Masimba HOLDINGS LIMITED

Annual Report 2023

BUILDING AN AFRICAN LEGACY

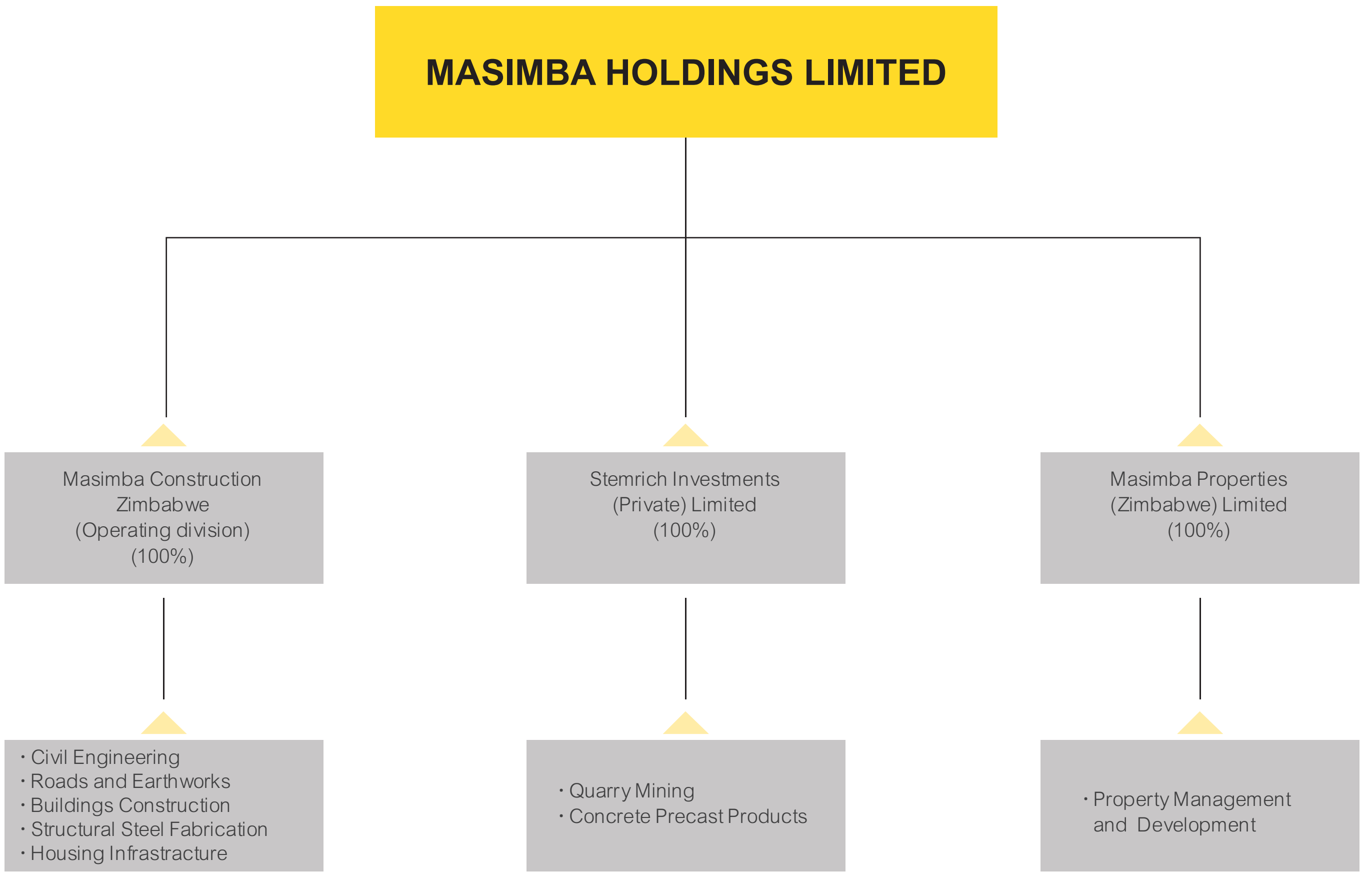
Contents

Group Profile and Nature of Business

Masimba Holdings Limited is a well-established Zimbabwean contracting and industrial Group that provides innovative engineering and infrastructure client solutions to the agriculture, commercial, communications, housing, mining, water and transport sectors.

More information is available at www.masimbagroup.com.

Group Structure



Consolidated Financial Highlights

	2023 Audited USD	2022 Audited USD
Consolidated financial results		
Revenue	53,834,005	49,818,414
Profit before interest and tax	8,239,304	16,937,320
Profit attributable to shareholders	7,550,472	12,400,715
Total assets	85,784,666	63,286,798
Cash generated from operating activities	4,978,645	771,971
Ordinary share performance (USD cents)		
Basic earnings per share (cents)	3.15	5.13
Diluted earnings per share (cents)	3.07	5.13
Headline earnings per share (cents)	3.05	2.23
Cash and cash equivalents earnings per share (USD cents)*	1.14	0.64
Market share price	80.539	48.501
Financial statistics		
Profit before interest and tax on revenue	15%	34%
Return on average capital employed	26%	45%

* Arrived at by dividing the cash and cash equivalents balance by the number of shares at period end.

Chairman's Statement

G. Sebborn
Chairman

Operating Environment

The operating environment was relatively stable during the first half of the year attributable to measures put in place by Government to stabilise the local currency. However, the second half saw increased market volatility driven by liquidity and foreign currency constraints. United States Dollars (USD) inflation on the local market and currency pressures remained during the period under review, on the back of inadequate foreign currency allocation through the formal auction system and resultantly, blended inflation rate closed the financial year at 34.6%. Mineral prices continued to soften in the period under review which resulted in the decline in export proceeds. In addition, the continued national power shortages have increased the cost of doing business.

The Zimbabwe Statistical Agency and the Reserve Bank of Zimbabwe, in their respective reports, have indicated that the use of the United States Dollars for trading purposes is estimated at over 80% demonstrating the increase in the dollarisation of the economy.

Review of Operations

The Contracting business commenced the financial period with a solid order book comprising of roads and earthworks, water, housing, mining and energy infrastructure projects. The order book remained fairly balanced between the public and private sectors for the period under review. We applaud the Government and the private sector's continued investment in infrastructure development, being the key enabler to economic development.

Performance in the Property portfolio was firm, and the business unit contributed positively to the Group's performance. Occupancy of properties remained at 100%.

The quarry mining business unit, Stemrich Investments (Private) Limited, contributed positively towards the Group's profitability. The segment manufactures stone aggregates which are key in the contracting business.

Change of Functional Currency

The Board, having evaluated the mix of currencies wherein the Group was trading at 69% USD (2022: 65%), resolved to adopt the USD as its functional and reporting currency effective 1 January 2023. The financial results for the financial year ended 31 December 2023 have been reported in USD. The comparative figures have been translated in accordance with the conversion steps detailed in the paragraph below.

Basis of Conversion

IAS 21 directs that entities operating in hyperinflationary economies should translate their last reported Inflation-Adjusted Financial Statements using the closing rate of exchange at the reporting date in order to derive and present comparative financial statements under a newly assessed functional currency. The Group complied with IAS 21 guidance on restatement of comparative figures for all account balances except for equity and reserves where alternative techniques and procedures were applied to match share register values.

To present a true and fair financial performance and position of the Group in the current year, the following conversion methods were adopted:

- Transactions that were consummated in USD are reported as USD.
- Transactions consummated in Zimbabwe Dollars (ZWL) were converted to USD based on management's best estimate of the exchange
- The exchange gains/losses on ZWL transactions and balances were established then recorded in the profit and loss statement.

