

Shareholders should refer to the "ACTION REQUIRED BY BORDER TIMBERS LIMITED SHAREHOLDERS" on page 7.

### Conditions Precedent

The implementation of the Offer to acquire the entire issued share capital in BTL by CPZ and the subsequent Delisting of BTL from the ZSE will be conditional upon the fulfilment of the requirements listed in paragraph 12 of this Circular.

### Documents Available for Inspection

Between Friday, 28 July 2023 and the Wednesday, 16 August 2023, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers' and Financial Advisors' Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this Document:

- The Offer from CPZ addressed to the Company's Board Chairman;
- The Memorandum of Association of the Company;
- BTL Board approval of the terms of the Offer and the proposed Delisting of BTL from the ZSE;
- The advisors' written consents to the details in the full Circular;
- The RBZ Exchange Control approval of payment of the Offer Consideration in the form of CPZ ordinary shares to Non-Resident Shareholders;
- The historical financial statements including the Independent Reporting Accountant's Report on the historical information of BTL for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022, which is set out in the full Circular;
- The historical financial statements including the Independent Reporting Accountant's Report on the historical information of CPZ for the two financial years ended 30 June 2021 and 30 June 2022, which is set out in the full Circular;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Makandi;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Cicada Katiyo;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Northern Farming;
- The IH Advisory valuation reports used in determining the swap ratios for the purposes of the Proposed Transaction;
- The CPZ proforma financial information and the Independent Reporting Accountant's Report on the CPZ Proforma financial information, which is set out in the full Circular; and
- The Independent Financial Advisor's Report dated 25 July 2023.

### Update on the Border Award

The Border Award was registered as a judgment of the High Court of Zimbabwe in March 2022. No finalization has yet been reached from ongoing negotiations with the Government of Zimbabwe on the settlement of the Border Award. The Company has recently initiated discussions with the Government of Zimbabwe on the settlement structure and timing of the Border Award. In the meantime, operations on the ground have for the most part continued smoothly with no further material attempts to disrupt BTL's continued occupation and enjoyment of its estates.

**“The Board considers the Offer to be fair and reasonable and recommends that BTL Shareholders approve these terms and accept the Offer.”**

## Chairman’s **Statement**

**Dear Shareholder,**

### **BACKGROUND**

I am writing to you in my capacity as the Chairman of BTL, duly authorised by the Board, to support a 100% share acquisition of BTL by Cicada Plantations Zimbabwe (Private) Limited (“CPZ”), a private limited liability agricultural entity. CPZ has made an offer to acquire the entire issued ordinary shares of BTL to be consummated by way of a swap of shares on the basis of 1 new CPZ share for every 1.1079 BTL shares held, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL, with no cash alternative (“the Offer”).

On successful implementation of the Offer and acquisition of the entire issued share capital in BTL by CPZ, BTL will become a wholly owned subsidiary of CPZ. BTL will terminate its listing on the Zimbabwe Stock Exchange (“ZSE”) in accordance with the ZSE Listing Requirements. Subject to market conditions, CPZ intends to list on the Victoria Falls Stock Exchange within twenty-four (24) months of implementation of the Offer and Acquisition of the entire issued share capital in BTL.

In the last four decades, BTL has established itself as one of the leading forestry, sawmilling and pole production organisations in Southern Africa, operating at high standards and producing treated poles of high quality while serving both local and foreign markets. Through the acquisition of BTL and Makandi Estates (Private) Limited, a related company which CPZ is set to acquire, CPZ seeks to consolidate the above interests to form one combined forestry and agricultural conglomerate with an intention to list on the VFEX subject to market conditions.



## Chairman's **Statement (continued)**

### **The Rationale for the Offer**

Implementation of the Offer and potential Listing on the VFEX will result in the following benefits for BTL Shareholders:

- A larger, diversified CPZ group with the ability to scale its operations and further establish its position as a dominant market player in its industry;
- The possible culmination of greater value to CPZ shareholders through the realization of their combined value on the stock market once CPZ is listed on the VFEX;
- A stronger balance sheet from which a more robust capital base would be leveraged to seek any desired funding; and
- CPZ, BTL and Makandi will benefit from cost savings with the potential merging of the organisations' current administrative and other functions, freeing up cashflow for working capital and other requirements.

### **Rationale for the VFEX listing**

The benefits of the proposed VFEX listing of CPZ would be:

- Improved access to US\$ capital;
- Efficient dividend repatriation arising from the allowance for offshore settlement;
- Proficient US\$ financial reporting in comparison to ineffective ZW\$ reporting; and
- Limited company valuation volatility on the US\$ exchange.

The Board has considered the terms and conditions of the Offer and the Report of the Independent Financial Advisor and is of the firm belief that the exploitation of the opportunities outlined above would propel the relevant companies toward a more strengthened operational and strategic position, and result in accretive value for all stakeholders. The Board considers the Offer to be fair and reasonable and recommends that BTL Shareholders approve these terms and accept the Offer.

[Signed on original]

Friday, 28 July 2023

**Elias Hwenga**

## Offer Circular To All Border Timbers Limited Shareholders

### 1. Introduction and Background to the Offer

Cicada Plantations Zimbabwe (Private) Limited ("CPZ") has put forward an offer to acquire 100% of BTL's (the "Company") issued share capital in lieu of its shares ("the Acquisition"), resulting in the immediate termination of BTL's ZSE Listing, (together "the Proposed Transaction").

Should the Offer be accepted, the purchase consideration at the Effective Date is to be settled via the issuance of one (1) new CPZ share in exchange for every 1.1079 BTL Shares held, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL. On completion of the Acquisition, (assuming acceptance by all BTL Shareholders), BTL will become a wholly owned subsidiary of CPZ.

### 2. Overview of the Offeror

Cicada Plantations Zimbabwe (Private) Limited ("CPZ") is a private limited liability company incorporated in Zimbabwe. It is an agricultural holding company with two subsidiaries, Northern Farming (Private) Limited and Cicada Katiyo (Private) Limited. Like BTL, CPZ is an ultimate subsidiary of Cicada Holdings Limited.

CPZ has resolved to acquire the entire issued share capital of BTL and Makandi Estates (Private) Limited ("Makandi") a private sister company of both CPZ and accordingly CPZ has simultaneously extended an offer to the Makandi shareholder ("Streamcourse Limited") to acquire the entire issued share capital of Makandi.

Makandi is a private limited liability company incorporated in Zimbabwe. Makandi houses three estates, namely, Rusitu (289 hectares macadamia), Chipinge Holdings (127 hectares of avocado and 71 hectares of macadamia) and Smaldeel (237 hectares of macadamia and 100 hectares of maize). This offer has been accepted by Streamcourse Limited and is subject to the implementation of the offer and fulfilment of the relevant conditions precedent. Makandi will therefore become a 100% subsidiary of CPZ.

Following the acquisition of the entire issued share capital of Makandi, CPZ intends to list its share capital on the Victoria Falls Stock Exchange ("VFEX"). The VFEX listing would however be subject to market interest in a capital raise to be conducted pursuant to the VFEX listing.

### 3. Rationale for the Offer

The rationale for the Offer and the acceptance of CPZ Shares in lieu of BTL Shares by BTL Shareholders will result in the following benefits for the Shareholders.

#### (i) Diversification and Synergies

The consolidation of CPZ's, BTL's and Makandi's forestry, orchard and cereal interests under one organisation would result in a larger, diversified asset base, and would also result in synergies between the companies in the Enlarged CPZ Group, thus creating efficiencies for the Enlarged CPZ Group to further scale its operations, production and improve its market position.

## Offer Circular To All Border Timbers Limited Shareholders

### (ii) Greater value for shareholders

It is anticipated that the Enlarged CPZ Group would trade (if successfully VFEX listed) at a higher value in comparison to its current performance, resulting in greater value for the BTL Shareholders

### (iii) Increased Leverage for Borrowing

Through the combined balance sheet of the Enlarged CPZ Group, BTL, through the Enlarged CPZ Group, would have a larger capital base to leverage from for funding for development and expansion.

### (iv) Cost savings

BTL would benefit from cost savings with the potential merging of the organisations' current administrative and other functions, freeing up cashflow for working capital and other requirements.

## 4. Terms of the Offer

CPZ hereby offers to acquire, on the terms set out in this Circular, from the BTL Shareholders all of their ordinary shares for the Offer Consideration. BTL Shareholders who accept the Offer by the Closing Date will receive one (1) new CPZ share for every 1.1079 shares they hold in BTL, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL.

The share swap is based on the relative intrinsic values of BTL and CPZ determined through an independent valuation of the two companies.

## 5. Mechanics of the Offer

The Offer will be implemented in accordance with the COBE Act and the ZSE Listing Requirements in three (3) stages as follows:

- (i) **Primary Offer** – The publication of this Circular shall constitute CPZ's Primary Offer to the Shareholders of BTL from the date of publication to the date of receiving acceptances aggregating to 35% of all the issued shares of BTL. Acceptances of the Offer by 35% of the Shareholders of BTL will constitute an acquisition of a Control Block in terms of the provisions of Section 236 of the COBE Act and the mandatory offer requirements of the ZSE Listing Requirements.
- (ii) **Secondary Offer** – CPZ intends to invoke the provisions of the ZSE Listing Requirements and Sections 237 and 238 of the COBE Act immediately after receiving acceptances of the Offer in aggregate of 35% of the entire BTL Shares constituting the Control Block. Upon acquisition of the Control Block, CPZ intends to issue a notice of the Secondary Offer being notice to BTL Shareholders who would not have accepted the Primary Offer, of CPZ's intention to acquire their shares on the same terms and conditions as those on which the Control Block was acquired. Such notice will be published in the national press, the ZSE Website and the BTL Website. The Secondary Offer will be open for 30 days.



## Offer Circular To All Border Timbers Limited Shareholders

**(iii) Drag Along Acquisition** – If all the CPZ Associates and at least 90% of the Remaining Shareholders accept the Primary and Secondary Offer, CPZ shall be entitled to acquire all the remaining BTL Shareholders' shares on the same terms and conditions that applied to the shares whose holders accepted both the Primary and Secondary Offer in terms of the COBE Act. CPZ will approach the Magistrates Court for an order enforcing its drag along rights in terms of Section 238 of the COBE Act. In the event that the Drag Along provisions of the COBE Act are triggered as set out herein, BTL Shareholders who do not make an election or who are untraceable will have their allotted shares held in trust by the Transfer Secretaries for onward transmission upon tendering genuine and verifiable claims by the relevant BTL Shareholders.

### 6. Pricing of the Offer

The pricing of the Offer has been deemed to be fair and reasonable by the Independent Financial Advisors, Corporate Excellence. The Independent Financial Advisors Report is at Appendix 7.

The pricing was arrived at having considered the intrinsic values of CPZ and BTL.

### 7. Offer Acceptances

All valid acceptances received by CPZ from BTL Shareholders during the Primary Offer shall be deemed to be valid acceptances for the Secondary Offer.

### 8. Procedure for Acceptance of the Offer

- Shareholders who wish to accept the Offer must complete the Form of Acceptance, Surrender and Transfer attached to this Circular in accordance with the instructions therein. The completed Form of Acceptance, Surrender and Transfer must be forwarded together with the relevant share certificates or other proof of ownership and Documents of Title to the Transfer Secretaries as follows:

Transfer Secretaries  
By Hand or Courier  
Corpserve Registrars (Private) Limited  
2nd Floor, ZB Centre  
56 Union Avenue  
Harare  
Zimbabwe

- All acceptances to be received by the Transfer Secretaries no later than 1600 hours on the Closing Date being Monday, 25 September 2023.
- Neither BTL nor any of their advisors take any responsibility, nor will be held liable for any failure on the part of any stockbroker, asset manager or custodian to notify a shareholder of the Offer and/or to obtain instructions from a Shareholder and submit acceptances timeously to the Transfer Secretaries. Should there be any doubt or dispute as to whether you have accepted the Offer or not, then you will be deemed not to have accepted the Offer.

## Offer Circular To All Border Timbers Limited Shareholders

- If a Form of Acceptance, Surrender and Transfer is rejected due to non-compliance with the instructions contained therein, then the BTL Shareholder concerned will be deemed to not have accepted the Offer. CPZ may nevertheless, in its sole discretion, condone the non-compliance by BTL Shareholders of any terms and conditions of the Offer, in which case the deemed rejection of the Offer herein envisaged will not take effect.
- If a BTL Shareholder accepts the Offer in respect of all or some of their BTL Shares and surrenders the relevant Documents of Title, they will not be able to trade such BTL Shares from the date of such, Surrender and Transfer.
- If the Offer Consideration is not sent to the Offeree entitled thereto, either because the relevant Documents of Title have not been validly surrendered, or in the case of Drag-Along where the BTL Shareholders cannot be traced or have not accepted the Offer, unless otherwise agreed between BTL, CPZ and any of the Offerees, the relevant Offer Consideration will be held in Trust by CPZ for the benefit of the Offerees and or untraceable BTL Shareholders concerned until claimed by the Offerees or untraceable BTL Shareholders.
- The CPZ shares which will be exchanged for BTL Shares will be acquired by the BTL Shareholders free from any liens and charges, equitable interests, third party rights and encumbrances and together with all rights attaching thereto on or after the Closing Date, including the right to all dividends and other distributions declared, made or paid after the Closing.

### 9. Settlement of the Offer Consideration

- The Offer Consideration will, where Documents of Title have been validly surrendered prior to the Closing Date, be credited to the Offer Participants' CSD accounts on or about the Settlement Date.
- BTL Shareholders will get a full new CPZ share for every fractional entitlement resulting from the calculation of the Offer Consideration.
- The Offer Consideration in the form of CPZ Share Certificates due to the BTL Shareholders who have accepted the Offer will be posted to the addresses registered in the BTL Share Register at the risk of such Offerees unless written instructions to the contrary have been furnished to BTL in the Form of Acceptance, Surrender and Transfer.
- If the Offer Consideration is not sent to the Offeree entitled thereto, either because the relevant Documents of Title have not been validly surrendered, or in the case of Drag-Along where the BTL Shareholders cannot be traced or have not accepted the Offer, unless otherwise agreed between BTL, CPZ and any of the Offerees, the relevant Offer Consideration will be held in Trust by CPZ for the benefit of the Offerees and or untraceable BTL Shareholders concerned until claimed by the Offerees or untraceable BTL Shareholders.
- The CPZ shares which will be exchanged for BTL Shares will be acquired by the BTL Shareholders free from any liens and charges, equitable interests, third party rights and encumbrances and together with all rights attaching thereto on or after the Closing Date, including the right to all dividends and other distributions declared, made or paid after the Closing Date.

## Offer Circular To All Border Timbers Limited Shareholders

### 10. Termination of BTL Listing on the ZSE

Subject to the fulfilment of the Conditions Precedent set out in Paragraph 12 and the Offer being accepted by Shareholders of BTL to the extent that CPZ's shareholding in BTL exceeds 70%, thereby falling in breach of shareholder spread requirements of the ZSE, the termination of listing of BTL on the ZSE will be required in accordance with the ZSE Listing Requirements.

Therefore, CPZ intends that BTL apply to the ZSE for voluntary delisting. Subject to the fulfilment of the Conditions Precedent set out in Paragraph 12, the termination of listing of BTL Shares will be carried out in accordance with the ZSE Listing Requirements. If the Proposed Transaction does not become operative in its entirety, BTL may still apply for voluntary termination of its listing subject to compliance with the ZSE Listings Requirements.

### 11. Offer Period

The Primary Offer opens for acceptance at 0900hrs on the Opening Date Monday, 4 September 2023 and will close at 1600hrs on the Closing Date. In terms of Section 237 of the COBE Act, CPZ's Secondary Offer will remain open for a period of thirty (30) days after the date on which the Secondary Offer is announced.

### 12. Conditions Precedent

The Proposed Transaction is subject to the following conditions being satisfactorily completed or lawfully waived:

- The Offer being accepted by BTL Shareholders representing not less than thirty-five per cent (35%) of the total BTL Shares ("Control Block");
- CPZ notifying the Remaining Shareholders of BTL of the Secondary Offer;
- The RBZ Exchange Control approval of payment of the Offer Consideration in the form of CPZ ordinary shares to Non-Resident Shareholders;
- Approval of the Acquisition of the BTL Shares by CPZ by the Competition and Tariff Commission;
- BTL Shareholders applying for and obtaining Capital Gains Tax clearance certificates from ZIMRA for the acquisition of their BTL Shares CPZ;
- Obtaining all such other necessary regulatory approvals as may be required.

### 13. Tax Implications

The tax treatment of Offer Consideration on the Offerees is dependent on the individual circumstances of and tax jurisdiction applicable to such Offerees. It is recommended that Offerees consult their professional advisors regarding their individual tax positions regarding the Offer Consideration.

## Offer Circular To All Border Timbers Limited Shareholders

### 14. Future Prospects of CPZ post the Acquisition of the entire issued share capital of BTL by CPZ

The Directors of CPZ advise that they are of the opinion that subsequent to the Acquisition, additional capital in the form of equity would be beneficial to leverage the Enlarged CPZ Group's existing forestry and agri-assets and accompanying synergies into a larger, more scalable conglomerate.

As a result, following the Acquisition, CPZ intends to embark on a capital raise with the intention of listing onto the VFEX. Resultantly, CPZ directors are considering a US\$10 million new equity issuance in CPZ following the Acquisition by way of private placement, and the subsequent listing of the issued shares onto the VFEX. Any additional funding would be distributed among the Enlarged CPZ Group to fund the various companies' capital expenditure plans.

The proposed VFEX listing has several benefits for the Offerees.

#### (i) Improved access to US\$ Capital.

The Enlarged CPZ Group which will include BTL, Makandi, Northern Farming, Cicada Katiyo will assume a greater ability to raise US\$ Capital, drawing from the VFEX's potential to become a regional exchange.

#### (ii) Efficient dividend repatriation

Foreign shareholders on the VFEX can repatriate their dividends freely in foreign currency and can settle their proceeds from share disposal offshore.

#### (iii) Proficient Financial Reporting

Due to the requirement for US\$ reporting on the VFEX, more effective reporting of the Enlarged CPZ Group companies would result in the true value of the business being conveyed through the financial statements, thus providing shareholders with an enhanced capacity for decision making.

#### (iv) Limited Valuation Volatility

A de facto third-party US\$ valuation of the Enlarged CPZ Group will result from its VFEX listing, enabling its shareholders to realise the true value of their holdings and provide a more accurate benchmark of the stock's performance while mitigating valuation volatility.



## Disclosures For Purposes Of The Offer

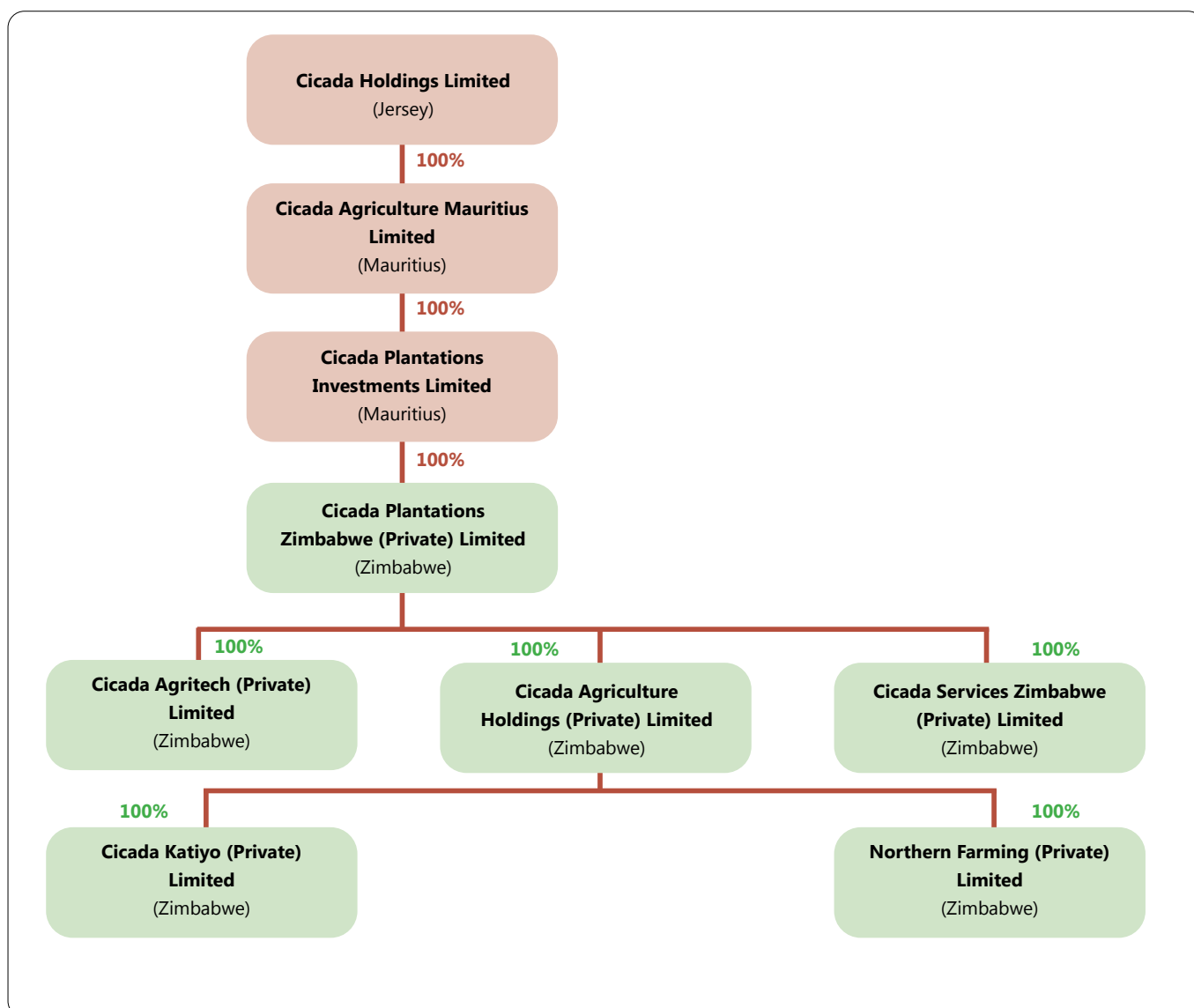
### 1. OVERVIEW OF CPZ

#### 1.1. Background

CPZ is an agricultural entity which intends to list its share capital on the Victoria Falls Stock Exchange (“VFEX”) within twenty-four (24) months following its intended acquisition of the entire issued share capital of Makandi and of BTL, subject to market interest. CPZ is 100% owned by Cicada Plantations Investment Limited (CPIL), a Mauritian registered company, invested in Zimbabwe under a Zimbabwe Investment and Development Authority (“ZIDA”) licence.

The Enlarged CPZ Group structure will include Cicada Katiyo, Northern Farming, Makandi and BTL.

#### 1.2. Current CPZ Group Structure



## Disclosures For Purposes Of The Offer

### 1.3. Cicada Katiyo (Private) Limited

Cicada Katiyo (Private) Limited (“Cicada Katiyo”) is a wholly owned subsidiary of CPZ. Katiyo Estate is 1,700 Ha in extent and situated in the northern reaches of the Honde Valley, on the Eastern Border of Zimbabwe (“the Estate”). This region of Zimbabwe enjoys ideal climatic conditions for the growing of macadamia nuts and avocados, and the Estate is bordered by the Pungwe River which provides an excellent perennial water source. With a mean annual rainfall in excess of 1,100 millimeters and at an altitude of 650 meters it has an almost equatorial/temperate climate. The Honde Valley encompassed by the Nyanga mountains has a high humidity by comparison to the rest of the country. These conditions make it ideal for tropical cropping. The South and Eastern boundaries of the Estate are geologically identified by the Pungwe river. Rising at Mount Inyangani, it is the fourth largest perennial river in Zimbabwe and supplies the Estate with 80% of its irrigation requirements. The Northern boundary of the Estate is identified by the Rwera River, also a substantial perennial river rising in the Eastern region of Nyanga where perennial rainfall keeps the river well fed. This river supplies 20% of the Estate’s irrigation needs. These two rivers are large enough to be infiltration deterrents along much of their lengths. The Estate’s Western boundary is identified by beacons and boundaries with settler farmers.

Soils on the Estate are mostly clay-loam, popular for their water holding traits and efficient transformation of nutrients into productivity. The entire boundary of the Estate, (24 kilometers), is electric fenced with a 1.8-meter fence. Other internal infrastructure is further fenced for asset protection. The Estate is focused on sustainable agriculture and encompasses regenerative practices in its operations.

**The Estate currently comprises the following:**

- 193 ha of macadamia, with an average crop age profile of 2 years 9 months from which 750 tonnes of macadamia are to be produced per year when fully mature in 2028 – 2029; and
- 250 ha of avocado, with an average crop age profile of 2 years from which 6,000 tonnes of avocados are expected to be produced per year when the plants are fully mature in 2028 – 2029.

By 2025, the Estate will house 193 ha of fully irrigated nut bearing macadamias, 310 ha of fully irrigated fruit bearing has avocados, have fully rehabilitated infrastructure and have a packhouse to suit its own production. By 2028 it is envisaged that a further upgrade of infrastructure will see it able to handle smallholder production from within the Honde Valley.

Cicada Katiyo has signed a 20-year (renewable to 30 years) contract with Agricultural and Rural Development Authority (“ARDA”) to redevelop the Katiyo Estate. Cicada Katiyo has further opportunity to cultivate 200 ha of ARDA land 18 km away. This contract will not be affected by the implementation of this Offer.

A valuation of Cicada Katiyo has been carried out and is referred to in the Independent Financial Advisor’s Report.

## Disclosures For Purposes Of The Offer

### 1.4. Northern Farming (Private) Limited

Northern Farming (Pvt) Ltd (“Northern Farming”) is a Zimbabwean agricultural entity wholly owned by CPZ. During 2020, the company sold its grower book to Paperhole Investments (Pvt) Limited. Northern Farming is therefore now comprised of one fully irrigated ARDA estate, on which the company grows 484 hectares of wheat (winter) and 484 hectares of soya beans (summer).

A valuation of Northern Farming has been carried out and is referred to in the Independent Financial Advisor’s Report.

### 1.5. Proposed acquisition of Makandi Estates (Private) Limited

Makandi is based in Chipinge, Zimbabwe, was acquired by Rift Valley Holdings in 2005 and is now housed under Cicada Agriculture Mauritius Limited, as are CPZ and BTL. It comprises nine properties consisting of three farms which are Rusitu (3800 ha), Chipinge Holdings (500 ha) and Smaldeel (880 ha) (the “Makandi Estate”). All farms are located in ideal growing conditions for plantations. 20-year average of 1,200 millimeters rainfall. The region sits between 900 and 1,100 millimeters, often receiving winter rainfall. Makandi produces macadamias, avocado and maize – avocados are exported to the European market, macadamia nuts are exported to South Africa, while maize and bananas are produced for local markets. While the original strategy was to produce coffee, Makandi has since 2004 diversified into other agricultural produce. Furthermore, Makandi has been growing maize since 2008.

The Makandi Estate is committed to sustainable farming methods, both main crops being accredited to GlobalGAP or similar. Makandi is in the process of becoming Rain Forest Alliance compliant.

The farms currently comprise the following:

- 640 ha of macadamia, from which 1,000 tonnes of macadamia are expected to be produced in 2023;
- 100 ha of avocados, from which 1,500 tonnes of avocado are expected to be produced in 2023;
- 100 ha of maize, from which 500 tonnes of maize are expected to be produced in 2023;
- 180 ha of bananas at Rusitu under partnership with Matanuska;
- 700 head of beef cattle; and
- 800 employees across 3 farms.

Makandi also has a 50% stake in a joint venture, the Chipinge Banana Company (Private) Limited (“CBC”), located in the South-Eastern Region of Zimbabwe. CBC houses a 200-ha mature banana plantation and is one of the country’s largest banana estates. Of the 7,000 – 8,000 ha of bananas that it currently produces annually, CBC sells about 90% locally while 10% is exported to South Africa.

## Disclosures For Purposes Of The Offer

Certain of the properties that comprise the Makandi Estate were expropriated by the Government of Zimbabwe in the early 2000's but were the subject of an award handed down on 28 July 2015 by a tribunal at the International Centre for Settlement of Investment Disputes in Washington D.C. in favour of Heinrich von Pezold and his family (the "VP Family") ("VP Award") whereby the Government of Zimbabwe was ordered to restore title to the affected properties of the Makandi Estate or alternatively to pay damages and or compensation. As part of the settlement agreement entered into between the VP Family and the Border Timbers Limited and others in December 2021 relating to the Border Award and the VP Award, it was agreed among other things, that the VP Family are prohibited from settling the VP Award as it relates to the Makandi Estate on terms that involve them or any other person (other than BTL or a member of the Rift Valley Corporation group or other entity owned by the principal shareholders in Rift Valley Corporation) acquiring any interest in all or any part of the Makandi Estate.

### 1.6. CPZ Directors

CPZ intends to appoint further directors in the short term in line with the generally accepted principles of good corporate governance as well as the COBE Act.

#### Ruvimbo Chipango

Ms. Chipango has 20 years of experience, of which 10 have been with Rift Valley Corporation. After two years as the financial director for Northern Tobacco, she assumed additional responsibilities as the Zimbabwe Head of Finance for Rift Valley Group operations in Zimbabwe. Effective 1 July 2021, Ruvimbo assumed the role of Group Chief Finance Officer for the Rift Valley Group. Ms. Chipango is a Qualified Chartered Accountant (Zimbabwe) and holds a Masters' of Business Leadership degree from the University of South Africa. Ms. Chipango has extensive finance and management experience - prior to joining Northern Tobacco, she served as the Group Finance Director for a media group from 2011 to 2013. She also spent 6 years with Nedbank Limited Zimbabwe as Finance Director and Head of Strategy and Advisory Services and was a member of the bank's Asset and Liability Committee and was the Deputy Chairperson of the Credit Committee. For 5 years Ms. Chipango was Nedbank Zimbabwe's Divisional Executive responsible for Financial Advisory Services incorporating Corporate Finance and Project Finance. Prior to that, she spent seven years as Senior Audit Manager with Ernst & Young Chartered Accountants (Zimbabwe).

#### Nick de Swardt

Mr. de Swardt has 19 years of experience, 10 years of which have been with Rift Valley Corporation. Mr. de Swardt previously worked for Moody's Rating Agency in Structured Finance and PIMCO in the Structured Debt Advisory group in London. Mr. de Swardt also has years of experience in managing commercial farming operations in Zimbabwe. He holds an MSc in Financial Mathematics from the University of Cape Town and a BSc Honours in Mathematics from the University of Edinburgh.



## Disclosures For Purposes Of The Offer

### Paul West

Mr. West has 26 years of experience, 4 years of which were with Rift Valley Corporation. He assumed the role of Rift Valley Corporation group CFO in 2011 and joint CEO of Rift Valley Corporation group in 2018 and has extensive multinational experience. Mr. West holds a Bachelor of Social Science from the University of Cape Town and is a Qualified Chartered Accountant after completing his articles with Ernst and Young in the United Kingdom. Mr. West holds previous experience as CFO at African Lakes Corporation and Commercial Director at the New Forests Company.

## 2. OVERVIEW OF BORDER TIMBERS LIMITED

### 2.1. Background

BTL is a limited-liability company incorporated under the laws of Zimbabwe. The Company's shares have been listed on the Zimbabwe Stock Exchange since 1959.

Border Timbers Limited (BTL), is a timber growing and milling company and has been in the business of managing plantations for over 50 years. The plantations are at five sites, Sheba and Imbeza estates in Penhalonga (Northern Area) and Charter, Tilbury and Sawerombe estates in Chimanimani (Southern Area). BTL operates on about 48,000 hectares of land, of which some 20,000 is plantable, across four estates around Mutare, Zimbabwe. Its two sawmills have the capacity to produce 90,000 m<sup>3</sup> of sawn logs annually. It also has a pole treatment plant.

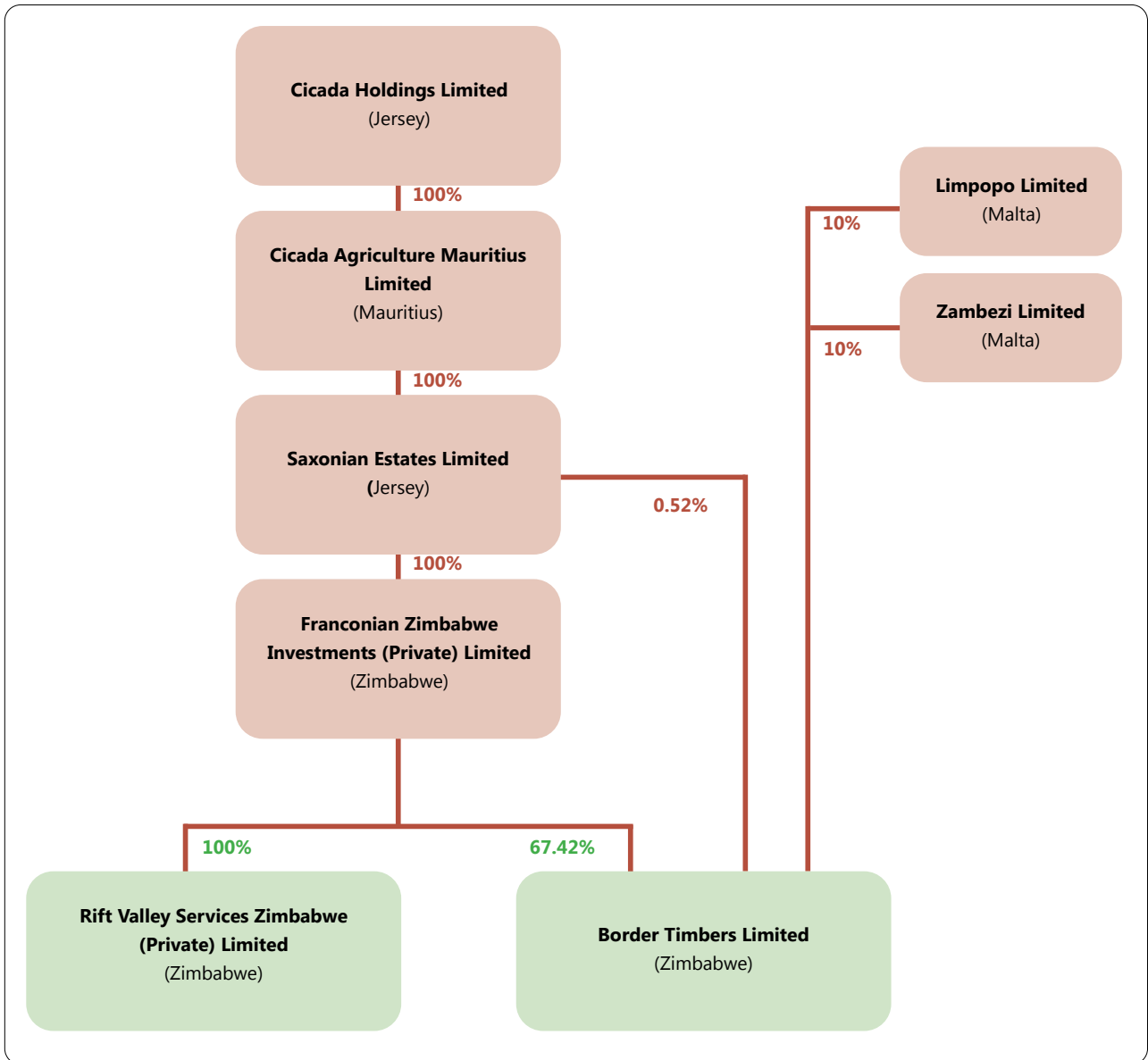
The total area of BTL's estates is about 48,000 hectares split as follows:

Estate	Gross Area (Ha)
Sheba Estate - Pine	6,246.0099
Imbeza Estate - Eucalyptus	2,880.2685
Tilbury Estate - Eucalyptus	11,262.9348
Charter Estate - Pine	18,241.2954
Sawerombe Estate - Pine	9,255.3386
<b>Total</b>	<b>47,885.8472</b>

The estates' primary activities centre on planning, silviculture, harvesting, log deliveries to sawmills and road and fire management which is all supported by a total human capital resource of 627 workers comprising permanent and seasonal workers. BTL outsources various forestry and harvesting operations. Border Timbers operates two sawmills, Sheba Sawmill in Penhalonga and Charter Sawmill located in Chimanimani. The sawmills cut logs into rough sawn timber into a variety of sizes, grades and finishes.

BTL's markets include Botswana, South Africa, Mozambique, Namibia, Malawi and Zambia.

## Disclosures For Purposes Of The Offer



### 2.3. Forest management

Zimbabwe Eastern Highlands’s favourable growing conditions and the Company’s internationally bench marked forest practices have resulted in the highest quality, sustainably managed plantation forests by global benchmarks. All plantations are sustainably managed over a 22 and 12-year rotation pine and eucalyptus respectively.

BTL owns and manages five plantations namely Charter, Sawerombi, Sheba, Imbeza and Tilbury. Total landholding is 48,000ha with 20,000ha of plantable land of which 13,100ha is under forestry and the balance is available for planting. Road establishment and maintenance are carried out within strict parameters to minimize the impact on the environment, ensure adequate levels of drainage and maximize the aesthetics of the planted area.

## Disclosures For Purposes Of The Offer

### 2.3.1. Silvicultural Practices

Border Timbers Limited procures its seedlings for planting in its nurseries using high quality seed obtained from Ezigro Seedlings (South Africa).

Silvicultural operations focus on the establishment and maintenance of both pine and eucalyptus plantations. In establishing the plantations, care is taken to match plant species with the site characteristics in order to produce the best possible yield and quality and reduce the risk of pathogens. The silvicultural practices employed in maintaining, thinning, and pruning the trees are done with a primary purpose of maximizing the yield of clear and tight knot timber.

Weed type and infestation levels determine the method of weed control. Manual, mechanical, and chemical control methods are commonly used. Manual weeding involves both spot clearing and row cleaning using hoes. Mechanical weeding is achieved using brush cutters. Chemical weeding using environmentally acceptable herbicides is also practiced to achieve effective control of problem weeds.