Whilst the External Auditors, Messrs. Grant Thornton Chartered Accountants (Zimbabwe), have issued an adverse opinion on the consolidated financial statements for the year ended 31 December 2023, due to non-compliance with IAS 21, the Directors believe that the alternative procedures and techniques used in the translation process, as described above, provide users with the most accurate possible view of the Group's financial performance and position. However, it is important to note the inherent judgments and technicalities involved in the translation of ZWL to USD financial statements. In addition, the Directors have consistently exercised reasonable due care and applied judgments they deemed appropriate in the preparation and presentation of the Group's financial statements.

Review of Financial Performance

Revenues for the year were at USD53.8 million (2022: USD49.8 million) representing a growth of 8% from comparative period. The growth in revenue volumes was attributable to a strong and firm order book at the beginning of the year. However, growth declined in the fourth quarter as a conservative approach was taken by the Group to align work execution in line with clients' payment patterns.

Earnings before Interest, Taxes, Depreciation and Fair Value Adjustment (EBITDFVA) declined by 11% to USD12.6 million (2022: USD14.2 million). The decline in EBITDFVA was attributable to slow down of works in the fourth quarter due to delayed payments and liquidity constraints which negatively impacted project efficiencies. In addition, profitability of the Group was impacted by the sub-optimal currency payment mix on most of the projects that were not in line with the increased dollarisation of the economy.

Total assets of the Group improved to USD85.8 million (2022: USD63.3 million), mainly driven by growth in contracts in progress and contracts receivables. The growth in contracts in progress and contracts receivables was attributable to growth in revenues coupled with the impact of delayed payments from clients on the back of liquidity constraints. The decline of the current ratio to 1.01

Chairman's Statement (continued)

(2022: 1.31) was attributable to a strategic decision to purchase property, plant and equipment with short term facilities in order to capacitate the execution of long term projects. Based on the forecast cashflows, this position should improve in the second half of the 2024 financial year.

Cash generated from operating activities increased to USD5 million (2022: USD0.8 million) and this was largely applied to capital expenditure of USD4.2 million (2022: USD4.7 million). The capital expenditure incurred was mainly aligned towards the demands of a growing order book. Capital expenditure was funded by a combination of internal resources and borrowings. Resultantly, borrowings at the end of the financial period closed at USD1.9 million (2022: USD0.5 million). Included in borrowings is a USD loan in the amount of USD1.4 million (2022: USD0.5 million).

Occupational Health And Safety Assessment System (OHSAS)
In the period under review, Lost Time Injury Frequency Rate was maintained at zero. Further, the Group was awarded two sectoral gold awards at the annual NSSA Safety & Health at Work conference for outstanding safety performance in the Construction Sector and for being the Civils Contractor of the year. The Group, which continues to pursue its Zero Harm strategy, retained all its three International Organisation for Standardisation (ISO) certifications, namely (ISO) 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management Systems.

Corporate Social Responsibility
As part of its commitment to community well-being, the company hires general workers from the local communities where projects are undertaken. As at reporting date, the proportion of local employees was 54%.

The Group further contributes to strengthening communities through education. It has partnered with the University of Zimbabwe's Faculty of Engineering & the Built Environment, the Apprenticeship Board and the Institute of Chartered Accountants of Zimbabwe in honouring and employing the top Civil Engineering students, training Apprentices and Chartered Accountants, respectively. As of 31 December 2023, the Group had 29 Graduate Trainees, 34 Apprentices, 30 Trainee Plant Operators, 2 Management Development Program students, 3 Training Outside Public Practice students, 11 Project Management students and 5 Students on attachment.

Sustainability Reporting
The Group has adopted the Global Reporting Initiatives standards in identifying, measuring, and managing material impacts within its operations. In 2023, the organisation saw a 50% increase in diesel consumption due to more plant-intensive projects compared to the previous year. While 90% of equipment was compliant with direct atmospheric Sulphur Dioxide emissions, this was lower than the 98% compliance rate in 2022. However, the Group took decisive action to ensure compliance by implementing various measures including:

- Replacing and re-powering old equipment with clean energy equipment like solar.
- Adhering to service regimes as per Original Equipment Manufacturers specifications.
- Implementing diesel control technologies to reduce emission composition into the atmosphere. The organisation is now promoting idling technology that cuts off machines when idling to reduce emissions.

The Group has partnered with the Forestry Commission of Zimbabwe through a program themed 'Beautification of Cities'. This program involves providing trees for free to plant along roads constructed near cities and as part of our borrow pit rehabilitation programme.

Outlook
The Monetary Policy Statement, as presented on the 5th of April 2024 by the Reserve Bank Governor, is meant to address the issue of currency volatility and exchange rate instability which has been the primary driver of inflation in the economy. In addition, the Monetary Policy Statement introduced the Zimbabwe Gold (ZiG) structured currency to replace the Zimbabwe Dollar at a specified conversion rate determined by the Central Bank. However, the success of these measures will be dependent on supportive frameworks to be put in place by the Fiscal Authorities.

The Group has a firm order book valued at USD248 million (2022: USD104 million) with tenures of between three months to three years. However, the execution of this order book may be negatively impacted by the effects of the El Nino weather phenomenon and the declining mineral prices. These factors could lead to the Government prioritising food relief over infrastructure development and may result in capital expenditure budget cuts in the private sector.

Due to the above, the Group's key focus area will be cost containment and unlocking value from its land bank.

Dividend Declaration
The Board, having considered the Group's future cashflows on its operations, has decided not to declare a dividend for the financial year ended 31 December 2023 (2022: USD0.315 cents and ZWL288.58 cents).

Directorate
Since our last annual report, I bring to your attention changes within our directorate. Mr. Canada Malunga retired from the position of Chief Executive Officer of the Group on 31 December 2023 after a decade of visionary and successful leadership. He led the Group through major transformations such as rebranding from Murray & Roberts (Zimbabwe) Limited in 2013, and unbundling and listing of its manufacturing division, Proplastics, on the Zimbabwe Stock Exchange in 2015. Mr Malunga was instrumental in expanding the contracting business into various sectors and services and fostering a culture of excellence and collaboration within the Group. The Board extends profound gratitude to Mr Malunga for his outstanding service to the Group and wishes him a well deserved and fulfilling retirement.

The Board appointed Mr Fungai Matahwa, who was serving as the Managing Director (Construction), as Group Chief Executive Officer effective from 1 January 2024. In addition, Mr Matahwa was appointed as an Executive Director on the Board starting from 15 September 2023. Prior to joining Masimba, Mr Matahwa served as the Operations Director - Africa for Inyatsi Construction (Proprietary) Limited in Eswatini where he managed and executed diverse construction projects in southern and east Africa. He is a registered Civil Engineer. The Board looks forward to Mr Matahwa greatly contributing to the strategic direction and growth of the Group.

Appreciation
On behalf of the Board, I extend my appreciation to our valued customers, suppliers and other key stakeholders for their continued support, as well as to the executives and staff for their dedication. I also wish to thank my colleagues on the Board for their continued unwavering support in these difficult and challenging times.

For and on behalf of the Board

G. Sebborn
Chairman

12 April 2024

Masimba

Strategic Foundations

Our Vision
Building An African Legacy

Why Do We Exist?
To Create Value All The Time

Our Aspirations
Top of Clients' Minds. Place of Great Ideas.
Pioneering.

What Makes Us Different and Guides Our Long Term Strategy?
Rich Heritage. Trusted Brand. High Performance.
Game Changing Capability.

Scope of the Game
Civil Engineering. Roads and Earthworks.
Buildings Construction. Quarry Mining.
Structural Steel Fabrication. Property Development.

Our Brand Expression
Excellence Delivered.

Our Strategic Pillars
Value. Growth. Governance.

Our Behaviours
Learning. Caring. Performance Driven.
Professionalism. Excellence. Team Masimba.

Our Values
Zero Harm. Integrity. Delivery. Communication. Innovation.