### 2.3.2. Protection

Border Timbers Limited naturally regards fire as the major threat to the Company's plantations. The Company constantly reviews its fire protection plans to minimize potential fire damage losses.

Baboon damage to plantations has been on the increase over the last 10 years. This has resulted in high tree mortality and significantly reduced log recoveries per hectare. Several control methods to reduce the damage are currently under trial at both Company and industry level in Zimbabwe. Borders Timbers continues to participate in Baboon control research with other Southern African Countries. Current re-planting is focused on areas with minimum baboon invasions.

### 2.3.3. Harvesting Operations

Sawlog harvesting takes place on a rotational period of 22 years for pine and 12 years for eucalyptus. Harvesting operations are carried out in a manner that minimizes environmental damage.

## Disclosures For Purposes Of The Offer

### 2.4. Pole Production

Border Timbers Limited produces poles from its own managed forests. BTL has 2,500 hectares devoted to eucalyptus production which is managed for poles.

Border Timbers Limited produces light, telephone, and transmission poles from two species, namely eucalyptus grandis and eucalyptus cloeziana. Eucalyptus grandis transmission poles have a minimum strength of 55MPa while eucalyptus cloeziana transmission poles have a minimum strength of 75MPa. The production availability of these two species of poles has been a major strength to Border Timbers Limited as it gives ability to meet varied requirements from customers. Where a customer requests higher strength poles, BTL supplies eucalyptus cloeziana exclusively.

#### 2.4.1. Plant location

The pole treatment plant is in Mutare which is 150km away from the forests in Chimanimani and 35km from the forests in Penhalonga. The plant has an annual production capacity of 15,000m<sup>3</sup> - 20,000m<sup>3</sup>. This makes BTL the biggest pole producer in Zimbabwe and a major player in the region.

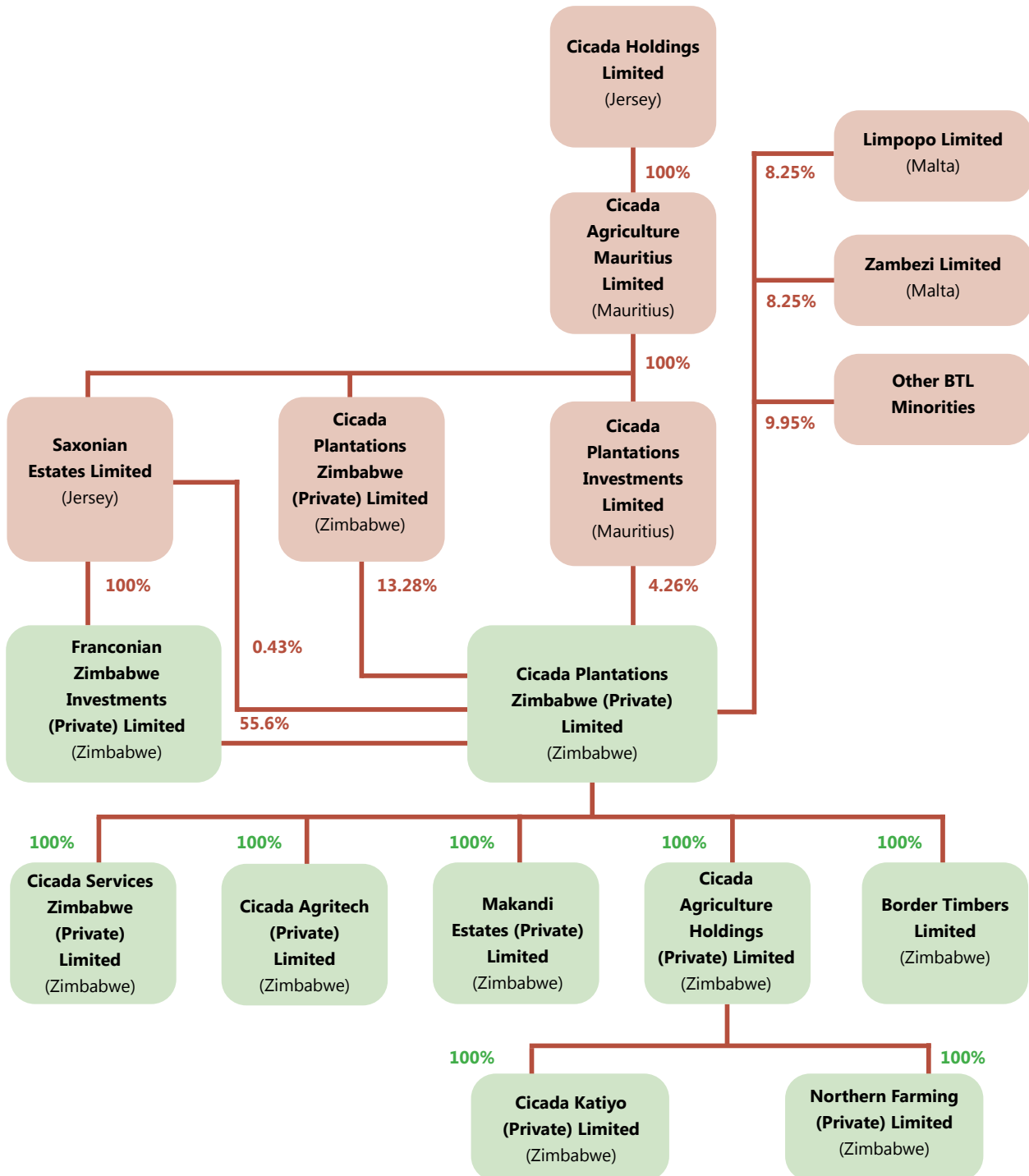
#### 2.4.2. Pole Market

Border Timbers Limited sells its poles in the SADC region where transmission poles are sold direct to power utilities. Power utilities that are supplied by BTL are BPC (Botswana), ZESCO (Zambia), ESCOM (Malawi), EDM (Mozambique) and ZESA (Zimbabwe). BTL also supplies various companies that are assisting or contracted by power utilities to erect power lines such as Eltel (Botswana and Mozambique), and projects that are funded by the rural electrification authorities of Zimbabwe and Zambia.



## Disclosures For Purposes Of The Offer

### 2.5. Post-Transaction CPZ Group Structure



## Corporate Governance

### 3. CORPORATE GOVERNANCE

#### 3.1. Introduction

BTL is committed to the highest corporate governance standards and best practices. The Company's culture of ethical business practices, transparency, integrity and accountability provide a robust foundation for effective corporate governance.

BTL recognizes that the primary objective of any system of corporate governance is to ensure that directors, executives, and managers carry out their responsibilities faithfully, effectively and efficiently. The Company's structure, operations, policies and procedures are continuously assessed and updated for compliance with national laws and generally accepted corporate governance practices. The Company continues to align its corporate governance practices with the Companies and Other Business Entities Act (Chapter 24:31), Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules 2019 (SI.134 of 2019) and the National Code on Corporate Governance in Zimbabwe (ZIMCODE).

The Board of Directors oversees determining the overall strategy, major policies, and risk tolerance levels. Additionally, it approves major purchases, sales, and interim and yearly operating as well as strategic plans and budgets. Key performance indicators and best practice benchmarks are used to track the application of the overall strategy, policies, and risk management. Executive management provides organised reports so the Board can keep track of the Company's performance.

#### 3.2. Board of Directors

The Company's Articles provide for the appointment of independent Directors. Directors were appointed in a formal and transparent manner. Each Director has been separately identified, as a person with the requisite qualifications, skills and experience as well as ethical standing, to contribute to the strategy and performance of the Company. Appointments of directors are ratified at the annual general meeting (AGM) of shareholders. The Board currently comprises two Executive Directors and six Non-Executive Directors, three of whom are independent. The Chairman of the Board is an Independent Non-Executive Director, thus ensuring a separation of powers and authority.

The Directors serving on the Board that are classified as independent have an absence of an interest, position, association or relationship which is likely to influence unduly or cause bias in decision-making. The Board is satisfied that these Directors act with independence of mind and in the best interest of the Company.

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

## Corporate Governance

Full Name	Appointed	Address	Position
Elias Hwenga	26 March 2014	309 Stalham Avenue, The Grange, Chisipite, Harare	Independent Non-Executive Chairman
Erhard Kuhn	1 January 2013	5627 Murambi, Mutare	Managing Director
Lysius Karimanzira	1 June 2017	4 Chikomo Avenue, Murambi, Mutare	Finance Director
Bekezela Ncube	12 January 2022	5 Second Avenue, Mabelreign, Harare	Independent Non-Executive Director
Simon Hammond	12 January 2022	29 Harare Drive, Chisipite, Harare	Independent Non-Executive Director
Carlo Ravizza	15 November 2018	106 Kensington High Street, London W8 4SG, United Kingdom	Non-Executive Director
Robert Strong	26 March 2014	68 Orange Grove Drive, Highlands, Harare	Non-Executive Director
Glenn Youngs	12 January 2022	47 Umwinsidale Road, Harare	Non-Executive Chairman

### Elias Hwenga

Mr. Hwenga is an experienced director with a demonstrated history of working in the manufacturing, agro-industrial, construction and real estate industries. He has 24 years of extensive experience in plantations and seasonal agriculture at both operational, executive and board levels. Mr Hwenga currently provides executive leadership for a construction and property development group. He is a qualified Chartered Management Accountant (FCMA) UK with an MBA from University of Kwazulu Natal, South Africa.

### Erhard Kuhn

Mr. Kuhn joined Border Timbers as Managing Director in January 2013 and was appointed to the Board on the same day. He has vast forestry experience in South Africa and Asia with a proven record of turning organizations around to improve profits, growth, and business efficiencies. Mr. Kuhn holds a National Forestry Diploma Saasveld Forestry College South Africa and a B. Com Acc UNISA South Africa.

## Corporate Governance

### **Lysius Karimanzira**

Mr. Karimanzira has 18 years of experience, 12 years of which were with Rift Valley Corporation group and 6 years with Border Timbers Limited as Finance Director. He has extensive financial management experience in forestry and agriculture entities in Zimbabwe and in the region. He trained with Fairvalue Chartered Accountants (Zimbabwe) and holds a Bachelor of Science Hons degree in Applied Accounting from Oxford Brookes University (UK), is an Association of Chartered Certified Accountants (ACCA) Member and is a Registered Public Accountant Zimbabwe (RPacc).

### **Bekezela Ncube**

Ms. Ncube is a Principal and Partner at Criterion Africa Partners, a US-based fund manager that invests in the forestry and agriculture value chain across Sub-Saharan Africa to achieve commercial, climate, and development objectives on behalf of an array of investors. She is experienced in financial analysis, as Ms. Ncube was formerly a bank stock analyst at Sanford C Bernstein in New York City before working at the Clinton Foundation, where she was part of a group of teams that set up some of the most wide-ranging programs for the management of HIV, malaria, and other infectious diseases. She currently partners with boards of directors and management teams across the CAP-related portfolio companies to identify and execute on business development opportunities, supporting value creation and asset improvements. Additionally, Ms. Ncube and her colleagues on the CAP team have successfully managed almost US\$300 million in investments over the past decade and continue to stay at the forefront of the African forestry investment landscape. Ms. Ncube received her undergraduate degree in Economics with honours from Harvard University. She also has an MBA in Finance from the University of Pennsylvania's Wharton School and a Master's in Public Policy in International Development from the Harvard Kennedy School.

### **Simon Hammond**

Mr. Hammond retired in March 2020 after over 20 years with the Old Mutual Group, having been Managing Director of Central Africa Building Society for 5 years. He was a partner of KPMG Zimbabwe and Mozambique prior to that and is a past President of the Institute of Chartered Accountants of Zimbabwe and currently serves as a non-executive director of companies including Meikles Limited and Tanganda Tea Company Limited. Additionally, Mr. Hammond is currently the Chairman of the Board of Governors of Peterhouse.

### **Carlo Ravizza**

Mr. Ravizza is an Investment Director at Höegh Capital Partners Limited and director on a number of controlled investments (including Rift Valley Corporation). He has been involved with Rift Valley Corporation and its Sub-Saharan activities since 2011. Mr. Ravizza additionally has 16 years of combined experience, of which 11 years have been at Höegh Capital Partners. He previously worked at global firms covering various advisory roles (McKinsey, Bain, Alvarez & Marsal, AlixPartners, JPMorgan). His qualifications include a BA (business administration and finance) summa cum laude at University of Torino and Master's in Business Administration from London Business School.



## Corporate Governance

### Robert Strong

Mr. Strong has 27 years of experience, 9 years of which were with Rift Valley Corporation. He assumed the role of Rift Valley Corporation CEO in January 2014 and is the co-founder of Northern Tobacco and Northern Farming with extensive experience in private commercial agriculture. Mr. Strong holds a Degree in Agricultural Business Management from London University, and as a Qualified Chartered Accountant after completing his articles with PriceWaterhouseCoopers in the United Kingdom.

### Glenn Youngs

Mr. Youngs has 17 years of experience in Agribusiness, 9 years of which have been with Rift Valley Corporation as General Manager then Managing Director of Northern Tobacco and he holds a BSc (Hons) Agriculture (International) from The Royal Agricultural College in Cirencester.

### 3.3. Board Committees

The allocation of roles and responsibilities and the composition of Board committees have been considered holistically by the Board with the aim to promote effective collaboration among committees with minimal overlap and fragmentation of duties, as well as a balanced distribution of power. These delegation arrangements are to promote independent judgement, to assist with balance of power and to assist with the effective discharge of its duties by the Board. Members of executive and senior management are invited to attend Board committee meetings, either by standing invitation or on an ad hoc basis to provide pertinent information and insights in their areas of responsibility.

The Board has established and mandated two committees to perform work on its behalf in various key areas affecting the Company. The committees are chaired by Independent Non-Executive Directors, and they submit reports to the main Board on the respective deliberations and findings. Below are the two committees set in place by the Board and the respective members that constitute those committees:

#### 3.3.1. Audit Committee

The committee consists of the three Non-Executive Directors. The internal and external auditors attend the meetings and have unrestricted access to the Chairperson of the committee. The committee meets at least twice a year. Key functions of this committee include but are not limited to:

- Advising the Board on all matters relating to corporate governance and regulatory issues, in particular, monitoring; financial controls, accounting systems and assessing the processes for identifying, monitoring and managing business risks.
- Reviewing any significant abnormal transactions, ensuring there are no restrictions on the external auditors work and following up matters reported or unresolved with the auditors.
- Monitoring the Internal Audit Charter, plans, programs and reports and recommending appointment of external auditors.
- Reviewing the Company's financial statements and external audit fees before submission to the Board for consideration and approval.

## Corporate Governance

### 3.3.2. Remuneration Committee

The committee consists of the three Non-Executive Directors. The committee meets at least twice a year. Key functions of this committee include but are not limited to:

- Making recommendations on all major human resources policy issues, including Board appointments and the remuneration policy of the Executive Directors and senior management (the objective of the policy is to ensure the right calibre of management is recruited and retained).
- Considering, at the Board level, remuneration levels and conditions of service of staff to ensure that these are fair, appropriate and in line with the market and the Company's remuneration philosophy.

### 3.4. Directors Interests

During the year under review, no Directors had any material interests which could cause significant conflict of interest with the Company's objectives.

As at 26 July 2023 the Directors do not hold, directly or indirectly any shares in the Company:

### 3.5. Other interests

As at 26 July 2023, the Directors directly and / or indirectly held no other beneficial interests in/with BTL.

### 3.6. Dealing in Shares

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

### 3.7. Composition of BTL Board following implementation of the Offer

CPZ does not intend to make changes to the Board of BTL following the implementation of the Offer and the subsequent Delisting from the ZSE. However, should any changes occur, these shall be communicated in due course through the appropriate channels when such decision is made. Nothing contained herein shall preclude BTL from removing any Director of BTL in accordance with the provisions of the COBE Act after the implementation of this Offer and the Delisting of BTL from the ZSE.

### 3.8. Directors Remuneration and Service Contracts

The total remuneration receivable by BTL Directors will not be varied because of the Offer. There are no material particulars of an abnormal nature in respect of BTL Directors' service contracts which require specific disclosure, nor any Directors' service contracts entered into during the period six (6) months prior to the Opening date and ending on the Last Practicable Date.

## Share Information

### 4. SHARE INFORMATION

#### 4.1. Share Capital

The share capital of BTL is shown below:

##### **Authorised:**

US\$43,000,000 divided into 430,000,000 ordinary shares of US\$0.01 each

##### **Issued: (As at 30 June 2022)**

US\$429,424.87 divided into 42,942,487 ordinary shares of US\$0.01 each

#### 4.2. Authorised but unissued share capital

The authorised but unissued share capital of the Company is under the control of the Directors, subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Companies and Other Business Entities Act (Chapter 24:31); and the ZSE Listing Requirements.

#### 4.3. Variation of Rights

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

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

#### 4.4. Voting Rights

The authorised but unissued and issued BTL ordinary shares are the same class and rank pari passu in every respect. One ordinary share is entitled to one vote.

**Share Information****4.5. Current BTL Shareholding**

The table below details the top nineteen shareholders of BTL as at 25 July 2023:

<b>Rank</b>	<b>Name</b>	<b>Number of Shares</b>	<b>Percentage</b>
1	Franconian Zimbabwe *	29,186,930	67.96
2	Limpopo Limited *	4,294,248	10.00
3	Zambezi Limited *	4,294,248	10.00
4	Border Timbers Pension Fund	903,142	2.10
5	Wilhel Henry Alfred Hansalbert	343,847	0.80
6	Nssa - National Pension Scheme	294,307	0.69
7	Saxonian Estate Limited *	223,239	0.52
8	Mr Prakash Radia	218,248	0.51
9	Tonly Investments (Private) Limited	218,196	0.51
10	Mr. David Myers Graham	215,373	0.50
11	Radar Holdings Limited Pension Fund	170,170	0.40
12	Salisbury New Pool Settlement.	114,088	0.27
13	United Builders Merchants Pension Fund	95,977	0.22
14	Edwards Nominees (Pvt) Ltd	92,141	0.21
15	Tudley Holdings Nnr	90,500	0.21
16	Local Authorities Pension Fund	86,150	0.20
17	Zimbabwe Electricity Ind. P/Fund	86,126	0.20
18	Zesa Staff Pension Fund	82,919	0.19
19	Tudeley Holdings Limited	76,812	0.18
	<b>Selected Shares</b>	<b>41,086,661</b>	<b>95.68%</b>
	Non - Selected Shares	1,855,826	4.32%
	<b>Issued Shares</b>	<b>42,942,487</b>	<b>100%</b>

\* CPZ Associates by virtue of common ultimate shareholding.

A total of 233,844 shares comprising 0.54% of BTL's issued share capital have been transferred to Franconian Zimbabwe Investments (Private) Limited ("Franconian") from three former BTL Shareholders. The shares are yet to be registered.

## Share Information

### 4.6. Share price history

The tables below provide statistical information on the market price and volumes traded of BTL Shares. Prices are shown in US\$ per share:

#### Daily Share Price

Date	Closing Price	Volume	Date	Closing Price	Volume
09/11/2018	0.20	0	17/10/2018	0.20	0
08/11/2018	0.20	0	16/10/2018	0.20	0
07/11/2018	0.20	0	15/10/2018	0.20	0
06/11/2018	0.20	0	12/10/2018	0.20	0
05/11/2018	0.20	0	11/10/2018	0.20	0
02/11/2018	0.20	0	10/10/2018	0.20	0
01/11/2018	0.20	0	09/10/2018	0.20	0
31/10/2018	0.20	0	08/10/2018	0.20	0
30/10/2018	0.20	0	05/10/2018	0.20	0
29/10/2018	0.20	0	04/10/2018	0.20	0
26/10/2018	0.20	0	03/10/2018	0.20	55
25/10/2018	0.20	0	02/10/2018	0.20	0
24/10/2018	0.20	0	01/10/2018	0.20	79
23/10/2018	0.20	0			
22/10/2018	0.20	0			
19/10/2018	0.20	0			
18/10/2018	0.20	0			



**Share Information****4.6. Share price history (Continued)****Monthly Share Price**

<b>Date</b>	<b>Price (US\$)</b>
30/10/2018	0.20
28/09/2018	0.20
31/08/2018	0.20
31/07/2018	0.20
29/06/2018	0.20
31/05/2018	0.20
30/04/2018	0.20
29/03/2018	0.20
28/02/2018	0.20
31/01/2018	0.20
29/12/2017	0.20
30/11/2017	0.20

**Quarterly Share Price**

<b>Date</b>	<b>Price (US\$)</b>
28/09/2018	0.20
29/06/2018	0.20
29/03/2018	0.20
29/12/2017	0.20

## Share Information

### 5. CAPITAL COMMITMENTS, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

#### 5.1. Capital Commitments

BTL had the following capital commitments as at 30 June 2022:

	US\$
Authorised but not yet contracted	315,000
Authorised and contracted	450,000

#### 5.2. Contingent Liabilities

As at 24 April 2023, the Company has a contingent liability for legal fees amounting to US\$11,700,000 in connection with the Border Award which are expected to be settled once and to the extent that proceeds from the Border Award are received from the Government of Zimbabwe and subject to the Company obtaining exchange control approval from the Reserve Bank of Zimbabwe. Rift Valley Corporation paid for the legal costs associated with the Border Award on behalf of BTL on the condition that the latter would only repay if the Government of Zimbabwe pays the Border Award. The contingent event is the settlement of the Border Award by the Government of Zimbabwe, which, if it doesn't occur, BTL is not obligated to repay Rift Valley Corporation.

### 6. MATERIAL CONTRACTS

As of 30 June 2022, BTL had not entered into any material contracts, other than in the ordinary course of business, except for the ones disclosed below:

Contracts	Nature of Services/Product	Amounts (US\$)
ZESCO	Poles Supply	1,200,000

### 7. LITIGATION

Other than those disclosed, the Company is not involved in any other material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of BTL nor is the Company aware that any such proceedings are pending or threatened. The Company, however, wishes to provide an update on the following matters:

#### 7.1. Exit from Judicial Management

The Company was placed under Voluntary Provisional Judicial Management in 2015 and subsequently into Final Judicial Management in 2016. Following approval by the Shareholders at the EGM held in January 2022, and the subsequent approval by the High Court on the 14th of March 2022, the Company exited Judicial Management. This led to the reinstatement of the Board of Directors who took over control of the Company from the Judicial Manager.

## Share Information

### 7.2. Update on the Border Award

The Border Award was registered as a judgment of the High Court of Zimbabwe in March 2022. No finalization has yet been reached from ongoing negotiations with the Government of Zimbabwe on the settlement of the Border Award. The Company has recently initiated discussions with the Government of Zimbabwe on the settlement structure and timing of the Border Award. In the meantime, operations on the ground have for the most part continued smoothly with no further material attempts to disrupt BTL's continued occupation and enjoyment of its estates.

## 8. COSTS OF THE IMPLEMENTATION OF THE OFFER

### 8.1. Expenses of the implementation of the Offer

The expenses of the implementation of the Offer, amounting to approximately US\$ 165,400 which relate to legal, transfer secretaries, advisory fees, various printing, distribution, regulatory fees and such other charges, will be paid by BTL, and are estimated equal the amounts shown below:

<b>Expense</b>	<b>Fee (US\$)</b>
Reporting Accountant Fees	20,000
Legal Fees	50,000
Transfer Secretaries	8,000
Advisory Fees	50,000
Sponsoring Broker Fees	10,000
Independent Financial Advisors	20,000
Regulatory Fees	3,400
Designing	1,000
Printing and Distribution Fees	3,000
<b>Total Fees</b>	<b>165,400</b>

## Share Information

### 9. REGULATORY ISSUES

The following Regulatory Approvals have been sought or will be required.

- ZSE - The ZSE approved the distribution of this Circular on Monday, 24 July 2023.
- RBZ - In line with Exchange Control Regulations, the authority of the RBZ for the Company to issue shares to Non- Resident Shareholders has been sought.
- Competition and Tariff Commission – the Company shall notify the Competition and Tariff Commission of the Acquisition as soon as the Shareholders have approved the terms of the Offer.
- Zimbabwe Revenue Authority - BTL Shareholders shall apply for and obtain capital gains tax clearance certificates from ZIMRA for the acquisition of their BTL Shares by CPZ.

### 10. EXPERTS CONSENTS

The Financial Advisors, Sponsoring Brokers, Legal Advisors, Transfer Secretaries, Independent Financial Advisors, Independent Auditors, and Reporting Accountants have submitted their written consents to act in the capacities stated and to their names being stated in this Circular, which consents have not been withdrawn as at the date of this Circular. The above-mentioned consents are available for inspection by interested parties in terms of paragraph 13 below.

### 11. CONFLICT OF INTEREST

None of the expert advisors to the Proposed Transaction directly or indirectly own shares in BTL or CPZ. The contractual agreements entered between each respective expert adviser and the companies pertaining to this offer to the BTL Shareholders were done at an arm's length basis.

### 12. OPINIONS AND RECOMMENDATIONS

In accordance with the ZSE Listing Requirements, an independent expert is required to be appointed to provide the Directors with an opinion on whether the terms of the Offer are fair and reasonable to Shareholders. The Directors have appointed Corporate Excellence Financial Advisory Services (Private) Limited as the Independent Financial Advisors to provide them with an opinion as to whether the terms and conditions of the Offer are fair and reasonable to BTL Shareholders.

Taking into account the terms and conditions of the Offer and the Offer Consideration, the Independent Financial Advisors are of the opinion that the terms and conditions of the Offer are fair and reasonable to BTL Shareholders. The Independent Financial Advisors Report is included in Appendix 7 to this Circular and has not been withdrawn prior to publication of this Circular.

The Directors, after due consideration of the Independent Financial Advisors Report have determined that they will place reliance on the Independent Financial Advisors Report for the purposes of forming their own opinion regarding the Offer and Offer Consideration. The Directors have concluded that the Offer is fair and reasonable and recommend the Shareholders to approve the terms and conditions of the Offer and to accept the Offer.

## Share Information

### 13. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between Monday, 31 July 2023 and Thursday, 17 August 2023, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers and Financial Advisors Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Offer from CPZ;
- The Memorandum of Association of the Company;
- BTL Board approval of the terms of the Offer and the proposed Delisting of BTL from the ZSE;
- The written consents detailed in the full Circular;
- The historical financial statements including the Independent Reporting Accountant's Report on the historical information of BTL for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022, which is set out in the full Circular;
- The historical financial statements including the Independent Reporting Accountant's Report on the historical information of CPZ for the two financial years ended 30 June 2021 and 30 June 2022, which is set out in the full Circular;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Makandi;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Cicada Katiyo;
- The historical financial statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Northern Farming;
- The IH Advisory valuation reports used in determining the swap ratios for the purposes of the Proposed Transaction;
- The CPZ proforma financial information and the Independent Reporting Accountant's Report on the CPZ Proforma financial information, which is set out in the full Circular; and
- The Independent Financial Advisor's Report dated 25 July 2023.



## Share Information

### 14. DIRECTORS RESPONSIBILITY STATEMENT

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

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

Director's Name	Position	Signature
Elias Hwenga	Non-Executive Chairman	[Signed on original]
Erhard Kuhn	Managing Director	[Signed on original]
Lysius Karimanzira	Finance Director	[Signed on original]
Bekezela Ncube	Non-Executive Director	[Signed on original]
Simon Hammond	Non-Executive Director	[Signed on original]
Carlo Ravizza	Non-Executive Director	[Signed on original]
Robert Strong	Non-Executive Director	[Signed on original]
Glenn Youngs	Non-Executive Director	[Signed on original]

## Appendix 1 – BTL Historical Financial Information

### OPERATIONAL REVIEW

FY2022 was quite challenging, characterised by a surge in inflation and exchange rate volatility. The adverse effects of international events continued to disrupt global supply chain leading to an increase in commodity prices, mainly fuel, resulting in higher production costs.

#### Forestry

During FY2022, harvesting operations performed very well with the plant optimisation broadly on plan. The outsourcing strategy on harvesting continues to stabilize the sawmills log supply which resulted in high plant capacity utilisation. All logs supplied to the processing plants were from the Company's own plantations with no external logs purchased.

Lumber production volume was 43,930m<sup>3</sup> (FY2021: 45 871m<sup>3</sup>), 4% lower than prior period, driven by low customer demand during the FY2022. Lumber sales volume was 43,120m<sup>3</sup> (FY2021: 49,047m<sup>3</sup>), the reduction was mainly because of lower aggregate demand primarily in the local market. Efforts are underway to expand the export market base with particular focus on Zambia, Mozambique, and Botswana.

During FY2022, 713 hectares (FY2021: 341 hectares) were planted, a significant improvement compared to prior year. The Company is focusing more on improving the Biological Asset, applying best practices, and improving planting methods.

The Company continues to benefit from outsourced Silviculture operations which brought about a more cohesive and efficient plantation management process. The Company is fully mindful of the impact of climate change on the planet and is adapting and conducting its operations in a way that is environmentally friendly. This consciousness prompted the Company in succeeding to attain Forest Steward Council (FSC) Certification. With Imbeza Estate already certified, we are moving forward to having Sheba, Charter, and Tilbury Estates FSC certified by the end of 2023.

Plantation fire damage remains the major business risk, particularly arson. During FY2022, the Company lost 235 hectares (FY2021: 27 hectares) which is significant compared to the previous period. As a result, the Company has further strengthened its plantation patrol teams, community engagement programs and acquired new firefighting equipment.

## Appendix 1 – BTL Historical Financial Information (continued)

### Manufacturing

Treated Poles sales volume was 10,169m<sup>3</sup> (FY2021: 9,464m<sup>3</sup>), a 7.4% improvement from the prior year. Market development remains the key focus of BTL's Poles business as the Company is actively pursuing new opportunities in the local market as well as in the region and beyond.

### FINANCIAL REVIEW

Inflation adjusted revenue for FY2022 was ZW\$4.79 billion (FY2021: ZW\$4.32 billion), 11% increase from prior year, primarily driven by consistent product quality of BTL's Kiln Dried Timber resulting in better average selling prices. The inflation adjusted operating expenses were 85% higher as compared to the previous period mainly driven by inflationary pressures, however, management continues to implement measures to contain costs.

Inflation adjusted net profit before taxation was ZW\$3.62 billion (FY2021: ZW\$5.59 billion loss). Inflation adjusted cash generated from operating activities was ZW\$1.05 billion (FY2021: ZW\$942 million), 12% improvement from prior year. Inflation adjusted cash and cash equivalents at the end of the period amounted to ZW\$66 million (FY2021: ZW\$83 million).

Below are extracts of BTL's historical inflation adjusted financial information for the three financial years ended 30 June 2022. The financial information in this paragraph should be read in conjunction with Appendix 2 – Report of the Independent Auditors and Reporting Accountants on the Historical Financial Statements.

**Appendix 1 – BTL Historical Financial Information (continued)****STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME OF BTL**

	INFLATION ADJUSTED				HISTORICAL					
	December 2022		June 2022		December 2022		June 2022		June 2021	
	Reviewed ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$
<b>Revenue</b>	<b>5,018,052,810</b>	<b>4,785,608,535</b>	<b>4,316,494,354</b>	<b>4,316,494,354</b>	<b>4,677,609,147</b>	<b>2,589,992,420</b>	<b>1,236,149,192</b>	<b>1,236,149,192</b>	<b>1,236,149,192</b>	<b>1,236,149,192</b>
Cost of Sales	(4,622,706,342)	(5,388,910,655)	(3,937,979,340)	(3,937,979,340)	(4,180,443,566)	(2,702,195,002)	(1,130,474,527)	(1,130,474,527)	(1,130,474,527)	(1,130,474,527)
<b>Gross profit/(loss)</b>	<b>395,346,468</b>	<b>(603,302,120)</b>	<b>378,515,014</b>	<b>378,515,014</b>	<b>497,165,581</b>	<b>(112,202,582)</b>	<b>105,674,665</b>	<b>105,674,665</b>	<b>105,674,665</b>	<b>105,674,665</b>
Other operating income	540,401,708	278,503,838	339,401,281	339,401,281	509,304,704	171,542,170	94,002,920	94,002,920	94,002,920	94,002,920
Selling and distribution expenses	(109,549,280)	(130,376,972)	(375,971,038)	(375,971,038)	(103,665,769)	(69,886,755)	(100,261,911)	(100,261,911)	(100,261,911)	(100,261,911)
Administration expenses	(1,494,463,451)	(1,419,099,631)	(992,175,040)	(992,175,040)	(1,466,144,075)	(951,186,793)	(230,661,319)	(230,661,319)	(230,661,319)	(230,661,319)
Other operating expenses	(1,588,073,481)	(1,927,684,100)	(516,091,221)	(516,091,221)	(1,424,590,035)	(1,445,936,151)	(126,499,337)	(126,499,337)	(126,499,337)	(126,499,337)
Fair value gain/(loss) due to biological asset transformation	6,944,706,775	5,502,155,070	(4,845,580,822)	(4,845,580,822)	16,041,201,738	12,231,393,494	1,161,581,941	1,161,581,941	1,161,581,941	1,161,581,941
Finance income	6,116,594	7,096,886	6,592,135	6,592,135	5,666,195	3,948,760	2,090,145	2,090,145	2,090,145	2,090,145
Finance costs	(534,771,340)	(51,747,185)	(79,862,967)	(79,862,967)	(500,932,925)	(27,016,345)	(22,209,885)	(22,209,885)	(22,209,885)	(22,209,885)
Monetary gain	1,929,871,114	1,969,291,953	499,574,340	499,574,340	-	-	-	-	-	-
<b>Profit/(loss) before income tax</b>	<b>6,089,585,107</b>	<b>3,624,837,739</b>	<b>(5,585,598,318)</b>	<b>(5,585,598,318)</b>	<b>13,558,005,414</b>	<b>9,800,655,798</b>	<b>883,717,219</b>	<b>883,717,219</b>	<b>883,717,219</b>	<b>883,717,219</b>
Income tax (expense)/credit	(4,978,571,775)	1,204,423,515	793,320,493	793,320,493	(3,760,312,191)	721,451,384	(175,619,735)	(175,619,735)	(175,619,735)	(175,619,735)
<b>Profit/(loss) for the year</b>	<b>1,111,013,332</b>	<b>4,829,261,254</b>	<b>(4,792,277,375)</b>	<b>(4,792,277,375)</b>	<b>9,797,693,223</b>	<b>10,522,107,182</b>	<b>708,097,484</b>	<b>708,097,484</b>	<b>708,097,484</b>	<b>708,097,484</b>
<b>Other comprehensive income / (loss) for the items that will not be reclassified to profit or loss</b>										
Gain on revaluation of property, plant and equipment	-	10,097,862,289	-	-	-	18,031,389,375	-	-	-	-
Impairment of Briquetting Plant	-	(66,973,463)	-	-	-	(95,984,420)	-	-	-	-
Effect on deferred tax	-	(2,479,635,718)	-	-	-	(4,433,632,105)	-	-	-	-
	-	7,551,253,108	-	-	-	13,501,772,850	-	-	-	-
<b>Total comprehensive profit/(loss) for the year</b>	<b>1,111,013,332</b>	<b>12,380,514,362</b>	<b>(4,792,277,375)</b>	<b>(4,792,277,375)</b>	<b>9,797,693,223</b>	<b>24,023,880,032</b>	<b>708,097,484</b>	<b>708,097,484</b>	<b>708,097,484</b>	<b>708,097,484</b>

## Appendix 1 – BTL Historical Financial Information (continued)

### STATEMENT OF FINANCIAL POSITION OF BTL

	INFLATION ADJUSTED			HISTORICAL		
	December 2022	June 2022	June 2021	December 2022	June 2022	June 2021
	Reviewed ZW\$	Audited ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$	Audited ZW\$
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	28,083,637,881	18,272,699,208	8,590,788,986	17,802,975,922	18,134,908,282	199,820,414
Biological assets	28,553,697,303	14,232,385,376	9,282,953,850	28,553,697,303	14,232,385,376	3,183,863,177
	<b>56,637,335,184</b>	<b>32,505,084,584</b>	<b>17,873,742,836</b>	<b>46,356,673,225</b>	<b>32,367,293,658</b>	<b>3,83,683,591</b>
<b>Current assets</b>						
Biological assets	3,385,404,750	1,835,139,120	1,310,324,870	3,385,404,750	1,835,139,120	449,414,612
Inventories	2,380,757,273	1,283,836,434	1,189,259,217	538,758,070	242,521,126	135,770,611
Trade and other receivables	1,095,450,919	483,073,099	596,698,475	1,095,450,919	463,073,099	204,655,364
Cash and cash equivalents	35,870,267	66,187,597	83,476,000	35,870,267	66,187,597	28,630,560
	<b>6,897,483,209</b>	<b>3,648,236,250</b>	<b>3,179,758,562</b>	<b>5,055,484,006</b>	<b>2,606,920,942</b>	<b>818,471,147</b>
<b>TOTAL ASSETS</b>	<b>63,534,818,393</b>	<b>36,153,320,834</b>	<b>21,053,501,398</b>	<b>51,412,157,231</b>	<b>34,974,214,600</b>	<b>4,202,154,738</b>
<b>EQUITY</b>						
Share capital	91,657,478	58,370,451	58,370,451	429,425	429,425	429,425
Non-distributable reserve	-	-	-	-	-	90,455,727
Revaluation reserve	11,857,520,448	7,551,253,108	-	13,640,555,456	13,640,555,456	138,782,607
Retained earnings	32,426,660,362	20,141,354,706	15,312,093,452	22,808,196,909	13,010,503,686	2,397,940,777
<b>Total equity</b>	<b>44,375,838,288</b>	<b>27,750,978,265</b>	<b>15,370,463,903</b>	<b>36,449,181,790</b>	<b>26,651,488,567</b>	<b>2,627,940,777</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Long term borrowings	3,418,949,718	1,489,436,310	1,182,333,650	3,418,949,718	1,489,436,310	405,516,243
Deferred tax	12,412,032,742	4,535,332,422	3,260,120,219	8,216,028,078	4,455,715,886	743,535,168
	<b>15,830,982,460</b>	<b>6,024,768,732</b>	<b>4,442,453,869</b>	<b>11,634,977,796</b>	<b>5,945,152,196</b>	<b>1,149,051,409</b>
<b>Current liabilities</b>						
Trade and other payables	1,816,451,368	2,025,152,923	1,020,490,855	1,816,451,368	2,025,152,923	350,007,477
Short term borrowings	1,010,962,912	320,999,734	198,044,677	1,010,962,912	320,999,734	67,925,271
Bank overdrafts	500,583,365	31,421,180	22,048,094	500,583,365	31,421,180	7,562,045
	<b>3,327,997,645</b>	<b>2,377,573,837</b>	<b>1,240,583,626</b>	<b>3,327,997,645</b>	<b>2,377,575,837</b>	<b>425,494,793</b>
<b>Total liabilities</b>	<b>19,158,980,105</b>	<b>8,402,342,569</b>	<b>5,683,037,495</b>	<b>14,962,975,441</b>	<b>8,322,726,033</b>	<b>1,574,546,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,534,818,393</b>	<b>36,153,320,834</b>	<b>21,053,501,398</b>	<b>51,412,157,231</b>	<b>34,974,214,600</b>	<b>4,202,154,738</b>