Directorate

Gregory Sebborn
Chairman, Independent Non-Executive Director

Gregory is an independent Chairman of the Board. He is a former Managing Director of Zimbabwe & Southern African operations of the Rennies Group of Companies, a founding Director and former Group Managing Director of Zimplats Holdings Limited and Managing Director of Zimbabwe Platinum Mines. Gregory is a consultant for special mining projects and developments in Africa and serves as a Non-Executive Director of several companies including Stanbic Bank Zimbabwe Limited.

Canada Malunga
Chief Executive Officer

Canada has held this position since March 2013, prior to which he served the company as a Non-Executive Director. From 2004 to 2010, he was at the helm of the Masimba Holdings Limited group of companies and is a past President of the Institute of Chartered Accountants of Zimbabwe. Canada is a Non-Executive Director at FBC Holdings Limited.

Agnes Makamure
Finance Director

Agnes joined Masimba Construction Zimbabwe in 2008 as a Finance Manager. She was appointed to the position of Finance Director for Masimba Holdings Limited in August 2015. Agnes is a Chartered Accountant (Zimbabwe).

Fungai Matahwa
Managing Director (Construction)

Fungai joined the company in June 2023 and assumed the position of Managing Director (Construction). Prior to joining, he served as the Operations Director - Africa for Inyatsi Construction (Proprietary) Limited in Eswatini, where he managed and executed diverse projects. Fungai is a professionally registered Engineer.

Malcolm William McCulloch
Non-Executive Director

Malcolm is a Chartered Accountant (SA) and a past Group Chief Executive Officer of Murray & Roberts Limited in South Africa. He is a Director of several companies in Mauritius and the SADC region including Kosto Holdings Limited, Wilderness Holdings and the Reinforcing Steel Contractors Group.

Mark Mario Di Nicola
Non-Executive Director

Mark has over 25 years experience with companies listed on the Johannesburg Stock Exchange and is a former Chief Executive Officer of Beige Holdings Limited. He is a Director of several companies in Mauritius and the SADC region including Kosto Holdings Limited and the Reinforcing Steel Contractors Group.

Directorate

Herbert Stanley Mashanyare
Independent Non-Executive Director

Herbert is a holder of a Master of Science in Process Engineering Design and Master of Philosophy in Process Research. He is a member of the Institute of Materials, Minerals and Mining (IOM3), London. Herbert, a former Executive Director at Mimosa Mining Company, is an Executive Director at Nhaka Metal & Alloy Processing Company. He is also an Independent Non-Executive Director at Proplastics Limited and Standard Chartered Bank Zimbabwe, amongst several other companies.

Cathrine Charmaine Chitiyo
Independent Non-Executive Director

Cathrine is a partner with law firm Atherstone & Cook in Harare. After graduating with an LLB from University of Zimbabwe, Cathrine started her career as a Public Prosecutor before proceeding into private practice. In 2009, her law firm Wickwar & Chitiyo merged with Atherstone & Cook. She has been involved in several commercial transactions, advisory mandates, and legal due diligences. She is a past Trustee of the Law Society Compensation Fund, and current member of the Law Society of Zimbabwe Conveyancing Committee. Cathrine is also a past board member of National Aids Council, and some commercial entities including a bank.

Sharon Bwanya
Non-Executive Director

Sharon is the Group counsel for the Masawara Group, an investment holding entity with operating entities in the financial services, hospitality, telecommunications, energy and agri business sector across various African countries. Prior to joining Masawara, Sharon served as the Chief Operating Officer of pan African investment management and advisory firm. She is a commercial lawyer by training and previously worked in leading regional and international commercial law firm. Sharon has a global outlook having studied, lived in, and worked in different countries which include South Africa, United Kingdom, Germany, and the United States.

INSTITUTE OF DIRECTORS OF ZIMBABWE AWARDS RECEIVED IN 2023		
1	Board of the Year	Masimba Holdings Limited
2	CEO of the Year	Mr. Canada Malunga
3	Director of the Year for Listed & Large Companies	Mr. Canada Malunga
4	Overall Director of the Year	Mr. Canada Malunga

Corporate Governance

The Board of Directors
The Board of Masimba Holdings Limited is committed to adhering to principles of good corporate governance in order to attain the goal of responsible corporate behaviour and full accountability to its shareholders and stakeholders. The Board has adopted the King IV report as its Governance framework. Compliance to the framework is discussed below:

Composition and Appointment
The Board comprises of nine Directors made up of six non-executives and three Executives. It is chaired by an independent Non-Executive Director, thus ensuring a separation of powers and authority.

The election of Non-Executive Directors is subject to confirmation by the Shareholders. In terms of the Company's Articles of Association and the Companies and Other Business Entities Act (Chapter 24:31), at least one third of the Directors must retire at every Annual General Meeting and if eligible, can stand for re-election. Also, a director appointed during the year must retire at the Annual General Meeting and, if eligible, stand for re-election.

Accountability and Delegated Functions
The Board meets formally at least once every quarter to review the entity's performance. There is an agenda of matters presented for its consideration and review, and where appropriate for decision making, so that it maintains full and effective control over strategic, financial, operational and compliance issues. The record of attendance by each Director at the Board meetings, held during the period under review, is reflected in the table on page 12 of this report. There are procedures which allow Directors to avail themselves for independent professional advice in the furtherance of their duties and to select Non-Executive Directors.

Performance Management Reporting
The entity operates regionally in regulated environments. Business is conducted within a well-developed control framework, underpinned by procedures and control manuals. The Board has established a management structure with clearly defined roles, responsibilities and reporting lines.

The business performance of the Group is reported regularly to Management, the Executive Committee and the Board. Performance trends against budgets and prior periods are closely monitored. Financial information is prepared using appropriate accounting policies which are consistently applied, in all material respects, from year to year. Where a change in accounting policy occurs, the change is specifically noted in the financial statements.

The system of internal controls is monitored regularly by Management, the Executive Committee and the Board.

The scope of the Internal Audit department includes an assessment of the risks and controls in each operating area and its findings are reported to Management. All adverse findings are reported to the Chief Executive Officer for immediate management action. Internal Audit also reports regularly to the Audit and Compliance Committee of the Board.

The External Auditor reviews the system of internal controls to the extent necessary for them to form the opinion they express on the financial statements. They also report to the Audit and Compliance Committee on matters arising from this review.

Treasury Share Cancellation
The Zimbabwe Stock Exchange approved the cancellation of 2,265,600 ordinary shares on 21 September 2023. This decision resulted in a reduction of the company's issued share capital from 241,653,707 to 239,388,107. It is important to note that these shares were originally acquired under the Share Buyback scheme, which has played a significant role in the strategic management of the company's share capital.

This treasury share cancellation reflects the company's commitment to sound corporate governance practices and its focus on optimizing the capital structure.

Changes to the Board
Mr. Fungai Matahwa, Managing Director (Construction), was appointed to the Board as an Executive Director with effect from 15 September 2023.

Mr. Canada Malunga retired from the position of Chief Executive Officer of the Group on 31 December 2023 after a decade of visionary and successful leadership. He led the Group through major transformations such as rebranding from Murray & Roberts (Zimbabwe) Limited in 2013, and unbundling and listing of its manufacturing division, Proplastics, on the Zimbabwe Stock Exchange in 2015. Mr Malunga was instrumental in expanding the contracting business into various sectors and services and fostering a culture of excellence and collaboration within the Group. The Board extends profound gratitude to Mr Malunga for his outstanding service to the Group and wishes him a well deserved and fulfilling retirement.

Directors
The following are the Directors who have served during the year under review:

- Mr Gregory Sebborn
- Mr Canada Malunga
- Mrs Agnes Makamure
- Mr Fungai Matahwa
- Mr Mark Mario Di Nicola
- Mr Malcolm William McCulloch
- Mr Herbert Stanley Mashanyare
- Ms Cathrine Charmaine Chitiyo
- Mrs Sharon Bwanya

Board Committees
The Board has established and mandated several Committees to perform work on its behalf in various key areas affecting the business entity. The Committees are chaired by Non-Executive Directors and submit reports to the main Board on the respective deliberations and findings.