**Appendix 1 – BTL Historical Financial Information (continued)****STATEMENTS OF CASHFLOWS FOR BTL**

	INFLATION ADJUSTED			HISTORICAL		
	December 2022	June 2022	June 2021	December 2022	June 2022	June 2021
	Reviewed ZW\$	Audited ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$	Audited ZW\$
<b>Cashflows from operating activities</b>						
Profit/(loss) before income tax	6,089,585,107	3,624,837,739	(5,585,598,318)	13,558,005,414	9,800,655,795	883,717,219
Adjustment for:						
Depreciation	304,555,791	281,026,580	282,836,773	156,679,171	7,476,681	6,659,130
Impairment loss on property, plant and equipment	-	17,215,580	-	-	17,215,580	-
Fair value gain/(loss) - biological assets transformation	(6,944,706,775)	(5,502,155,070)	4,845,580,822	(16,041,201,738)	(12,231,393,494)	(1,161,581,941)
Plantation redemption	1,049,642,696	930,268,259	1,338,896,345	963,462,371	353,399,268	384,895,872
Plantation damage	-	24,673,344	719,398	-	11,575,136	182,196
Exchange losses	1,586,751,680	1,910,468,520	472,592,555	1,423,361,019	1,428,720,570	125,685,939
Allowance/(reversal) for credit losses	64,558,757	10,279,158	(301,876,711)	197,113,787	156,267,033	(103,537,533)
Finance income	(6,116,594)	(7,096,886)	(6,592,135)	(5,666,195)	(3,948,759)	(2,090,145)
Finance costs	534,771,340	51,747,185	79,862,967	500,932,925	27,016,345	22,209,885
Other non-cash items	285,065,745	639,509,318	(1,107,036,920)	142,892,956	(215,791,376)	56,321,106
Monetary gain	(1,929,871,114)	(1,969,291,953)	(458,447,239)	-	-	-
Profit on disposal of property, plant and equipment	(440,706)	(1,307,843)	(42,276,024)	(440,706)	(858,261)	(14,499,812)
	<b>1,033,795,927</b>	<b>10,173,931</b>	<b>(481,338,486)</b>	<b>895,139,004</b>	<b>(649,665,482)</b>	<b>197,961,916</b>
<b>Changes in working capital</b>						
(Increase) / decrease in inventories	(828,405,512)	(94,577,216)	514,077,366	(296,236,944)	(106,750,515)	(91,419,122)
Decrease / (increase) in trade and other receivables	525,717,524	133,625,376	736,089,004	(46,975,474)	(258,417,735)	(22,768,156)
(Decrease)/increase in trade and other payables	(1,140,721,457)	1,422,977,814	168,490,243	(794,103,901)	1,652,440,705	207,728,928
(Decrease) / increase in provisions and accruals	-	(418,315,746)	4,897,467	-	22,704,741	1,679,731
Net cash (utilised in)/generated from operating activities	<b>(409,613,518)</b>	<b>1,053,884,159</b>	<b>942,215,594</b>	<b>(242,177,315)</b>	<b>660,311,714</b>	<b>293,183,297</b>

## Appendix 1 – BTL Historical Financial Information (continued)

### STATEMENTS OF CASHFLOWS FOR BTL (CONT'D)

	INFLATION ADJUSTED			HISTORICAL		
	December 2022	June 2022	June 2021	December 2022	June 2022	June 2021
	Reviewed ZW\$	Audited ZW\$	Audited ZW\$	Reviewed ZW\$	Audited ZW\$	Audited ZW\$
<b>Cash from investing activities</b>						
Purchases of property, plant and equipment	(27,786,067)	(47,902,184)	(85,759,883)	(24,228,106)	(24,427,792)	(25,602,893)
Expenditure on biological assets	(813,656,005)	(927,032,309)	(587,697,100)	(793,838,190)	(567,827,617)	(169,492,808)
Proceeds from sale of property, plant and equipment	205,664,585	2,108,913	52,125,800	205,664,585	910,878	17,878,083
Interest received	6,116,594	7,096,886	6,592,125	5,666,195	3,948,759	2,090,145
<b>Net cash (used in) investing activities</b>	<b>(629,660,893)</b>	<b>(965,728,694)</b>	<b>(614,739,048)</b>	<b>(606,735,516)</b>	<b>(587,395,772)</b>	<b>(175,127,473)</b>
<b>Cash flows from financing activities</b>						
Receipts from loans and borrowings	1,293,934,764	90,348,039	-	1,078,278,971	69,127,140	-
Repayments of loans and borrowings	-	(158,178,547)	(225,604,727)	-	(85,237,327)	(77,377,804)
Interest paid	(178,964,271)	(43,477,982)	(76,316,029)	(149,136,893)	(22,957,898)	(21,660,828)
Overdraft facilities	(143,758,338)	-	-	(110,546,577)	-	-
Proceeds from grants	-	5,864,622)	-	-	3,709,180	-
Net cash generated/(used in) financing activities	971,212,155	(105,443,868)	(301,920,756)	818,595,501	(35,358,905)	(99,038,632)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(68,062,256)</b>	<b>(17,288,403)</b>	<b>25,555,790</b>	<b>(30,317,330)</b>	<b>37,557,037</b>	<b>19,017,192</b>
Cash and cash equivalents at the beginning of the year	103,932,523	83,476,000	57,920,210	66,187,597	28,630,560	9,618,368
<b>Cash and cash equivalents at the end of the year</b>	<b>35,870,267</b>	<b>66,187,597</b>	<b>83,476,000</b>	<b>35,870,267</b>	<b>66,187,597</b>	<b>28,630,560</b>

## Appendix 2 – Independent Accountants Report On The Historical Financial Information Of Border Timbers Limited

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The Board of Directors

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Dear Sirs/Mesdames

### **INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO BORDER TIMBERS LIMITED**

As per your request and for the purposes of the Circular dated Friday, 28 July 2023, issued to provide the shareholders of Border Timbers (Private) Limited (the “Company”) with the requisite statutory and regulatory information in connection with the proposed transaction that will result in the acquisition of the Company by Cicada Plantation Zimbabwe (Private) Limited (the “Acquirer”), as applicable to this transaction, we report to you hereunder on the historical financial information as laid in the Circular.

This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange for the purpose of inclusion in the Circular to Shareholders dated Friday, 28 July 2023.

We have performed the procedures agreed with you and enumerated below on the historical financial information of Border Timbers Limited (“the Company”), in respect of the years ended 30 June 2020 to 30 June 2022, including the half year review conclusion for the period ended 31 December 2022, as laid out in the Circular.

The historical financial information in respect of each annual period comprises the consolidated statement of financial position as at the year ended 30 June 2020 , 30 June 2021, 30 June 2022 and half year ended 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended as well as segmental assets and liabilities as at the year ended 30 June 2020 , 30 June 2021, 30 June 2022 and half year ended 31 December 2022.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. The procedures were performed solely to assist you in providing an accountant’s report for the purposes of the Circular to the Border Timbers Limited Shareholders regarding the acquisition of Border Timbers Limited are summarized as follows:

- Inspection of the historical information included in the Circular for the years ended 30 June 2020, 30 June 2021, 30 June 2022 and half year ended 31 December 2022 and agreeing to the audited or reviewed financial statements for the respective years or periods, as applicable.
- Inspection of the audit reports issued on the consolidated financial statements for the years ended 30 June 2020, 30 June 2021, 30 June 2022 and review conclusion for the half year ended 31 December 2022 for the following:
  - Scope of the audits or review; and
  - Opinions or review conclusions issued.

#### **Directors’ Responsibility for the Historical Financial Information**

The Company’s directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the ZSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

## Appendix 2 – Independent Accountants Report On The Historical Financial Information Of Border Timbers Limited (continued)



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### Auditor's Responsibility

An agreed upon procedure engagement involves applying our expertise to perform procedures as agreed by us and the Company and reporting the factual findings from the procedures performed. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since an agreed upon procedure engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information management has provided to us to complete the agreed upon procedure engagement. Accordingly, we do not express an audit opinion or a review conclusion on the information.

### Findings

We report our findings as below:

- Historical financial information

The historical information that has been included in the Circular agrees to the audited financial statements for the respective years.

- Scope of the audits

The scope of the audits, on inspection of the audit reports for the years 2020 to 2022, was as follows:

- The audits were performed in accordance with International Standards on Auditing. Those standards require that the auditors comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.
- For the 2020, 2021, and 2022 financial years, the audit opinion was issued on inflation adjusted financial statements.

The scope of the half year review as at 31 December 2022 was as follows:

- The review engagement was conducted in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we did not express an audit opinion.
- Audit Opinions and Review Conclusions

The audit opinions and review conclusions inspected issued by Deloitte & Touche are as follows:

## Appendix 2 – Independent Accountants Report On The Historical Financial Information Of Border Timbers Limited (continued)



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### Half year review conclusion for the period ended 31 December 2022

Opinion

Qualified Opinion

The auditor issued a qualified conclusion in respect of the carry over effects of the prior year qualification on valuation of property, plant, and equipment being non-compliance with International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" and International Financial Reporting Standard 13 "Fair Value Measurements", and presentation of unaudited comparative information.

### Audited financial statements for the year ended 30 June 2022

Opinion

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the inflation adjusted financial statements present fairly, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

#### Basis for Qualified Opinion

The valuation of property, plant, and equipment for the comparative year, being 30 June 2021, was determined by applying the inflation index to Zimbabwe dollars (ZW\$) values determined as at 30 June 2019. However, International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires nonmonetary assets to be restated from the date of revaluation and thereafter, be compared to their recoverable amount. Given that no ZW\$ valuations were performed for the year ended 30 June 2021, the ZW\$ recoverable amount could not be accurately determined in the prior year.

In the current year the Company engaged professional valuers to revalue its property, plant, and equipment as at 30 June 2022. The revaluation of property, plant and equipment was performed in ZW\$. Due to limited availability of evidence supporting ZW\$ inputs, particularly for land and plant and equipment, we were unable to obtain sufficient and appropriate evidence to support the key inputs applied in determining the ZW\$ fair value of property, plant and equipment.

As a result of the above, we were unable to obtain sufficient evidence to support the appropriateness of the valuation in ZW\$ of property, plant, and equipment in the prior and current years.

Furthermore, we were unable to determine whether any adjustments to the current and prior period depreciation expense, deferred taxation, retained earnings and revaluation adjustments in the statement of profit or loss and other comprehensive income would be necessary to correctly account for these amounts. Our opinion on the current year inflation adjusted financial statements is therefore modified.

#### Material uncertainty related to going concern

We draw attention to Note 32 in the financial statements, which is in relation to the inflation adjusted financial statements, pertaining to the Company's award by the ICSID Arbitration Tribunal in the matter of the expropriated by the Government of Zimbabwe (the "Government"). These events or conditions, along with other matters as set forth in Note 3 (h) and Note 30 within the same report, and this indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Appendix 2 – Independent Accountants Report On The Historical Financial Information Of Border Timbers Limited (continued)

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### Audited financial statements for the year ended 30 June 2021

Opinion

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the inflation adjusted financial statements present fairly, the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

#### Basis for Qualified Opinion

The valuation of property, plant and equipment as at 30 June 2021 (including the comparative period 30 June 2020), was determined by applying the inflation index to ZW\$ values determined as at 30 June 2019. However, International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires non-monetary assets restated from the date of revaluation to, thereafter, be compared to their recoverable amount.

The Company's property, plant and equipment, were revalued as at 30 June 2019. These assets were valued as guided by independent professional valuers, using historical United States Dollar (USD) denominated inputs and converted into ZW\$ at the applicable closing exchange rates as at 30 June 2019. As no ZW\$ valuations were performed for the year ended 30 June 2021, the ZW\$ recoverable amount could not be accurately determined in the current period and that of prior year.

Consequently, we were unable to obtain sufficient evidence to support the appropriateness of the valuation in ZW\$ of property, plant and equipment. We are also unable to determine whether any adjustments to the current period depreciation expense, deferred taxation, retained earnings and revaluation adjustments in the statement of profit or loss and other comprehensive income would be necessary to correctly account for these amounts. Our opinion on the current period financial statements is therefore modified.

#### Material uncertainty related to going concern

We draw attention to Note 29 in the financial statements, which indicates that the Company was given an award by the ICSID Arbitration Tribunal in the matter of expropriated land by the Government of Zimbabwe (the "Government"). The Government should reconstitute the land, failing which a compensation should be paid. Failing restitution of the land, the Company will have to implement a new business model for which, at this stage, there is uncertainty around this business model and the success and sustainability of that business model beyond the 12 months after date of approval of these financial statements for issue. These events or conditions, along with other matters as set forth in Note 29, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Audited financial statements for the year ended 30 June 2020

Opinion

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the inflation adjusted financial statements present fairly, the inflation adjusted financial position of the Company as at 30 June 2020, and its inflation adjusted financial performance and its inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

#### Basis for Qualified Opinion

##### 1. Non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates"





## Appendix 2 – Independent Accountants Report On The Historical Financial Information Of Border Timbers Limited (continued)



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For the financial year ended 30 June 2019, the Company did not comply with IAS 21 as it elected to comply with Statutory Instrument 33 of 2019 (“SI 33/19”) from 22 February 2019. Prior to 20 February 2019, the transacting and functional currency of the Zimbabwean economy was the United States Dollar (“USD”).

On 20 February 2019, a currency called the Real Time Gross Settlement (“RTGS”) Dollar was legislated through SI 33/19 with an effective date of 22 February 2019. SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at a rate of 1:1 for the period up to this effective date. The rate of 1:1 was consistent with the rate mandated by the Reserve Bank of Zimbabwe (“RBZ”) at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by IAS 21:

- The Company transacted using a combination of USD, electronic cash, bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the RTGS system and mobile money platforms. During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, and RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.
- In October 2018, banks were instructed by the RBZ to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g., United States Dollar, British Pound, and South African Rand). Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity.

For the period up to 22 February 2019, the Company maintained its functional currency as the USD, with transactions and balances reflected using an exchange rate of 1:1 in compliance with SI 33/19. From 22 February 2019, balances and transactions were retranslated at the legislated inaugural exchange rate of 1:2.5 between the USDs and the RTGS dollar in compliance with the requirements of SI 33/19. Whilst the timing of this conversion was in line with the dictates of SI 33/19, it constituted a departure from the requirements of IAS 21, and therefore the 2019 financial statements were not prepared in conformity with IFRS. Had the Company applied the requirements of IAS 21, the 30 June 2019 comparative inflation adjusted financial statements would have been materially impacted. The financial effects of this departure on the inflation adjusted financial statements have not been determined.

Our opinion on the current year’s inflation adjusted financial statements is modified because of the possible effects of the matter on the comparability of the current year’s inflation adjusted financial statements with that of the prior year.

### 2. Valuation of property, plant and equipment - Non-compliance with International Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies” and International Financial Reporting Standard 13 “Fair Value Measurements”

The valuation of property, plant and equipment as at 30 June 2020, was determined by applying the inflation index to ZW\$ values determined as at 30 June 2019. However, International Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”) requires non-monetary assets restated from the date of revaluation to, thereafter, be compared to their recoverable amount.

The Company’s property, plant and equipment, were revalued as at 30 June 2019. These assets were valued by independent professional valuers, using historical United States Dollar (USD) denominated inputs and converted into ZW\$ at the applicable closing exchange rates as at 30 June 2019. As no ZW\$ valuations were performed for the year ended 30 June 2020, the ZW\$ recoverable amount could not be accurately determined in the current period and that of prior year.

## Appendix 2 – Independent Accountants Report On The Historical Financial Information Of Border Timbers Limited (continued)

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Consequently, we were unable to obtain sufficient evidence to support the appropriateness of the valuation in ZW\$ of property, plant and equipment. We are also unable to determine whether any adjustments to the current period depreciation expense, deferred taxation, retained earnings and revaluation adjustments in the statement of profit or loss and other comprehensive income would be necessary to correctly account for these amounts. Our opinion on the current period financial statements is therefore modified.

### Material uncertainty related to going concern

We draw attention to Note 29 in the financial statements, which indicates that the Company was given an award by the ICSID Arbitration Tribunal in the matter of expropriated land by the Government of Zimbabwe (the "Government"). The Government should reconstitute the land, failing which a compensation should be paid. Failing restitution of the land, the Company will have to implement a new business model for which, at this stage, there is uncertainty around this business model and the success and sustainability of that business model beyond the 12 months after date of approval of these financial statements for issue. These events or conditions, along with other matters as set forth in Note 29, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the historical information of Border Timbers Limited for the financial years ended 2020 to 2022 and half year ended 31 December 2022.

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

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the historical financial information specified above and does not extend to any financial statements of Border Timbers Limited taken as a whole.

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

### Exclusion of Notes and Accounting Policies

At the request of Border Timbers Limited and with the approval of the ZSE, the notes to the financial statements, and the accounting policies have been excluded from this Circular, but are available for inspection.