The Remuneration and Nomination Committee
The Committee is chaired by a Non-Executive Director, Mr Malcolm William McCulloch. Its mandate is to set the remuneration of Executive Directors and to consider the appointment of new Directors and senior Executives before the final approval by the Board. The remuneration and nomination policies of the Committee are as follows:

- To ensure that individual rewards and incentives relate directly to the performance of the individuals, the operations and functions for which they are responsible and the Group as a whole.

Corporate Governance (continued)

- To maintain competitive rewards that enable the entity to attract and retain Executives of the highest quality.

In order to determine the competitiveness of the Executive remuneration, the Committee receives independent professional advice on remuneration packages and practices of comparable organisations within the region.

Audit and Compliance Committee
Mr Herbert Stanley Mashanyare, an Independent Non-Executive Director, chairs this Committee which deals with compliance, internal controls and risk management.

The Committee:

- considers changes to the Group accounting policies and reviews its interim and annual financial statements, and
- reviews the effectiveness of the system of internal controls during the period and reports thereon to the Board.

The Board is responsible for establishing system of internal controls which provide reasonable assurance that the entity's assets are safeguarded, proper accounting records are maintained, and that the financial information used in the business and for publication is reliable. They attach great importance to maintaining a strong and controlled environment. However, any system of internal controls can provide only reasonable, not absolute, assurance against material misstatement of loss.

Code of Conduct
The Board has approved a Code of Conduct which sets out the entity's core values relating to lawful and ethical conduct of the business. All employees observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities in which the business operates.

Going Concern
The Board confirms that the Group has adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements have been prepared on the basis that the Group is a going concern.

Auditor
A resolution will be proposed at the Annual General Meeting to appoint Grant Thornton as Auditor of the Group for the ensuing year.

The Group complied with all relevant laws and regulations and considers adherence to non-binding rules, codes, and standards as an integral part of the Group's risk management process.

G. Sebborn
Chairman

12 April 2024

F. Matahwa
Chief Executive Officer

12 April 2024

P. Mutiti
Company Secretary

12 April 2024

Record of Board Attendance

Directors' meetings for the 2023 financial year

Board Member	Position ↓	Board	AGM*	Audit	REMCO**
	No. of Meetings →	**4**	**1**	**4**	**4**
Mr Gregory Sebborn***	Non-Executive Director and Chairman	4	1	2	4
Mr Canada Malunga	Chief Executive Officer	4	1	4	4
Mrs Agnes Makamure	Finance Director	4	1	4	-
Mr Fungai Matahwa****	Managing Director (Construction)	1	-	1	-
Mr Mark Mario Di Nicola	Non-Executive Director	4	-	3	-
Mr Malcolm William McCulloch	Non-Executive Director	2	-	-	4
Mr Herbert Stanley Mashanyare	Non-Executive Director	4	1	4	-
Ms Cathrine Charmaine Chitiyo	Non-Executive Director	4	1	-	4
Mrs Sharon Bwanya	Non-Executive Director	3	-	2	-

AGM* refers to the Annual General Meeting.
REMCO** refers to the Remuneration and Nomination Committee.
*** not a member of the Audit & Compliance Committee.
**** joined the Board in the last quarter of 2023.

Four Year Review

	2023 USD	2022 USD	2021 USD	2020 USD
Summarised Statements of Profit and Loss				
Revenue	**53,834,005**	**49,818,414**	**27,187,614**	**31,015,045**
EBITDFVA	12,579,230	14,179,147	5,810,108	6,392,404
Fair value adjustments	2,200	4,570,270	1,421,294	161,292
Depreciation	4,342,126	(1,812,097)	(795,676)	(598,801)
Operating profit	8,239,304	16,937,320	6,435,726	5,954,895
Net interest paid	(363,607)	(245,616)	(364,288)	(48,005)
Net monetary loss	-	(3,403,309)	(1,071,736)	(3,761,246)
Profit before tax	7,875,697	13,288,396	4,999,702	2,145,532
Income tax	(325,225)	(887,681)	(1,358,348)	(200,485)
Profit attributable to ordinary shareholders	**7,550,472**	**12,400,715**	**3,641,354**	**1,945,157**
Summarised Statement of Financial Position				
Non current assets	31,509,460	29,961,324	9,944,318	9,196,817
Bank balances	2,731,700	1,538,014	6,495,976	1,413,577
Other current assets	51,543,326	31,787,460	25,708,050	16,943,988
Total assets	**85,784,666**	**63,286,798**	**42,148,344**	**27,554,382**
Ordinary shareholders funds	24,227,135	29,924,703	12,419,431	9,887,161
Liabilities	61,557,531	33,362,095	29,728,913	17,667,221
Total Equity and Liabilities	**85,784,666**	**63,286,798**	**42,148,344**	**27,554,382**

EBITDFVA: Earnings Before Interest, Taxation, Depreciation, Impairment and Amortisation and Fair Value Adjustments

Ratios and Statistics

	2023 USD	2022 USD
Earnings (USD cents)		
Basic earnings per ordinary share	3.15	5.13
Headline earnings per ordinary share	3.07	2.23
Diluted earnings per share	3.05	5.13
Cash equivalent earnings per ordinary share	1.14	0.64
Dividends per ordinary share	0.44	0.86
Dividend cover	7.13	55.76
Profitability		
PBIT on revenue	15%	34%
PBIT on average capital employed excluding cash	26%	35%
PBIT on average ordinary shareholders funds	31.17%	44.40%
Productivity		
Overheads to revenue ratio (%)	11	11
Payroll to turnover (cents)	0.22	0.18
Finance		
Total liabilities as a percentage of permanent capital	254.08%	111.51%
Current assets to liabilities	0.88	1.00
Share performance		
Ordinary share in issue (USD million)	2,394	2,417
Share price at year end USD cents)	10.00	8.06
Market capitalisation (USD million)	23,939	1,949
Other		
Number of employees at year end	2,088	1,814

Definitions:

Average	Arithmetic average between consecutive year ends.
Capital employed	Permanent capital, long term loans and deferred tax.
Cash equivalent earnings	Profit after tax (PAT) adjusted for the effects of non-cash items.
Earnings per ordinary share	Earnings after tax net of non-operating items, divided by the weighted average ordinary shares in issue.
PAT	Profit after tax attributable to ordinary shareholders.
PBIT	Profit before interest and tax.
PBT	Profit before taxation.
Permanent capital	Ordinary shareholders funds.
Total liabilities	Borrowings, finance lease and non-interest bearing debt.

***Non-operating items are excluded when computing these statistics.**

Sustainability Report

Sustainability Reporting

Strategy

In November 2023, Zimbabwe Stock Exchange (ZSE) issued Practice Note 16 which made sustainability reporting mandatory with effect from 1 January 2024. The Practice Note 16 requires disclosure of 20 Core Metrics on Economic, environmental, social, and governance indicators which forms the minimum disclosures for companies listed on ZSE and Victoria Falls Stock Exchange. Masimba has undertaken a sustainability gap analysis to ensure full compliance on the 31 December 2024 Sustainability Reporting.

Currently, the Group implements the Global Reporting Initiatives (GRIs) standards in identifying, measuring and managing material impacts within its operations. Stakeholder engagement is fundamental in the identification of potential issues and how best to respond to them, which information becomes the bedrock of the reporting of the Groups performance indicators.

Sustainability Governance

Governance processes enable the Group to achieve set goals and continuously improve on performance. The Board, supported by the Audit and Compliance Committee, has overall responsibility for sustainability.