Your faithfully,

[signed on original]

**Deloitte & Touche**  
**Chartered Accountants (Zimbabwe)**  
**Registered Auditor**  
**Per: Tapiwa Chizana**  
**PAAB Practice Certificate Number: 0444**  
**Partner**

26 July 2023



## Appendix 3 – CPZ Historical Financial Information

### STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	June 2022 Audited US\$	June 2021 Audited US\$
<b>Income</b>	<b>688,895</b>	-
Administrative expenses	(11,889)	(2,633)
<b>Operating income</b>	<b>677,006</b>	<b>(2,633)</b>
Net finance income	53,813	136,614
<b>Profit before income tax</b>	<b>730,819</b>	<b>133,981</b>
Income tax (expense)	(10,385)	(33,120)
<b>Profit for the year</b>	<b>720,434</b>	<b>100,861</b>

### STATEMENT OF FINANCIAL POSITION

	June 2022 Audited US\$	June 2021 Audited US\$
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in subsidiary	3,330,082	215,378
Related party receivables	2,752,546	2,448,709
<b>Total non-current assets</b>	<b>6,082,628</b>	<b>2,664,087</b>
<b>Current assets</b>		
Cash and bank	1,034	6,917
<b>Total assets</b>	<b>6,083,662</b>	<b>2,671,004</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	200	200
Capital Reserve	2,470,107	-
Retained earnings	821,295	100,861
<b>Total shareholders' equity</b>	<b>3,291,602</b>	<b>101,061</b>
<b>Current liabilities</b>		
Tax liability	16,257	33,120
<b>Non-current liabilities</b>		
Related party loans	2,775,803	2,536,823
<b>Total liabilities</b>	<b>2,792,060</b>	<b>2,569,943</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,083,662</b>	<b>2,671,004</b>

## Appendix 3 – CPZ Historical Financial Information (continued)

### STATEMENT OF CASH FLOWS

	June 2022 Audited US\$	June 2021 Audited US\$
<b>Cash flows from operating activities</b>		
Profit before income tax	730,819	133,981
<b>Adjustments for items included in profit or loss</b>		
Interest income	(336,546)	(223,010)
Interest expense	282,733	86,396
Taxes paid	(27,249)	-
<b>Net cash generated/(used in) operating activities</b>	<b>649,757</b>	<b>(2,633)</b>
<b>Cashflow from Investing Activities</b>		
Investment in subsidiary	(644,597)	(215,378)
<b>Net cash used in investing activities</b>	<b>(644,597)</b>	<b>(215,378)</b>
<b>Cash flows from Financing Activities</b>		
Issuance of share capital	-	200
Proceeds on related party loans	32,709	2,450,427
Advance on related party loans	(43,753)	(2,225,699)
<b>Net cash (used in)/ generated on financing activities</b>	<b>(11,755)</b>	<b>224,928</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(5,883)</b>	<b>6,917</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>6,917</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,035</b>	<b>6,917</b>

## Appendix 4 – Independent Accountants Report On The Historical Financial Information Of Cicada Plantations Zimbabwe (Private) Limited

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The Board of Directors  
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Dear Sirs/Mesdames

### **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO BORDER TIMBERS (PRIVATE) LIMITED**

As per your request and for the purposes of the Circular dated Friday, 28 July 2023, issued to provide the shareholders of Border Timbers Zimbabwe (Private) Limited (the "Company") to enable them to make an informed decision regarding the acquisition of proposed transaction, we report to you hereunder on the historical financial information laid out in the Circular.

This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange for the purpose of inclusion in the Circular to Shareholders dated Friday, 28 July 2023.

We have performed the procedures agreed with you and enumerated below on the historical financial information of Cicada Plantations Zimbabwe (Private) Limited, (the "Company") in respect of the years ended 30 June 2021 to 30 June 2022, as laid out in the Circular.

The historical financial information in respect of each annual period comprises the consolidated statement of financial position as at the year ended 30 June 2021 and 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended 30 June 2021 and 30 June 2022.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information". The procedures were performed solely to assist you in providing an accountant's report for the purposes of the Circular to the Cicada Plantations Zimbabwe (Private) Limited Shareholders regarding the transaction.

- Inspection of the historical information included in the Circular for the years ended 30 June 2021 and 30 June 2022 and agreeing to the audited financial statements for the respective years.
- Inspection of the audit reports issued on the consolidated financial statements for the years ended 30 June 2021 and 30 June 2022 for the following:
  - Scope of the audits or review.

#### **Directors' Responsibility for the Historical Financial Information**

The Company's directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the ZSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

An agreed upon procedure engagement involves applying our expertise to perform procedures as agreed by us and the Company and reporting the factual findings from the procedures performed. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence, and due care.

Since an agreed upon procedure engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information management has provided to us to complete the agreed upon procedure engagement. Accordingly, we do not express an audit opinion or a review conclusion on the information.

## Appendix 4 – Independent Accountants Report On The Historical Financial Information Of Cicada Plantations Zimbabwe (Private) Limited (continued)

# Deloitte.

PO Box 267  
Harare  
Zimbabwe

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### Findings

We report our findings as below:

- Historical financial information  
The historical information that has been included in the Circular agrees to the audited financial statements for the respective years.
- Scope of the audits  
The scope of the audits, on inspection of the audit reports for the years 2021 and 2022, was as follows:
- The audits were performed in accordance with International Standards on Auditing. Those standards require that the auditors comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.
- For the 2021 and 2022 financial years, the audit opinion was issued on the consolidated financial statements.
- Audit Opinions and reviews conclusions  
The audit opinions inspected issued by Deloitte & Touche are as follows:

### Audited financial statements for the year ended 30 June 2022

#### Opinion

We have audited the statement of financial position and statement of profit and loss and other comprehensive income of Cicada Plantations Zimbabwe (Private) Limited ("the Company") as at 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies ("the financial statements").

In our opinion, the accompanying financial statements of Cicada Plantations Zimbabwe (Private) Limited are prepared, in all material respects, in accordance with the Company's accounting policies

#### 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 Financial Statement section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

The financial statements are prepared to assist the Company in the proposed transaction. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by other parties. Our opinion is not modified in respect of this matter.

### Audited financial statements for the year ended 30 June 2021

#### Opinion

We have audited the statement of financial position and statement of profit and loss and other comprehensive income of Cicada Plantations Zimbabwe (Private) Limited ("the Company") as at 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies ("the financial statements").



## Appendix 4 – Independent Accountants Report On The Historical Financial Information Of Cicada Plantations Zimbabwe (Private) Limited (continued)



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In our opinion, the accompanying financial statements of Cicada Plantations Zimbabwe (Private) Limited are prepared, in all material respects, in accordance with the Company's accounting policies.

### 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 Financial Statement section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

The financial statement is prepared to assist the Company in the proposed transaction. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by other parties.

Our opinion is not modified in respect of this matter.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the historical information of the Cicada Plantations Zimbabwe (Private) Limited for the financial years ended 2021 to 2022.

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

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the historical financial information specified above and does not extend to any financial statements of the Cicada Plantations Zimbabwe (Private) Limited taken as a whole.

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

### Exclusion of Notes and Accounting Policies

At the request of the Cicada Plantations Zimbabwe (Private) Limited, the notes to the underlying component financial statements, and the respective accounting policies have been excluded from this Circular but are available for inspection.

Your faithfully,

[signed on original]

**Deloitte & Touche**  
**Chartered Accountants (Zimbabwe)**  
**Registered Auditor**  
**Per: Tapiwa Chizana**  
**PAAB Practice Certificate Number: 0444**  
**Partner**

26 July 2023

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information

### CPZ PROFORMA STATEMENT OF COMPREHENSIVE INCOME

	Pre- Acquisition		Border Timbers		Makandi Estates		Group Pre- adjustments		Adjustments		Post- Acquisition	
	Group 2022	US\$	2022	US\$	2022	US\$	2022	US\$	2022	US\$	2022	US\$
	Notes											
Revenue	1	3,322,973	12,900,445	5,659,330	21,882,748	(13,581)					21,869,167	
Cost of sales	2	(1,233,093)	(14,526,751)	(4,668,645)	(20,428,489)						(20,428,489)	
<b>Gross profit/(loss)</b>		<b>2,089,880</b>	<b>(1,626,306)</b>	<b>990,685</b>	<b>1,454,259</b>						<b>1,440,678</b>	
Other income	3	4,152,903	750,756	1,293,614	6,197,273						6,197,273	
Other expenses	4	(206,672)	(5,196,410)	-	(5,403,082)						(5,403,082)	
Net Other Income /(expenses)		3,946,231	(4,445,654)	1,293,614	794,191						794,191	
Administrative Expenses	2	(2,235,615)	(3,825,431)	(893,211)	(6,954,257)	13,581			1,307,909		(5,632,767)	
Selling and distribution expenses			(351,454)		(351,454)				(1,307,909)		(1,659,363)	
Fair value gain/(loss) due to biological assets transformation			14,832,022	(330,110)	14,501,912						14,501,912	
<b>Operating Income</b>		<b>3,800,496</b>	<b>4,583,177</b>	<b>1,060,977</b>	<b>9,444,650</b>						<b>9,444,650</b>	

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

		Pre- Acquisition				Post- Acquisition			
		Group 2022 US\$	Border Timbers 2022 US\$	Makandi Estates 2022 US\$	Group Pre- adjustments 2022 US\$	Adjustments	Group 2022 US\$		
5	Interest Income	143,392	19,131	709,750	872,273	(54,007)	818,266		
5	Interest Expense	( 571,625)	(139,494)	(540,690)	(1,251,809)	54,007	(1,197,803)		
5	<b>Net Finance (Costs)/Income</b>	<b>(428,233)</b>	<b>(120,363)</b>	<b>169,060</b>	<b>(379,537)</b>		<b>(379,537)</b>		
	Share of (loss) on equity accounting Monetary (Loss)/Gains	(840,118)	5,308,571	(739,000)	(739,000) 4,468,453		(739,000) 4,468,453		
	<b>Profit before Income Tax</b>	<b>2,532,145</b>	<b>9,771,385</b>	<b>491,037</b>	<b>12,794,567</b>		<b>12,794,567</b>		
6	Income Tax (Expense)/credit	(413,873)	3,246,734	(918,195)	1,914,667		1,914,667		
	Profit/(loss) for the year	<b>2,118,272</b>	<b>13,018,119</b>	<b>(427,158)</b>	<b>14,709,234</b>		<b>14,709,234</b>		
	<b>Items that will not be reclassified to profit or loss</b>								
	Gain on revaluation of PPE	398,493	2,085,465	4,913,003	7,396,962		7,396,962		

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

CPZ STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Pre- Acquisition		Border Timbers		Makandi Estates		Group Pre- adjustments		Adjustments		Post- Acquisition	
	Group 2022	US\$	2022	US\$	2022	US\$	2022	US\$	2022	US\$	Group 2022	US\$
Notes												
Impairment loss			(180,539)				(180,539)				(180,539)	
Foreign currency translation	(1,423,081)						(1,423,081)				(1,423,081)	
Deferred tax effects	(61,062)		(470,898)		(741,640)		(1,273,600)				(1,273,600)	
Monetary loss/ gain on conversion	-						-				-	
Share of Other Comprehensive income from equity accounting					725,000		725,000				725,000	
<b>Total other comprehensive (loss)/income</b>	<b>(1,085,650)</b>		<b>1,434,029</b>		<b>4,896,363</b>		<b>5,244,742</b>				<b>5,244,742</b>	
<b>Total comprehensive income for the year</b>	<b>1,032,622</b>		<b>14,452,148</b>		<b>4,469,205</b>		<b>19,953,975</b>				<b>19,953,975</b>	

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### Basis of Preparation

The financial year 2022 Pro Forma Statement of Profit or Loss and Other Comprehensive Income of CPZ Group was prepared in order to illustrate the impact of the proposed acquisition of additional subsidiaries by the group in 2023.

The proforma financial information has been prepared based on audited separate financial statements of the CPZ group and the audited financials of the subsidiaries to be acquired, which were all prepared in compliance with the International Financial Reporting Standards (“IFRS”).

The Pro Forma Statement of Profit or Loss and Other Comprehensive Income reflect the consolidated position of the group assuming acquisition had happened on 1 July 2021.

The objective of this pro forma financial information is to show what the significant effects on the historical financial information might have been had the business combination occurred at 1 July 2021.

For the purposes of this statement, Pre-combination refers to the financial results of the group, for the period under review without incorporating the subsidiaries to be acquired.

The term post combination refers to the financial results of the ground, for the period under review, assuming the group had already acquired the subsidiaries cited for acquisition.

### 1 REVENUE

	<b>Post combination</b> <b>US\$</b> <b>2022</b>
Trade sales	21,279,355
Facilitation Fees	-
Grower management fees	589,812
	<b>21,869,167</b>

### 2 OPERATING EXPENSES

	<b>Post Combination</b> <b>US\$</b> <b>2022</b>
Agricultural inputs, materials and consumables used, and cost of goods sold	16,967,702
Administration Expenses	711
Amortisation	5,830
Audit and accounting fees	216,885
Bank charges	240,756
Canteen and office teas	2,535
Computer expenses	45,186
Consultancy - Financial	1,007,179

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### 3 OPERATING EXPENSES (Cont'd)

	Post Combination US\$ 2022
Depreciation	1,445,961
Employee benefit expense	3,034,109
Entertainment Expenses	436
Fuel	6,100
Electricity	4,491
Management fees	428,004
Impairment	2,298
IMTT	224,475
Insurance	43,295
Legal expenses	171,980
Licensing, subscriptions and consultancy fees	115,769
Medical	6,346
Motor Vehicle Expenses	67,899
Other expenses	6,124,379
Printing & Stationery	21,189
Professional Fees	25,074
Protective clothing	5,514
Provision for doubtful debts	(98,148)
Raw material and consumables	12,541
Rent and rates	2,561
Repairs and maintenance	450,517
Repairs and maintenance - plant/buildings	16,791
Repairs and maintenance- office equipment	48,168
Security	4,957
Social security costs	28,395
Staff welfare costs	108,617
Subcontract services	128,823
Telephones	71,526
Training, marketing and advertising	17,998
Transport costs	12,670
Travel	32,405
Utilities	163,964
Write-offs - inventories	19,383
Donations and subscriptions	54,818
Equipment hire	12,265
Net transfer to biological produce/immature plantations	(438,805)



## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### 2. OPERATING EXPENSES (Cont'd)

	<b>Post Combination US\$ 2022</b>
Communication	-
Accruals for ARDA operating lease	600,790
	-
	<b>31,464,338</b>
Cost of sales	20,428,489
Administration expenses	5,632,767
Other expenses	5,403,082
	<b>31,464,338</b>

### 3. OTHER INCOME

Other income	1,108,530
Profit on disposal of assets	8,039
Other income-gain on fair value of investment	-
Foreign exchange gain	4,806,458
Management fees	79,481
Rental income	194,853
Other recoveries	(89)
	<b>6,197,273</b>

### 4. OTHER EXPENSES

Loss on disposal of property, plant and equipment	-
Impairment Loss: Property, plant and equipment	46,408
Exchange losses	5,356,674
	<b>5,403,082</b>

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### 5. FINANCE COST

Post Combination  
US\$  
2022

Finance income	818,266
Finance Costs - Lease Liability	(228,540)
Finance Costs	(969,263)
	<b>(379,537)</b>

### 6. INCOME TAX EXPENSE

Current income tax on profits for the year	746,208
Deferred tax (credit)	(2,660,875)
	<b>(1,914,667)</b>

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### CPZ PROFORMA STATEMENT OF FINANCIAL POSITION

	Pre- Acquisition		Border Timbers		Makandi Estates		Group Pre- adjustments		Adjustments		Post- Acquisition	
	Group 2022	US\$	2022	US\$	2022	US\$	2023	US\$	2022	US\$	2022	US\$
Notes	2022	US\$	2022	US\$	2022	US\$	2023	US\$	2022	US\$	2022	US\$
<b>ASSETS</b>												
Non-current assets												
Investment in subsidiaries												
Property, plant and equipment	2	16,362,016	24,122,169		17,240,906		57,725,091				57,725,091	
Biological assets	3	-	38,365,885		266,350		38,632,235				38,632,235	
Investments	4	-	-		324,633		324,633				324,633	
Intangible Assets	5	-	-		-		-				-	
Right of Use Assets	6	503,202	-		-		503,202				503,202	
Deferred tax assets	14	7,572	-		-		7,572				7,572	
Related party receivables		-	-		6,353,709		6,353,709			(6,029,652)	324,057	
<b>Total Non-Current Assets</b>		<b>16,872,790</b>	<b>62,488,054</b>		<b>24,185,598</b>		<b>103,546,442</b>			<b>(6,029,652)</b>	<b>97,516,791</b>	
<b>Current assets</b>												
Biological assets	3	185,365	4,946,939		4,381,433		9,513,736				9,513,736	
Inventories	7	438,007	3,460,806		704,819		4,603,632				4,603,632	
Trade and other receivables	8	734,843	1,248,295		571,256		2,554,393				2,554,393	
Amount due from related parties		72,356	-		-		72,356				72,356	
Prepayments		23,797	-		-		23,796				23,796	
Income Tax		-	-		-		-				-	
Cash and bank balances	9	53,318	178,420		623,564		855,302				855,302	
<b>Total current assets</b>		<b>1,507,686</b>	<b>9,834,459</b>		<b>6,281,072</b>		<b>17,623,216</b>				<b>17,623,216</b>	
<b>Total assets</b>		<b>18,380,475</b>	<b>72,322,513</b>		<b>30,466,670</b>		<b>121,169,658</b>			<b>(6,029,652)</b>	<b>115,140,006</b>	

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### CPZ PROFORMA STATEMENT OF FINANCIAL POSITION (CONT'D)

	Pre- Acquisition		Border Timbers		Makandi Estates		Group Pre- adjustments		Adjustments		Post- Acquisition	
	Group 2022	US\$	2022	US\$	2022	US\$	2023	US\$			Group 2022	US\$
Notes												
<b>EQUITY AND LIABILITIES</b>												
<b>CAPITAL AND RESERVES</b>												
Share capital	10	200	157,348	122,000	279,548	200	(279,348)	-	-	-	200	
Revaluation reserve		337,431	1,434,029	21,350,619	23,122,078	337,431	(22,784,647)	-	-	-	337,431	
Non-distributable reserve		-	-	889,000	889,000	-	(889,000)	-	-	-	-	
Foreign currency translation reserve		(1,423,081)	-	(11,480,981)	(12,904,062)	11,480,981	-	-	-	-	(1,423,081)	
Capital Reserve		-	-	-	-	-	-	-	-	-	-	
from Acquisition of controlled entities		4,267,630	54,294,546	1,426,602	59,988,779	68,193,162	(55,721,149)	-	-	-	68,193,162	
Retained earnings		-	-	-	-	-	-	-	-	-	-	4,267,630
		<b>3,182,180</b>	<b>55,885,923</b>	<b>12,307,239</b>	<b>71,375,343</b>	<b>68,193,162</b>	<b>(68,193,162)</b>	<b>68,193,162</b>	<b>68,193,162</b>	<b>68,193,162</b>	<b>71,375,343</b>	
<b>Equity attributed to equity holders of the parent</b>		-	-	153,900	153,900	-	-	-	-	-	153,900	
Non-controlling interest		-	-	-	-	-	-	-	-	-	-	
<b>Total shareholders' equity</b>		<b>3,182,180</b>	<b>55,885,923</b>	<b>12,461,139</b>	<b>71,529,243</b>	<b>(68,193,162)</b>	<b>(68,193,162)</b>	<b>68,193,162</b>	<b>68,193,162</b>	<b>68,193,162</b>	<b>71,529,243</b>	
<b>Non-Current liabilities</b>												
Long term borrowings	11	3,787,609	4,015,036	-	7,802,645	-	-	-	-	-	7,802,645	
Amounts due to related parties	15	9,335,125	-	12,590,480	21,925,605	-	-	(6,029,652)	-	-	15,895,953	
Lease liabilities	6	854,127	-	-	854,127	-	-	-	-	-	854,127	
Deferred tax	14	-	6,012,388	3,785,244	9,797,632	-	-	-	-	-	9,797,632	
<b>Total non-current liabilities</b>		<b>13,976,861</b>	<b>10,027,424</b>	<b>16,375,724</b>	<b>40,380,009</b>	<b>(6,029,652)</b>	<b>(6,029,652)</b>	<b>(6,029,652)</b>	<b>(6,029,652)</b>	<b>(6,029,652)</b>	<b>34,350,357</b>	

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

	Pre- Acquisition		Notes	Border Timbers		Makandi Estates	Group Pre- adjustments		Adjustments	Post- Acquisition	
	Group	2022		2022	US\$		2023	US\$		Group	2022
	US\$	US\$		US\$	US\$		US\$	US\$		US\$	
<b>Current liabilities</b>											
Trade and other payables	536,199	5,459,154	12	688,429	6,683,782	-	6,683,782	-	-	6,683,782	
Lease liabilities	240,000	-	6	-	240,000	-	240,000	-	-	240,000	
Short term borrowings	20,345	865,311	11	732,324	1,617,980	-	1,617,980	-	-	1,617,980	
Amounts due to related parties	-	-	15	-	-	-	-	-	-	-	
Provisions	30,630	-	13	125,927	156,557	-	156,557	-	-	156,557	
Bank overdraft	-	84,701		-	84,701	-	84,701	-	-	84,701	
Deferred tax liability	233,162	-	14	-	233,162	-	233,162	-	-	233,162	
Tax Liability	161,098	-		83,126	244,224	-	244,224	-	-	244,224	
<b>Total current liabilities</b>	<b>1,221,434</b>	<b>6,409,166</b>		<b>1,629,806</b>	<b>9,260,406</b>	-	<b>9,260,406</b>	-	-	<b>9,260,406</b>	
<b>Total liabilities</b>	<b>15,198,295</b>	<b>16,436,591</b>		<b>18,005,530</b>	<b>49,640,415</b>	-	<b>49,640,415</b>	-	<b>(6,029,652)</b>	<b>43,610,763</b>	
<b>Total equity and liabilities</b>	<b>18,380,475</b>	<b>72,322,513</b>		<b>30,466,670</b>	<b>121,169,658</b>	<b>(68,193,162)</b>	<b>121,169,658</b>	<b>62,163,162</b>	<b>62,163,162</b>	<b>115,140,006</b>	

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### 1 Basis of Preparation

The Pro Forma Statement of Financial Position as at 1 July 2022 of CPZ Group was prepared in order to illustrate the impact of the proposed acquisition of additional subsidiaries by the group in 2023 financial period.