Managing Material Topics and Reporting Practice

Topics that reflect significant economic, environmental and social impact or which substantively influence the assessment of decision makers and key stakeholders are material to the Group. Issues below were identified as material to the Group and key stakeholders:

Economic

- Economic contributions
- Procurement practice

Social

- Employment
- Community relations
- Occupational health and safety

Environmental

- Water
- Energy

Engaging of Stakeholders

To achieve the goal of sustainability, the Group engages all key stakeholders to understand their needs, expectations and interests. Resultantly, the Group is better able to meet their expectations and strategically report on relevant matters. The Board is the main custodian for managing the Group's brand, reputation and stakeholder relationships.

Stakeholder Engagement Approach

Stakeholder	Material Issues Raised or Stakeholder Concerns	Mitigation Measures	Communication Channel
Employees	• Cost of living. • Professional and continuing education and development.	• Adjustments above industry average. • Human resources procedures in place to allow for continuous training and development.	• Works Council meetings. • Internal communications.
Suppliers	• Timely payment. • Quality of products/services supplied. • Conflicts of interest.	• Supplier audits. • Supplier screening. • Product returns. • Declaration of conflicts of interests.	• Negotiation of payment terms. • Supplier engagement programs. • Continuous supplier evaluation. • Supplier company profiles. • Use of approved supplier list.
Government and Regulators	• Changes in legislations. • Foreign currency funding.	• Compliance with regulation. • Lobbying government.	• Statutory returns. • Compliance audit. • Banking relationships. • Participation on the foreign currency auction market.
Industry	• Labour collective bargaining issues.	• Participation at CIFOZ and NEC levels	• Works Council meetings.
Customers	• Competitive pricing. • Quality of service.	• Negotiations with clients. • Monitoring market developments. • Quality control at all construction sites.	• Regular meetings. • Customer relationship. • Management programs. • ISO 9001: Quality Management Framework.
Local Communities	• Economic opportunities. • Visible corporate social responsibility activities.	• Local community affirmative recruitment policy. • Sponsorships and donations to localised programs.	• Employment contracts of locals. • Meetings with local Chiefs.

Sustainability Reporting (continued)

Our Priorities

The group continues to improve its Safety, Health, Environment and Quality (SHEQ) performance over the years through maintaining its adherence to policies and procedures and keeping up to date with latest trends as far as SHEQ is concerned. This is being achieved through various strategies including but not limited to the following:

01

Continuous identification and evaluation of occupational hazards. No occupational illnesses were recorded in 2023. The Organisation to date has not recorded any cholera case since its outbreak in February 2023.

02

Ensuring customer satisfaction. Our customers are key and at the core of our business. We remain committed to assuring client satisfaction and that all their complaints are addressed in a timely and professional manner. We always value their comments since it allows us to enhance our operations. Our certification to ISO 9001:2015 ensures that all clients and stakeholders are satisfied with our professional service delivery.

03

Managing processes and operations to protect biodiversity, conserve energy and to prevent pollution, injury, illness and damage to equipment. All operational projects operate on approved environmental management plans which focus on reducing damage to the environment and considers the needs of future generations and not compromise the existing communities. The group has also maximised on renewable energy where in projects are powered by solar energy.

04

Defining responsibility and accountability to monitor performance against set objectives and targets for continual improvement purposes. As an organisation that is driven by international standards, the group remains proud as it retained is accreditation to ISO 45001:2018 Health & Safety and Iso 14001:2015 Environmental management standards.

05

Complying with applicable SHEQ legislation and international industry standards. No penalties were levied against the group regards breaches of any safety and health regulations.

06

Developing a world class safety culture and achieving ZERO HARM through awareness, training and behaviour modification. The organisation reached a milestone of 10,593,293 LTI-Free manhours with a 0 record of Lost Time Injuries in 2023. In addition to that, it also received 1 Sectoral Gold and 1 National Gold Award at the NSSA SHAW conference in recognition of its outstanding safety performance in the Masvingo region and for being the best Civils Contractor of the year respectively.

Sustainability in our Procurement Practice

Our procurement strategy hinges on professionalism and transparency within prescribed standards and quality. This also ensures the safety of our employees and our stakeholders through use of carefully selected materials used to deliver products and services to our clients in a safe way.

Compliance to quality standards and proven track records are key selection benchmarks that we employ to avoid any substandard goods and services before they are delivered to the end user. This is key in ensuring the safety of our employees and stakeholders as well as achieving quality in the work we do. Our procurement policy serves as a reference point in all decisions and practices and ensures only vetted and reputable suppliers are engaged. To ensure sustainability in our supply chain we vary the way we procure goods depending on value, complexity and risk involved.

Environmental Management

Through implementation of environmental policies and procedures, the Group managed to retain its ISO 14001:2015 Environmental Management System certification in 2023 where it met all the requisite requirements towards maintaining a clean, safe and sustainable environment across all its operations.

ISO 14001 CERTIFIED

The group also joined the nation in commemorating the national tree planting day showing its commitment to sustainability. Management took an active lead in the exercise across all its operations and running projects.

Sustainability Reporting (continued)

Masimba team planting trees on National tree planting day.

On our roads sector, the organisation adheres to a program for borrow pit rehabilitation through dumping of material cut from road processing, slopping of edges and planting of trees in the borrow pits as part of revegetation. The Group has also partnered with the forestry commission through a program themed "Beautification of Cities" where it gets trees for free for planting along roads constructed close to cities.

Sustainability Reporting (continued)

Our key environmental risks include:

- Increased regulators requirements related to energy and climate change, which could lead to increased costs as well as opportunities in a low - carbon economy.
- Project disruptions due to extreme and unpredictable weather conditions, including floods and storm surges.
- Undertaking activities without correct environment assessments or failure to abide by conditions set out in operating licences such as water and sand abstraction permits on a project.

To ensure environmental sustainability, the organisation across all its operations continues to set objectives linked to sustainable environmental management. Furthermore, the 3R strategy which is premised on an approach to reduce the amount of solid waste through **Reducing, Reusing and Recycling,** is adopted and supported by relative activities that include:

Ensuring controlled disposal of waste through licensed service providers.

On-site waste segregation.

Recycling of used vehicle tyres.

Harnessing salvage value from waste streams such as cement bags, paper and used oils, used tyres to mention a few.

Monitoring and measuring of vehicular and machinery exhaust emissions through planned monthly maintenance schedules.

Migrating towards a paperless working environment through automation of essential processes.

Monitoring of resource utilisation such as electricity, water and fuel to promote efficient consumption patterns that reduce our overall carbon footprint.

Adoption of solar energy at our projects and sites.

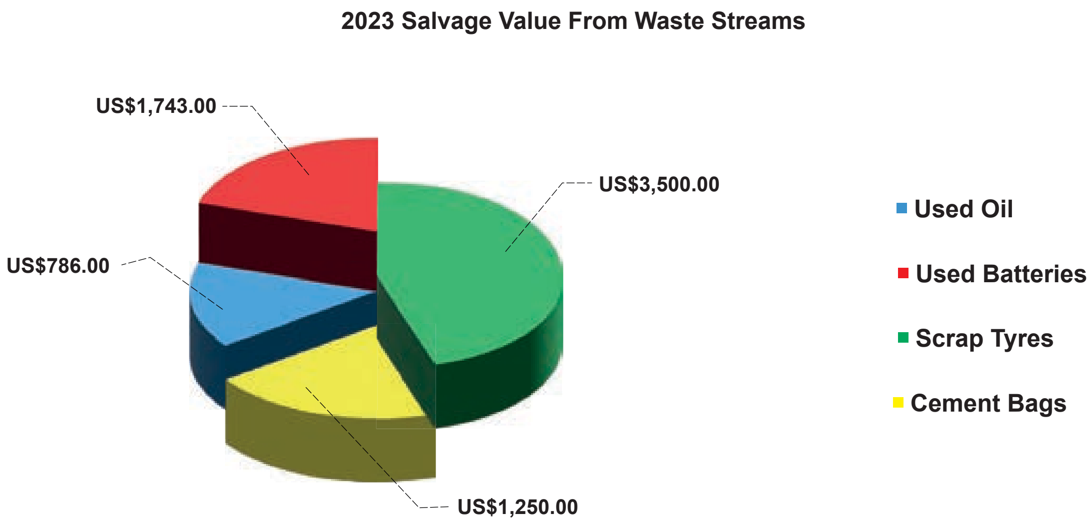
Land rehabilitation after completion of all projects.