The proforma financial information has been prepared based on audited separate financial statements of the CPZ group and the audited financials of the subsidiaries to be acquired, which were all prepared in compliance with the International Financial Reporting Standards (“IFRS”).

The Pro Forma Statement of Financial Position reflect the consolidated position of the group assuming acquisition happened on 1 July 2022. The objective of this pro forma financial information is to show what the significant effects on the historical financial information might have been had the business combination occurred at 1 July 2022.

For the purposes of this statement, Pre-combination or Pre-acquisition refers to the financial results of the group, for the period under review without incorporating the subsidiaries to be acquired.

The term post combination or post-acquisition refers to the financial results of the group, for the period under review, assuming the group had already acquired the subsidiaries cited for acquisition.



## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### 2 Property, Vehicles and Equipment

	Land and Buildings	Irrigation Equipment	Office Equipment	Furniture & fittings	Computer Equipment	Leasehold Improvements	Plant & Machinery	Motor vehicles	Dams & Boreholes	Work in progress	Totals
<b>Pre-Acquisition</b>		1,276,515	12,640	40,949	30,010	1,126,965	960,635	634,405	-	12,279,898	16,362,017
Assets assumed through Business combination	27,874,733	1,779,500		206,744	-		2,852,653	677,244	3,097,400	4,874,800	41,363,074
<b>Post Acquisition</b>	<b>27,874,733</b>	<b>3,056,015</b>	<b>12,640</b>	<b>247,693</b>	<b>30,010</b>	<b>1,126,965</b>	<b>3,813,288</b>	<b>1,311,649</b>	<b>3,097,400</b>	<b>17,154,698</b>	<b>57,725,091</b>

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

### 3 Biological Assets

#### Current

	Harvested agricultural produce	Unharvested agricultural produce	Timber	Total
<b>Pre-Acquisition</b>	-	<b>185 365.00</b>	-	<b>185 365</b>
Assets assumed through Business combination	3 806 136	558 670	4 963 566	9 328 371
Post Acquisition	<b>3 806 136</b>	<b>744 035</b>	<b>4 963 566</b>	<b>9 513 736</b>

#### Non-Current

	Immature crops	Livestock	Timber	Total
<b>Pre-Acquisition</b>	-	-	-	-
Assets assumed through Business combination	-	266 350	38 365 885	38 632 235
Post Acquisition	-	<b>266 350</b>	<b>38 365 885</b>	<b>38 632 235</b>

### 4 Investments

<b>Pre-Acquisition</b>	-
<b>Assets assumed through Business combination</b>	
Investment in joint venture	321 524
Investments in unlisted shares	3 109
Post Acquisition	<b>324 633</b>

### 5 Intangible Assets

Pre-Acquisition	-
Assets assumed through Business combination	-
Post Acquisition	-

### 6 Leases

#### Right of Use Assets

<b>Pre-Acquisition</b>	<b>503 202</b>
Assets assumed through Business combination	-
<b>Post Acquisition</b>	<b>503 202</b>

#### Lease Liability

<b>Pre-Acquisition</b>	<b>1 094 127</b>
Liability assumed from business combination	-
<b>Post Acquisition</b>	<b>1 094 127</b>

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

7 <b>Inventories</b>	<b>Post Acquisition US\$</b>
Crop inputs	105 424
Grain	10 802
Inputs	321 781
Raw materials	506 939
Work In Progress	483 900
Finished Goods	1 225 113
Consumables	1 936 154
Nurseries	13 519
	<b>4 603 632</b>
Trade Receivables	2 253 981
Loss allowance	(632 282)
Trade receivables - net	<b>1 621 699</b>
Other receivables	932 694
	<b>2 554 393</b>
<b>9 Cash and Cash Equivalents</b>	
Post Acquisition	
Cash at bank	838,654
Cash on hand	16,416
Ecocash	232
Cash and bank	855,302
<b>10 Share Capital</b>	
<b>Authorised share capital</b>	
2 000 shares at a par value of US\$ 1.00 each	2000.00
<b>Issued and fully paid</b>	
200 shares at a par value of US\$ 1.00 each	200.00

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

11 Borrowings	Post Acquisition US\$
<b>Current</b>	
CABS Loan ZWL	20,345
Rift Valley Corporation Limited	74,991
Forrester Estates (Private) Limited	790,320
Bank overdraft	732,324
	<b>1,617,980</b>
<b>Non-current</b>	
CABS Loan USD	3,700,000
ZB Bank Loan	87,609
Deutsche Investitions - und Entwicklungsgesellschaft mbH ("DEG")	2,903,944
Related Party Borrowings	1,111,092
	<b>7,802,645</b>
Total Borrowings	<b>9,420,625</b>
<b>12 Trade and Other Payables</b>	
Trade payables	5,503,972
Statutory payables	42,025
Other accruals	948,631
Payables to related parties	189,154
Audit and consultancy	-
	<b>6,683,782</b>
<b>13 Provisions</b>	
Employee Benefits	69 299
Others	87 258
	-
	<b>156 557</b>
Current	156 557
Non-Current	-

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

14 <b>Deferred Income Tax</b>	<b>Post Acquisition US\$</b>
The analysis of deferred income tax assets and deferred income tax liabilities is as follows:	
Deferred income tax liability:	
-Deferred income tax liability to be recovered after more than 12 months	(9 797 632)
-Deferred income tax liability to be recovered within 12 months	(233 162)
	<b>(10 030 794)</b>
Deferred tax assets	
-Deferred income tax assets to be recovered after more than 12 months	7 572
-Deferred income tax assets to be recovered within 12 months	-
Deferred tax (liability) (net)	<b>(10 023 222)</b>
<b>15 Related Party Transactions</b>	
<b>a Amounts due from related parties</b>	
<b>Pre-Acquisition</b>	
My Trees	<b>72 356</b>
<b>Assumed from acquisition</b>	
Chipinge Banana Company (Private) Limited	347 213
Northern Tobacco (Private) Limited	-
Rift Valley Holdings Limited	-
Export Leaf Tobacco	-
Mirror Image Investments (Private) Limited	-
Rift Valley Energy Limited	-
Rift Valley Holdings Limited	-
My Trees	-
TPZ USD Current	-
Unbound Investments (Private) Limited and Cicada Carbon	-
<b>Post Acquisition</b>	<b>419,569</b>
Non-Current	324,057
Current	72,356
<b>Total</b>	<b>396,413</b>

## Appendix 5 – Cicada Plantations Zimbabwe (Private) Limited Proforma Financial Information (continued)

15	Related Party Transactions (cont'd)	Post Acquisition US\$
<hr/>		
<b>b</b>	<b>Amounts due to related parties</b>	
	<b>Pre-Acquisition</b>	<b>9 335 125</b>
	<b>Eliminated through acquisition</b>	<b>(6 030 363)</b>
		<b>3 304 762</b>
	Assumed from acquisition	
	Cicada Plantations Investments Loan – Non-current medium-term loan	1,553,270
	Rift Valley Holdings	11,037,329
	Owed by Streamcourse	-
	Other related parties	(119)
	Post Acquisition	<b>15 895 242</b>
	Non-Current	15 895 953
	Current	-
	<b>Total</b>	<b>15 895 953</b>

## Appendix 6 –Pro Forma Independent Accountants Report On Pro Forma Financial Information Of Cicada Plantations Zimbabwe (Private) Limited



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Zimbabwe

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The Board of Directors

Cicada Plantations Zimbabwe (Private) Limited  
4-12 Paisley Road  
Southeton  
Harare  
Zimbabwe

Dear Sirs/Mesdames

### **INDEPENDENT REPORTING ACCOUNTANT’S ON THE OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO BORDER TIMBERS (PRIVATE) LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cicada Plantations Zimbabwe (Private) Limited (the “Company”) by the directors as set out in Appendix 5 of the circular dated Friday 28 July 2023, which consists of consolidated statement of financial position, consolidated statement of comprehensive profit and loss and other comprehensive income, and related notes.

The pro forma financial information has been compiled on the basis of the applicable criteria specified in the Zimbabwe Stock Exchange (“ZSE”) Listings Requirements.

This report is prepared in terms of the Listings Requirements of the ZSE, we confirm that the engagement Partner is a registered accountant and auditor, and, together with the firm, is independent of Cicada Plantations Zimbabwe (Private) Limited, the issuer of the pro-forma information.

The pro forma financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the circular, on the Company’s financial position as at 1st of July 2022 and the company’s financial performance for the period then ended, as if the corporate action or event had taken place at 1st of July 2022 and for the period then ended. As part of this process, information about the company’s financial position and financial performance has been extracted by the directors from the company’s financial statements for the period ended 30 June 2022, on which an auditor’s report has been published.

### **Directors’ Responsibility for the Pro Forma Financial Information**

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

### **Our Independence and Quality Control**

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



## Appendix 6 –Pro Forma Independent Accountants Report On Pro Forma Financial Information Of Cicada Plantations Zimbabwe (Private) Limited (continued)

# Deloitte.

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### Reporting Accountant's Responsibility

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

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in the circular. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the ZSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 1st of July 2022 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

## **Appendix 6 –Pro Forma Independent Accountants Report On Pro Forma Financial Information Of Cicada Plantations Zimbabwe (Private) Limited (continued)**

# **Deloitte.**

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### Opinion

In our opinion, the pro forma financial information as at 01 July 2022 has been compiled, in all material respects, on the basis of the applicable criteria described in in Part IX Sub Part B of the ZSE Listings Requirements.

### **Material uncertainties**

We draw attention to Note 29 in the separate financial statements of Border Timbers (Private) Limited, which indicates that the Company was given an award by the ICSID Arbitration Tribunal in the matter of expropriated land by the Government of Zimbabwe (the "Government"). The Government reconstitute the land, failing which a compensation should be paid. These events or conditions, along with other matters as set forth in Note 29 in the separate financial statements of Border Timbers (Private) Limited, indicate that a material uncertainty exists.

We draw attention to note 21 in the separate financial statements for Cicada Katiyo (Private) Limited, which indicate that Cicada Katiyo (Private) Limited is still in the phase of developing biological assets through funding from Group loans and currently not yet trading.

Our opinion is not modified in respect of this matter.

Your faithfully,

[signed on original]

**Deloitte & Touche**  
**Chartered Accountants (Zimbabwe)**  
**Registered Auditor**  
**Per: Tapiwa Chizana**  
**PAAB Practice Certificate Number: 0444**  
**Partner**

**26 July 2023**

## Appendix 7 – Report Of The Independent Financial Advisors



25 July 2023

The Board of Directors  
Border Timbers Limited  
1 Aberdeen Road  
P.O Box 458  
MUTARE

Dear Members of the Board,

### **“FAIR AND REASONABLE” OPINION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED ORDINARY SHARES OF BORDER TIMBERS LIMITED BY CICADA PLANTATIONS ZIMBABWE (PRIVATE) LIMITED.**

#### **1. Introduction**

Cicada Plantations Zimbabwe (Private) Limited (“CPZ”) is proposing to make an offer to acquire 100% of Border Timbers Limited’s (“BTL” or “the Company”) issued share capital in lieu of its shares (“the Acquisition”), resulting in the immediate termination of BTL’s Zimbabwe Stock Exchange (“ZSE”) Listing, (together “the Proposed Transaction”). Should the offer become binding, it has been concluded that the purchase consideration at the Effective Date is to be settled via the issuance of zero comma nine zero three (0.903) new CPZ shares in exchange for one (1) BTL share, representing 100% of BTL’s issued ordinary shares. On completion of the Acquisition, BTL will become a wholly owned subsidiary of CPZ.

Concurrent to the Proposed Transaction, CPZ intends to acquire the entire shareholding in Makandi Estates (Private) Limited (“Makandi”), a related company, and seeks to amalgamate BTL, Makandi and CPZ to form a forestry and agricultural conglomerate with an intention to list on the Victoria Falls Stock Exchange (“VFEX”) within 24 months of completion of the Proposed Transaction, subject to market conditions.

The terms and conditions of the Proposed Transaction are detailed in the Circular to Shareholders of BTL (“the Circular”), to be published on or around 28 July 2023, of which this opinion is a part. Words and phrases used in this letter shall have the same meaning as ascribed to them in the Circular.

#### **2. Shareholding background**

87.94% of BTL’s issued ordinary shares is owned by associates of CPZ namely Franconian Zimbabwe Investments (Private) Limited (“Franconian”), Saxonian Estate Limited (“Saxonian”), Limpopo Limited (“Limpopo”) and Zambezi Limited (“Zambezi”). BTL minority Shareholders own the remaining 12.06% of the issued ordinary shares.

#### **3. Scope**

BTL is listed on the Zimbabwe Stock Exchange and the Proposed Transaction is required to be reviewed for fairness and reasonableness by an independent professional expert, in terms of the Fifth Schedule of the Zimbabwe Stock Exchange (“ZSE”) Listings Requirements, for the sole purpose of assisting the independent directors of BTL in forming and expressing a view for the benefit of the Company’s minority Shareholders.

## Appendix 7 – Report Of The Independent Financial Advisors (continued)

Corporate Excellence Financial Advisory Services (Private) Limited (“Corporate Excellence”) was appointed by the Board of BTL as the independent professional expert to provide the Board with its opinion as to whether the terms of the Proposed Transaction are fair and reasonable to the minority Shareholders of BTL.

Our work and findings shall not in any way constitute recommendations regarding the completion of the Proposed Transaction.

#### 4. **Responsibility**

The compliance with the ZSE Listings Requirements is the responsibility of the BTL Board. Our responsibility is to report on the terms and conditions of the Proposed Transaction.

#### 5. **Definition of the terms “fair” and “reasonable” for the purpose of our opinion**

A transaction will generally be considered fair to a company’s Shareholders if the benefits received by the Shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the Shareholders. The assessment of fairness is primarily based on quantitative issues. The proposed Acquisition of the ordinary shares held by minority Shareholders in BTL to be settled via the issuance of one (1) new CPZ share in exchange for 1.1079 BTL shares would be considered fair if the Offer price is equal to or greater than their fair value.

The assessment of reasonableness is generally based on qualitative considerations surrounding the Proposed Transaction. Hence, even though the quantifiable benefits received by BTL Shareholders may be less than the value that they surrender, the entire Proposed Transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

#### 6. **Information utilised and procedures performed**

##### 6.1 **Key information utilised**

In arriving at our opinion, we relied upon financial and other information which was provided by Inter Horizon Advisory Services (Private) Limited (“IH”), the Financial Advisors to BTL on the Proposed Transaction, and from various public and industry sources. Our conclusion is dependent on that information being complete and accurate in all material respects.

We considered, inter alia, the following sources of information:

- a) information on CPZ [and its subsidiaries Cicada Katiyo (Private) Limited (“Cicada Katiyo”) and Northern Farming (Private) Limited (“Northern Farming”)], BTL and Makandi [and its subsidiary Chipinge Banana Company (Private) Limited (“CBC”)]
- b) the draft Circular to BTL Shareholders;
- c) audited financial information for CPZ, Cicada Katiyo, Northern Farming, BTL, Makandi and CBC for the financial years ended 30 June 2019 to 30 June 2022;
- d) projected financial information for Cicada Katiyo and Northern Farming for the five (5) years from 2023 to 2027, including supporting assumptions and schedules prepared by CPZ management;
- e) projected financial information for BTL for the ten (10) years from 2023 to 2032, including supporting assumptions and schedules prepared by BTL management;
- f) projected financial information for Makandi for the seven (7) years from 2023 to 2029, including supporting assumptions and schedules prepared by Makandi management;

## Appendix 7 – Report Of The Independent Financial Advisors (continued)

### 6. Information utilised and procedures performed

#### 6.1 Key information utilised

- g) projected financial information for CBC for the eight (8) years from 2023 to 2030, including supporting assumptions and schedules prepared by CBC management;
- h) the reports on the valuation of Cicada Katiyo, Northern Farming, Makandi, CBC and BTL performed by IH;
- i) the CPZ pro-forma consolidated statements of comprehensive income and financial position regarding the Proposed Transaction;
- j) discussion paper on the implementation of the enlarged CPZ transaction and potential listing thereof prepared by IH and dated February 2023;
- k) legal opinion on the acquisition of BTL by CPZ prepared by Kantor and Immerman and dated 20 February 2023;
- l) Zimbabwe Stock Exchange Listings Requirements;
- m) publicly available financial information on listed companies with operations similar to those of CPZ, Makandi, CBC and BTL; and
- n) other publicly available information relevant to the industry in which CPZ, BTL, Makandi and CBC operate.

#### 6.2 Key quantitative considerations

We performed the following procedures to arrive at our opinion on the fairness of the Proposed Transaction:

- Analysed the financial projections of Cicada Katiyo, Northern Farming, BTL, Makandi and CBC and the basis of the assumptions therein including the prospects of the businesses. This analysis included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management.
- The material assumptions we considered for CPZ (Cicada Katiyo and Northern Farming) related to:
  - the expected yield and price of the farm products (avocados, macadamia nuts, maize, soya beans and wheat), based on historical averages, market trends, contracts, and/or other relevant sources of information;
  - the timing and amount of cash inflows from selling farm products, and other income sources;
  - the timing and amount of cash outflows for purchasing inputs, paying labour, taxes, interest, rent, and other expenses;
  - the asset base of the businesses anchored by biological assets;
  - the debt service payments and new borrowing needs, based on existing loans and projected financing requirements; and
  - management experience in running the business.
- The material assumptions we considered for BTL related to:
- the growth rate of trees, which depends on factors such as species, climate, soil quality, pests, diseases, and management practices;
  - the harvest cycle for the trees, which determines how often the plantations can produce timber and generate revenue;
  - the yield of the trees, which measures how much timber can be obtained from a given area of land or volume of wood;
  - the prices of timber, which varies according to supply and demand, quality, grade, and location of the market;

## Appendix 7 – Report Of The Independent Financial Advisors (continued)

- the cost of production, which includes expenses such as land acquisition, planting, maintenance, harvesting, transportation, processing and taxes;
- the discount rate, which reflects the time value of money and the risk associated with the investment; and
- management experience in running the business.
- The material assumptions we considered for Makandi (and CBC) related to:
  - the expected yield and price of the farm products (avocados, macadamia nuts, maize, bananas and coffee), based on historical averages, market trends, contracts, and/or other sources of information;
  - the timing and amount of cash inflows from selling farm products, and any other income sources;
  - the timing and amount of cash outflows for purchasing inputs, paying labor, taxes, interest, rent, and other expenses;
  - the planned capital expenditure;
  - the debt service payments and new borrowing needs, based on existing loans and projected financing requirements; and
  - management experience in running the business.
- Considered the risks and expected returns associated with the businesses of Cicada Katiyo, Northern Farming, BTL, Makandi and CBC;
- Considered the current macro-economic environment in which Cicada Katiyo, Northern Farming, BTL, Makandi and CBC operate which is characterised by macro-economic instability;
- Based on the above we performed;
- valuations of the businesses of CPZ (Cicada Katiyo and Northern Farming), BTL, Makandi (and CBC) to determine the value of their entire equity interests;
- in valuing CPZ, we employed the sum of parts valuation approach by separately valuing Cicada Katiyo and Northern Farming and summing the valuation results to come up with the value of CPZ;
- in valuing the business of Cicada Katiyo, the relative valuation methodology using the Price-to-Book ("P/B) multiple was the primary valuation methodology employed. Key value drivers were:
  - biological assets;
  - multiples at which listed comparable companies are trading; and
  - discount or premiums used which are a function of the perceived risk associated with operating in the Zimbabwean market.
- in valuing the business of Northern Farming, the Discounted Cash Flow ("DCF") valuation method was the primary valuation methodology employed and was supplemented with the relative valuation methodology using the Price-to-Book ("P/B) multiple to test the results of the primary methodology. Key value drivers were:
  - demand for soya beans, wheat and barley on the local and global markets;
  - the level of historical and forecast earnings;
  - business profitability and cash flow generation capacity;
  - multiples at which listed comparable companies are trading; and
  - discount or premiums used which are a function of the perceived risk associated with operating in the Zimbabwean market.

## Appendix 7 – Report Of The Independent Financial Advisors (continued)

- in valuing the business of BTL we considered the suspension of the Company's shares from trading on the ZSE resulting in the absence of a market-based valuation of the Company. We therefore employed the relative valuation methodology using the Price-to-Book ("P/B) multiple as the primary valuation methodology employed and was supplemented with the Discounted Cash Flow ("DCF") valuation method to test the results of the primary methodology. Key value drivers were:
  - the asset base anchored by biological assets and property plant and equipment;
  - multiples at which listed comparable companies are trading; and
  - discount or premiums used which are a function of the perceived risk associated with operating in the Zimbabwean market.
- in valuing Makandi, we employed the sum of parts valuation approach by separately valuing Makandi and its 50% owned subsidiary CBC and summing the valuation results to come up with the value of Makandi;
- in valuing the business of Makandi, the relative valuation methodology using the Price-to-Book ("P/B") multiple was the primary valuation methodology employed and was supplemented with the relative valuation method using the Price-to-Earnings ("P/E") multiple to test the results of the primary methodology. Key value drivers were:
  - the asset base anchored by property, plant and equipment;
  - multiples at which listed comparable companies are trading;
  - business profitability; and
  - discount or premiums used which are a function of the perceived risk associated with operating in the Zimbabwean market.
- in valuing the business of CBC, the relative valuation methodology using the Price-to-Book ("P/B") multiple was the primary valuation methodology employed and was supplemented with the relative valuation method using the EV/EBITDA multiple and the Discounted Cash Flow ("DCF") method to test the results of the primary methodology. Key value drivers are:
  - demand for bananas on the local and global markets;
  - the level of historical and forecast earnings;
  - business profitability and cashflow generation capacity;
  - multiples at which listed comparable companies are trading; and
  - discount or premiums used which are a function of the perceived risk associated with operating in the Zimbabwean market.
- All businesses we have valued have biological assets on their balance sheets and we relied on information from the respective companies for the biological technical confirmations regarding the values;
- Reviewed the assumptions and calculations used in the valuation reports on Cicada Katiyo, Northern Farming, BTL, Makandi and CBC prepared by IH dated September 2022;
- Reviewed the calculations by IH to come up with swap ratios used in the Proposed Transaction; and
- Reviewed the draft Circular to BTL Shareholders, and where relevant, held discussions to confirm the factual accuracy of all the information, figures and financial calculations included therein.



## Appendix 7 – Report Of The Independent Financial Advisors (continued)

### 6.3 Key qualitative considerations

We performed the following procedures to arrive at our opinion on the reasonableness of the proposed Transaction:

- Considered the rationale for the Proposed Transaction, which in terms of the draft Circular to BTL Shareholders, include:
- a larger, diversified CPZ Group with the ability to scale its operations and further establish its position as a dominant market player in its industry;
- the possible culmination of greater value to CPZ shareholders through the realization of their combined value on the stock market once CPZ is listed on the VFEX;
- a stronger balance sheet from which a more robust capital base would be leveraged to seek any desired funding; and
- CPZ, BTL and Makandi will benefit from cost savings with the potential merging of the organisations' current administrative and other functions, freeing up cashflow for working capital and other requirements;
- Considered that in terms of the Circular the CPZ Board intends to list the enlarged CPZ on the VFEX within 24 months of implementation of the Proposed Transaction. According to the Circular the benefits of the proposed VFEX listing of CPZ would be:
  - improved access to US\$ capital;
  - efficient dividend repatriation arising from the allowance for offshore settlement;
  - proficient US\$ financial reporting in comparison to ineffective ZW\$ reporting; and
  - limited company valuation volatility on the US\$ exchange;
- Considered the potential negative market sentiment created by the placement of BTL under judicial management from March 2016 to March 2022 which will be eliminated following the consummation of the Proposed Transaction as the business will now be operating under an enlarged CPZ;
- Considered the fact that BTL's listing on the ZSE has been suspended since 2018 and the likelihood of its suspension being lifted is remote as it is still in violation of the ZSE Listings Requirements regarding shareholder spread; and
- Considered the fact that prior to its suspension in 2018, BTL shares were tightly held and trading in the shares was very low.

### 7. Opinion

On the basis of the above considerations, along with the information made available to us by the BTL Directors, for which they are solely responsible, and after due consideration of the details of the Proposed Transaction, we believe that the terms of the Proposed Transaction, as described in the Circular, are fair and reasonable to the minority Shareholders of BTL.

Our opinion is necessarily based upon the information available to us up to 19 May 2023, including in respect of the financial, regulatory, and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that the Proposed Transaction would be undertaken within the parameters proposed by CPZ and that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Proposed Transaction have been or will be timeously fulfilled and/or obtained.

## Appendix 7 – Report Of The Independent Financial Advisors (continued)

### 7. Opinion

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

We have not undertaken to update this report for events and circumstances occurring subsequent to the date of its issuance.

### 8. Limiting conditions

This opinion is provided to the BTL Board in connection with and for the purposes of the Proposed Transaction. This opinion is prepared solely for the BTL Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual minority Shareholder's perspective, but rather that of the general body of BTL minority Shareholders. Should a BTL minority Shareholder be in doubt as to what action to take, he or she should consult an independent advisor.

An individual BTL minority Shareholder's decision as to whether to participate in any transaction may be influenced by his particular circumstances. The assessment as to whether or not the BTL Board decides to recommend the Proposed Transaction is a decision that can only be taken by the BTL Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with IH representatives, and by reference to publicly available or independently obtained information. While our work has involved an analysis of, inter alia, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include an audit or due diligence review of CPZ, BTL and Makandi.

Where relevant, the forecasts of CPZ (and its subsidiaries), BTL and Makandi (and its subsidiaries) relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of CPZ, BTL and Makandi will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with IH and the companies' management. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Proposed Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of BTL and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Proposed Transaction will be legally enforceable.

## **Appendix 7 – Report Of The Independent Financial Advisors (continued)**

### **9. Independence**

In terms of schedule 5.1 (a) of the ZSE Listings Requirements, we confirm that we have no material direct or indirect interest in the shares of CPZ, BTL and Makandi or the Proposed Transaction, save for our professional fees for services rendered in connection with this fair and reasonable statement.

In terms of schedule 5.1 (b) of the ZSE Listings Requirements, we confirm that we have no existing or continuing relationship with CPZ, BTL and Makandi and/or any other parties involved in the Proposed Transaction.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Proposed Transaction.

### **10. Consent**

We consent to inclusion of this letter in the Circular to the Shareholders of BTL in the form and manner it appears.

Yours faithfully

[Signed on Original]

**Corporate Excellence Financial Advisory Services (Private) Limited**

## Appendix 8 – Notice Of Extraordinary General Meeting



*(Border Timbers Limited, incorporated in Zimbabwe on 28 June 1945 under Company Registration Number 35/1945)*

### NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“EGM”) of the Shareholders of Border Timbers Limited is to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link “<https://escrowagm.com/eagmZim/Login.aspx>”, on the Friday, 18 August 2023, at 1000 hours, for the purpose of transacting the following business: -

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

#### ORDINARY RESOLUTION 1 – APPROVAL OF THE TERMS OF THE OFFER

“**THAT** the terms and conditions of the proposed Offer made by Cicada Plantations Zimbabwe (Private) Limited to the Border Timbers Limited shareholders to acquire up to 100% of the issued share capital of Border Timbers Limited by means of a share swap at a swap ratio of 1 new Cicada Plantations Zimbabwe (Private) Limited ordinary share for every 1.1079 Border Timbers Limited ordinary shares held, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL, with the result that Border Timbers Limited shareholders who accept the offer will become shareholders in Cicada Plantations Zimbabwe (Private) Limited and Border Timbers Limited may become a subsidiary of Cicada Plantations Zimbabwe (Private) Limited, and otherwise for the implementation of the Proposed Transaction described in the Circular to shareholders be and are hereby approved.”

#### ORDINARY RESOLUTION 2 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

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

**BY ORDER OF THE BOARD**

## Appendix 9 – Form Of Proxy

I / We .....

Of.....

Being member/members of the above Company, hereby appoint:

Mr. / Mrs. / Ms. / Dr .....

Or failing him or her.....

Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held physically at 4 – 12 Paisley Road, Southerton, Harare, and virtually by electronic means via the link “<https://escrowagm.com/eagmZim/Login.aspx>”, on the Friday, 18 August 2023, at 1000 hours, and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

<b>Ordinary Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
<p><b>ORDINARY RESOLUTION 1 – APPROVAL OF THE TERMS OF THE OFFER</b></p> <p>“THAT the terms and conditions of the proposed Offer made by Cicada Plantations Zimbabwe (Private) Limited to the Border Timbers Limited shareholders to acquire up to 100% of the issued share capital of Border Timbers Limited by means of a share swap at a swap ratio of 1 new Cicada Plantations Zimbabwe (Private) Limited ordinary share for every 1.1079 Border Timbers Limited ordinary shares held, resulting in the issuance of 38,758,568 new CPZ shares being issued to the shareholders of BTL, with the result that Border Timbers Limited shareholders who accept the offer will become shareholders in Cicada Plantations Zimbabwe (Private) Limited and Border Timbers Limited may become a subsidiary of Cicada Plantations Zimbabwe (Private) Limited, and otherwise for the implementation of the Proposed Transaction described in the Circular to shareholders be and are hereby approved.”</p>			
<p><b>ORDINARY RESOLUTION 2 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS</b></p> <p>“THAT the directors be and are hereby authorised to do any and all such things as may be necessary or desirable to give effect to the above resolution.”</p>			

## Appendix 9 – Form Of Proxy (continued)

Signed this..... day of.....  
.....2023

Signature(s) of member.....

### NOTE

1. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A director or officer of the Company cannot be appointed as a proxy for a shareholder.
2. Article 76 of the Company's Articles provides that the instrument appointing a proxy shall be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting.
3. Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

FOR OFFICIAL USE

NUMBER OF SHARES HELD

## Appendix 9 – Form Of Proxy (continued)

### INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided. The person whose name appears first on the Form of Proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
3. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
  - i. under a power of attorney
  - ii. on behalf of a 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.



## Appendix 10 – Form Of Acceptance, Surrender And Transfer

### THIS FORM IS FOR USE BY BORDER TIMBERS LIMITED SHAREHOLDERS ONLY

Full Details of the Offer are contained in the Circular to Shareholders of BTL dated Friday, 28 July 2023 to which this Form is attached and Forms a part. Accordingly, all definitions and terms used in this Form shall unless the context otherwise requires, have the corresponding meaning and interpretation attributed to them in the Circular.

This form must be completed by all Border Timbers Limited shareholders who are recorded in the Border Timbers Limited Shareholders' Register at any time during which the Offer is open, and who wish to accept the Offer.

#### Instructions for completion:

**Part A:** Must be completed by all Border Timbers Limited shareholders who wish to accept the Offer. If you are in doubt of the action you should take, please consult your accountant, lawyer, banker, stockbroker or other professional advisor immediately.

This form must be returned to the Transfer Secretaries together with the relevant Documents of Title, to be received prior to the closing date of the Offer, which is Monday, 25 September 2023 by 1600hrs. If your Share Certificate/s have been dematerialised you should return this Form of Acceptance, Surrender and Transfer duly completed and accurate information that is consistent with the information provided to the CSD. Cicada Plantations Zimbabwe (Private) Limited, at their sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Document of Title has been lost or destroyed and upon provision of suitable indemnity. Unless otherwise agreed by CPZ, only indemnity forms obtained from the Transfer Secretaries (available upon request) will be regarded as suitable.

Signatories may be called upon for evidence of their authority or capacity to sign this Form of Acceptance, Surrender and Transfer.

In the case of Non-resident Shareholders, the Offer Consideration will be settled as per the normal settlement process of buying and selling shares on the ZSE. The Form of Acceptance Surrender and Transfer that follows these instructions makes provision for furnishing the banking details to be used. The attached Form of Acceptance, Surrender and Transfer makes provisions for a substitute address for this Offer only.

Kindly forward your instructions, together with the Documents of Title in respect of your Border Timbers Limited shares to the Transfer Secretaries, as follows:

#### Transfer Secretaries

##### By hand, courier, or post:

Corpserve (Private) Limited  
2nd Floor, ZB Center  
56 Union Avenue  
Harare  
Zimbabwe

## **Appendix 10 – Form Of Acceptance, Surrender And Transfer (continued)**

To indicate your intention to participate in the Offer, Forms of Acceptance, Surrender and Transfer may be returned to the Transfer Secretaries electronically by email (corpserve@escrowgroup.org) however, **acceptance will only be processed upon receipt of the original forms** returned by post or delivered by hand to the Transfer Secretaries at the address indicated above. Kindly note that the return of the Form of Acceptance, Surrender and Transfer electronically by email or fax will not be deemed to be an acceptance of this Offer until the original Form of Acceptance, Surrender and Transfer has been received by post or delivery. For any queries in relation to the Form of Acceptance, Surrender and Transfer, contact Corpserve Transfer Secretaries.

## Appendix 10 – Form Of Acceptance, Surrender And Transfer (continued)

Dear Sir/Madam

### The Offer

I/We the undersigned, hereby irrevocably and unconditionally accept the Offer of 1 new Cicada Plantations Zimbabwe (Private) Limited share for every 1.1079 Border Timbers Limited shares held by me/us, the details of which are included in the enclosed Circular. I/We hereby cede ownership and authorise the transfer of ownership of the Border Timbers Limited shares to Cicada Plantations Zimbabwe (Private) Limited ("Cicada Plantations Zimbabwe").

### Part A – ALL BORDER TIMBERS LIMITED SHAREHOLDERS ACCEPTING THE OFFER MUST PLEASE COMPLETE THIS SECTION IN BLOCK LETTERS

Surname:	
Given Names (in full):	
Title (Mr., Mrs., Miss., Ms., Other):	
Address:	
Telephone:	
Mobile:	



## Appendix 10 – Form Of Acceptance, Surrender And Transfer (continued)

I/We hereby surrender the undermentioned shares/share certificates:

Name of registered holder (separate form for each holder)	Certificate number/CSD number (in numerical order) (if applicable)	Number of Border Timbers Limited Shares
	Total	

Signature of Shareholder:	Stamp and address of agent lodging this form (if any)
Date:	
Assisted by me (if applicable):	
State full name and capacity:	
Date:	
Telephone number (home):	
Telephone number (work):	
Mobile Number:	

## Appendix 10 – Form Of Acceptance, Surrender And Transfer (continued)

### Notes:

1. No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Documents of Title lodged. Additional copies of this Form of Acceptance, Surrender and Transfer are available upon request from the Transfer Secretaries.
2. Any alteration to this Form of Acceptance, Surrender and Transfer must be signed in full and not initialled. Any alteration may not be accepted by Cicada Plantations Zimbabwe.
3. If this Form of Acceptance, Surrender and Transfer is signed under a power of attorney, then such power of attorney or a notarial certified copy hereof, must be sent with the form for noting, unless it has already been noted by the Transfer Secretaries.
4. Where the Border Timbers Limited Shareholder is a company or a close corporation or other juristic person, a certified copy of all Directors' or members' or other resolution authorising the signing of this Form of Acceptance, Surrender and Transfer must be submitted together with this form.
5. Where the Border Timbers Limited shares are jointly held, this Form of Acceptance, Surrender and Transfer must be signed by all joint holders; however, Cicada Plantations Zimbabwe shall be entitled to, in its absolute discretion, accept the signature of that holder whose name stands first in the register in respect of such Border Timbers Limited Shares.
6. The Offer is made gross of tax, and where applicable Capital Gains Tax and other related costs will be deducted at source prior to settlement of the Offer Consideration.
7. Shareholders with CSD accounts will have their new Cicada Plantations Zimbabwe shares credited automatically to their electronic accounts.



[www.bordertimbers.com](http://www.bordertimbers.com)

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