Compliance and adherence to permits and licences.

Sustainability Reporting (continued)

All waste generated is disposed through approved and licensed serviced providers who have a record of managing waste in environmentall sustainable way. The table below details all major waste streams that the organisation generated and disposed during the year within its operations:

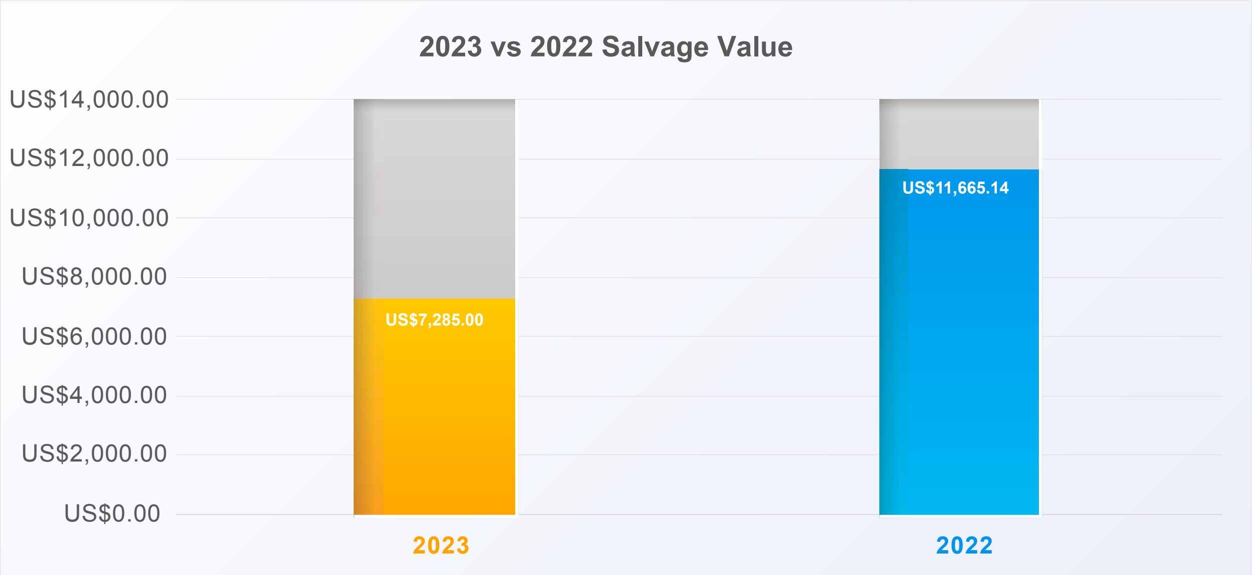
Waste Stream	UOM	Quantity Disposed (2023)	Quantity Disposed (2022)
Used oil	litres	6,760	8,990
Used batteries	.No	67	53
Used Tyres	.No	822	1,052
Scrap Metal	KGs	3,500	23,640



Salvage Value

Salvage Value fro,m 2023 waste streams amounted to USD 7,285 as detailed below compared to USD11,665.14 recovered in 2022. The reduction is attributed to the Organisations decision to ensure every operating department and site had an environmental objective on 3 Rs (Reduce, Re-use and Recycle) to minimise its waste volumes.

2022 vs 2023 Salvage Value



Sustainability Reporting (continued)

The organisation also transitioned to the use of bulk cement in place of bagged cement which significantly reduced the quantities of empty cement bags waste generated across all operations from the prior year as highlighted below:

Cement Bags Disposal

Year	2023	2022	2021	2020	2019
Quantity Disposed	12,560	53,850	17,302	23,710	13,435

Resource Utilisation Tracker

Resource	Measurement Unit	2023	2022	2021	2020	2019
Diesel	Litres	3,296,841	2,411,798	1,391,262	1,279,899	669,908
Petrol	Litres	45,230	24,048	17,557	11,026	20,787
Oils	Litres	15,374	26,593	14,764	8,991	8,452
Electricity	KW/h	127,569	104,980	107,641	99,018	74,561
Grease	Kilograms	2,902	4,736	3,314	1,383	1,214
Water	M^3	62,210	26,432	24,400	108,708	63,186

Additionally, environmental stressor parameters inclusive of vehicular emissions, dust and noise are monitored annually to ensure operations do not negatively impact on our local communities' health, welfare and continued sustainability post the project phases. In 2023, the organisation saw a 37% increase in diesel consumption due to more plant-intensive projects compared to the previous year. While 90% of equipment was compliant with direct atmospheric Sulphur Dioxide emissions, this was lower than the 98% compliance rate in 2022. However, the Group took decisive action to ensure compliance by implementing various measures including:

- replacing and repowering old equipment with clean energy equipment like solar.
- adhering to service regimes as per Original Equipment Manufacturers specifications.
- implementing diesel control technologies to reduce emission composition into the atmosphere. The organisation is now promoting idling technology that cuts off machines when idling to reduce emissions.

Quality Management

Our customers are key, and they keep the Group standing firm through their continued support and trust in the way we conduct our business. It is through their trust and confidence we instil to our customers that we managed to maintain our certification to ISO 9001:2015 Quality Management System which guides us in delivering quality infrastructure across all operations.

Our main aim is delivering projects within agreed timelines, budget and quality, in a safe and environmentally sustainable manner.

Safety and Health

The Group is certified to ISO 45001: 2018 Occupational Health and Safety Management System for advanced and effective management of Occupation Health and Safety issues. We are committed to managing processes and operations to prevent injury and harm to our employees, stakeholders and damage to property and equipment. Zero Harm to all employees and stakeholders is our inspirational goal and is key to the success and sustainability of the Group.

Safety and Health Core Affirmation

- Zero Lost Time Injury Frequency Rate (LTIFR) and accidents.
- We believe that all incidents caused by human factors, no matter how small, are avoidable.
- Life is precious and irreplaceable. Accordingly, we make safety a priority and way of life throughout all our operations. **"ONE ACCIDENT IS ONE TOO MANY!"**

Safety Performance

Financial Year	2023	2022	2021	2020	2019
LTIFR	0	0	0.5	0	0.82

Sustainability Reporting (continued)

Our People
Our people are responsible for the delivery of the Group's tagline, **"EXCELLENCE DELIVERED".**

We believe the success of all systems depends on people as the organisation's greatest asset. To that end, we strive to:
√ Provide a safe working environment.
√ Provide appropriate training and development.

For the business to retain a well engaged and skilled team, regular performance evaluations are conducted to provide feedback and implement corrective actions.

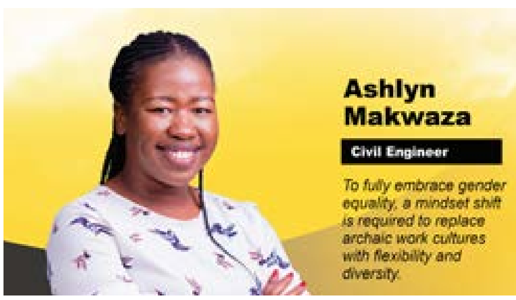
The Group provides employment opportunities through various forms that include project-based contracts, casual positions, fixed term contracts and full-time permanent contracts. The opportunities are managed through adherence to best labour practices. Our project-based contract employees are members of the Zimbabwe Construction and Allied Trade Workers Union. Detailed below is our employees database:

Employees by Nature of Contract

Financial Year	Number of Active Projects	Permanent Contracts	Project Based Contracts	Students on Attachment	Graduate Trainees	Apprentices and TOPP	Total
2023	13	232	1,788	5	29	34	2,088
2022	19	219	1,547	7	21	20	1,814
2021	23	174	1,138	8	17	11	1,346
2020	29	176	843	11	10	4	1,052
2019	25	167	698	9	5	-	879

Employees by Gender

	Males		Females		Total
Financial Year	Number	Percentage	Number	Percentage	Number
2023	1,757	84	331	16	2,088
2022	1,512	83	302	17	1,814
2021	1,152	86	194	14	1,346
2020	930	87	122	13	1,052
2019	799	90	80	10	879



16%
current ratio of females versus males

Masimba believes in gender equality and makes a concerted effort to incorporate women in its recruitment and development processes. Global and industry statistics showed that women presently account for 10 to 15% of the entire workforce. Accordingly, we take pride in our current female-to-male ratio of 16%. Although there is a slight decline from the 17% reported in 2022, owing primarily to completion of some projects as well as staff rationalisation in the fourth quarter of 2023, we are confident that the Group will be able to uphold bench-marked statistics in advancing gender equality.

Local Engagements
As part of our corporate social responsibility, the engagement of general workers is done from the local communities. Below are the statistics of locals engaged vis-a-vis imported personnel:

Financial Year	Number of Locals Engaged	Total	Proportion of Local Engagements to Total Employees
2023	930	2,088	45%
2022	762	1,814	42%
2021	862	1,346	64%
2020	568	1,052	54%
2019	723	879	83%

Employees' Skills Base
The Group recruits diverse skills which allow sustainable value creation. Some of the employees are members of the following professional bodies:

- Zimbabwe Institute of Engineers
- Institute of Chartered Accountants Zimbabwe
- Association of Certified Chartered Accountants
- Chartered Institute of Purchasing and Supply
- Institute of People Management in Zimbabwe.

Training
Training is a strategic objective that the Group implements to ensure that:

- Employees remain abreast to current trends
- Adequate succession planning.

Sustainability Reporting (continued)

Detailed below are the key Group's training programs:

Training Programmes		**Number of Trainees**				
Programs	**Description**	**2023**	**2022**	**2021**	**2020**	**2019**
Development Programs	We adopted Development Programs designed to improve managerial behaviour and performance of supervisors by cultivating their mental abilities and inherent qualities through the acquisition and application of advanced knowledge insights and skills.	41	48	23	1	0
TOPP	We offer internal candidates an opportunity to become CharteredAccountants through Training Outside Public Practise (TOPP).	3	3	2	2	0
Graduate Development	We introduced a two-year structured Graduate Development Programme to develop the future skill base by ensuring predicted skill gaps are addressed. On completion of the programme trainees may either progress to an external employer or be placed in an appropriate vacancy, should one exist.	29	21	16	7	5
Apprenticeship	We annually offer training opportunities to deserving applicants to undergo a four-year apprenticeship training. The training programme covers artisan fields in line with Masimba needs.	34	20	10	5	0
Students on Attachment	We offer industrial attachment to students from various tertiary institutions such as the University of Zimbabwe, Midlands State University, National University of Science and Technology, Harare, Bulawayo and Mutare Technical Colleges as well as National Vocational Training Centres.	5	7	8	11	9
Bursary Scheme	We run a Bursary Scheme which provides financial assistance to children of employees. The assistance covers the costs of tuition and accommodation (excluding books) at any local university.	2	2	8	11	9

Sustainability Reporting (continued)

Corporate Social Investment
Sustainability is critical to both the Group as a business and the communities it serves. In total, the Group has allocated USD174,364 to support various corporate social responsibility initiatives.

The Group is proud to emphasize its commitment to Corporate Social Investment (CSI) and the positive impact it has had on the communities where we operate. Through this report, our aim is to provide you with a comprehensive overview of our CSI initiatives and the significant contributions we have made to society.

At Masimba, we believe that building an African legacy extends beyond the physical structures we construct. It encompasses a deeper commitment to creating sustainable social impact and empowering communities. Our brand expression, 'Excellence Delivered,' reflects our unwavering dedication to delivering excellence not only in our construction projects but also in our corporate social responsibilities.

As we strive to create long-term value for all our stakeholders, we are guided by our strategic pillars of value, growth, and governance, which inform our decision-making processes. Furthermore, our core behaviours of learning, caring, a performance-driven mindset, professionalism, excellence, and Team Masimba underpin our commitment to making a positive difference in society.

CSI is an integral aspect of our company's values and goals. We recognise that by investing in the communities where we operate, we can contribute to their social and economic development. Throughout this report, you will find detailed accounts of our CSI initiatives, ranging from education and skills development programs to infrastructure development and environmental conservation efforts.

Education plays a pivotal role in building a prosperous future for individuals and communities. We are proud to share our partnerships with educational institutions, scholarship programs, and vocational training initiatives that aim to empower individuals with the knowledge and skills they need to succeed. By investing in education, we believe we can unlock the full potential of individuals and contribute to the sustainable growth of society.

Partnership with the University of Zimbabwe
2023 was another exciting year in our partnership with the University of Zimbabwe's Department of Construction & Civil Engineering. We presented Mr. Kuzivakwashe Kahari, the 2023 Best Graduating Civil Engineering student, with a brand-new HP Probook laptop and a six month contract placement after graduation.

Sustainability Reporting (continued)

- **Social Contributions or Community Engagement and Impact**

Soccer
Our goal of supporting grassroots soccer in the Ngezi community to provide entertainment and in appreciation of our hard-working colleagues and their families, took an even more exciting turn. Ngezi Platinum Stars were crowned the Castle Lager Premier Soccer League Champions for the 2023 season. We are proud to support sports, concurrently uplifting the local community to unprecedented heights.

Fostering Sustainability Values through Cricket

We had the pleasure of inviting, transporting and hosting Tsungayi Primary School of Highfield, Harare, to watch the West Indies vs Scotland Warm Up Fixture at Harare Sports Club on Tuesday 13 June 2023.

Sustainability Reporting (continued)

Gender Equality

The Group continues to embrace diversity. It believes that in females joining the construction industry there are social and community benefits, such as opportunities for more women and girls to join the construction industry. In the process, the historical homogenous and non-inclusive culture is eliminated by a modern and friendly industry where diverse and inclusive teams can make a living. Resultantly, the Group remained committed to attracting, recruiting, and promoting more women to broaden its talent pool. 15% females held senior positions on the management team while, as at the end of the year, female representation on the board slightly declined to 33% from 36% in 2022. Concurrently, the Group endeavoured to provide an environment free of discrimination and harassment of any kind. Due to this deliberate strategy of inclusiveness, the Group was more creative and innovative .

Sustainability Reporting (continued)

Economic Contributions

We are operating in an environment that is characterised by economic and inflationary pressures which constrain our value generation capability. The Group has remained resilient amid the economic pressures and continues to demonstrate exceptional performance in a difficult environment. Improved business performance enables the distribution of wealth across our stakeholders and on the other hand poor performance results in negative consequences on our respective stakeholders. To that end, the Group is committed in seeking ways of improving business performance so that it adds value to its shareholders, society and Government.

Value preservation is at the core of the Group's strategic objectives. To that end, we have continued to retool the business and thus improving efficiencies and enabling opportunities to expand the customer base.

Economic Value Generated and Distributed

The wealth that the Group creates is subsequently distributed across its stakeholders. The difference between the value generated and distributed is the economic value retained by the Group for further developing the business.

	2023 USD	2022 USD
Value generated as represented by Gross Profit	13,793,689	11,129,183
Other income and interest received	449,222	6,776,834
Equity accounted earnings	(135,380)	5,213,913
	14,109,732	**23,119,930**
Economic Value Distribution		
Other operating costs	3,549,934	2,741,936
Staff costs and benefits	2,455,873	2,797,032
Depreciation and amortization	4,342,126	1,812,097
Providers of capital	363,607	245,616
Value added	**3,313,188**	**21,736,217**

Payments to Government

The Group generates revenue for the Government through taxes paid to regulators. Payments made to the Government are detailed as follows:

	2023 USD	2022 USD
Description		
PAYE	2,097,871	1,398,390
Aids Levy	62,936	41,952
Intermediated Transfer Tax	651,820	740,774
Value Added Tax (VAT)	910,558	959,337
Import Duty and VAT	509,148	240,159
Income Taxes	12,311	14,115

Masimba at Work

Masimba at Work (continued)

Masimba at Work (continued)

Directors’ Report

The Directors have the pleasure in presenting their Audited Financial Statements of the Group for the year ended 31 December 2023.

In the report “Group” refers to Masimba Holdings Limited and its subsidiary companies.

Period’s Results

	USD
Profit attributable to Shareholders	7,550,472
Dividend	1,058,351
Net transfer against reserves	6,492,121

Capital Expenditure
Capital expenditure for the year ended 31 December 2023 amounted to USD 4,167, 677 (2022:USD4,812,643).

Share Capital
The authorised share capital of the Group is USD8,750,000 comprising of 875,000,000 ordinary shares of a nominal value of USD0,01 each.

Issued share capital of the Group is USD2,316,175 as at December 2023 (2022: USD2,338,831) and comprised of 239,388,107 ordinary shares of the nominal value of USD0,01 each.

Auditors
The Auditors of the Group are Grant Thornton Chartered Accountants. Shareholders will be asked at the forthcoming Annual General Meeting to approve their remuneration in respect of the past audit and to appoint the Auditors for the coming year.

Reserves
The movement in the Reserves of the Group is disclosed on the Consolidated Statement of Changes in Equity.

Directorate
The following are the Directors of the Group that held office in the period under review:

Mr. Gregory Sebborn	Independent Non-Executive Chairman
Mr. Canada Malunga	Chief Executive Officer
Mr. Malcolm William McCulloch	Non-Executive Director
Mrs. Agnes Makamure	Finance Director
Mr. Fungai Matahwa	Managing Director (Construction)
Mr. Mark Mario Di Nicola	Non-Executive Director
Mr. Herbert Stanley Mashanyare	Independent Non-Executive Director
Ms. Cathrine Charmaine Chitiyo	Independent Non-Executive Director
Mrs. Sharon Bwanya	Non-Executive Director

Mrs Sharon Bwanya and Mr. Herbert Stanley Mashanyare will be retiring by rotation on conclusion of the forthcoming Annual General Meeting. All being eligible, have offered themselves for re-election and Shareholders will be asked to appoint Directors for the ensuing year.

Directors’ Fees
Shareholders will be asked to approve the remuneration of the Directors for their services as Directors during the past year. Your Board recommends that an amount of USD106,000 (2022: USD44,793) be paid, to be divided amongst themselves at their discretion.

The Masimba Holdings Limited 2023 Senior Executives Share Option Scheme
During the Annual General Meeting held on Friday 16 June 2023, shareholders approved the establishment of the 'Masimba Holdings Limited 2023 Senior Executives Share Option Scheme.' This new scheme replaced the expired October 2003 scheme. It allows for the issuance of up to 20,000,000 (twenty million) ordinary shares, representing 8.28% of the total shares in issue as of 26 May 2023.

However, it is important to note that the company's issued share capital has since been adjusted. The Zimbabwe Stock Exchange approved the cancellation of 2,265,600 ordinary shares on 21 September 2023. This decision resulted in a reduction of the company's issued share capital from 241,653,707 to 239,388,107 as of 31 December 2023.

Considering the revised issued share capital, the 20,000,000 (twenty million) shares allocated to the 'Masimba Holdings Limited 2023 Senior Executives Share Option Scheme' now represent approximately 8.36% of the total issued share capital.

Per the approved resolution, the Directors of the Company are authorised to reserve 20,000,000 (twenty million) ordinary shares from the authorised but unissued share capital of the Company. These ordinary shares will be issued and allotted to the 'Masimba Holdings Limited 2023 Senior Executives Share Option Scheme' for a period of five (5) years.

By establishing the 'Masimba Holdings Limited 2023 Senior Executives Share Option Scheme,' the company aims to provide incentives for senior executives and ensure their continued commitment to the Group's management. This scheme demonstrates our commitment to rewarding and retaining top talent within the company and aligning their interests with the long-term success of Masimba Holdings Limited.

Directors' Report (continued)

Reporting Frameworks
This Report was compiled with due consideration to the following regulatory requirements and reporting standards:

- Companies and Other Business Entities Act Chapter (24:31)
- Zimbabwe Stock Exchange Listing Requirements
- International Financial Reporting Standards (IFRS)

Effective 1 January 2023, the Group adopted the United States Dollar as both the reporting and functional currency of the Group.

Statement of Compliance
The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements.

The Group's independent external auditors, Grant Thornton, have audited the financial statements and their report is attached to the financial statements.

The Directors are also responsible for the system of internal controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets. These systems of internal control also prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review. The financial statements are prepared on an ongoing concern basis. Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for the foreseeable future.

The Group's financial statements as attached were, in accordance with their responsibilities, approved by the Board of Directors on 12 April 2024 and signed on its behalf by:

…………………………………
G. Sebborn
Chairman

12 April 2024

…………………………………
F. Matawha
Chief Executive Officer

12 April 2024

…………………………………
P. Mutiti
Company Secretary

12 April 2024

These consolidated financial statements were prepared under the supervision of:

……………………………………
Agnes Makamure CA (Z)
Registered Public Accountant (PAAB No: 03528)
Finance Director

Company Secretary's Certification
I certify, to the best of my knowledge and belief, that the Group has lodged with the Registrar of companies all such returns as required to be lodged by a public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31) and that all such returns are true, correct and up to date.

……………………………………
P. Mutiti
Company Secretary

12 April 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Masimba Holdings Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the consolidated financial statements of Masimba Holdings Limited set out on pages 38-77, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of the significant Group accounting policies.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the consolidated financial statements do not present fairly, in all material respects, the financial position of Masimba Holdings Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with IAS 21 'The effects of changes in foreign exchange rates' with respect to the change in functional currency

As described in note 1.2 of the consolidated financial statements, the directors concluded that the Group's functional currency had changed from Zimbabwe Dollar (ZWL) to the United States Dollar (USD) with effect from 1 January 2023. The directors effected the change in functional currency on 1 January 2023, for which all items (except share capital and reserves) were translated to USD using an internally generated exchange rate. Share capital and other reserves were translated from ZWL to USD using management's valuation techniques. The resultant exchange differences from this process were recognised in a Foreign Currency Translation Reserve (FCTR). This constituted a departure from the requirements of IAS 21, which requires all items to be translated into the new functional currency using the exchange rate at the date of the change.

Following the change in functional currency, management adjusted the carrying amounts of assets and liabilities to align to their fair values in USD and recorded the resultant differences in a Foreign Currency Translation Reserve (FCTR) with was reclassified to retained earnings. This was not in accordance with IAS 21 in which a Foreign Currency Translation Reserve (FCTR) arises when translating the net investment in a foreign operation into the Group's functional currency of which reclassification is done on disposal of the foreign operation.

Our opinion is modified because of the possible effects of these matters on the comparative figures and the retained earnings as at 31 December 2023.

Non-compliance with IAS 21 "The effects of changes in foreign exchange rates" with respect to use of internally generated exchange rates to translate foreign currency transactions.

During the year ended 31 December 2023, the Group's foreign currency transactions were translated into the functional currency using an internally generated exchange rate, which was not considered an appropriate spot rate for translations as required by IAS 21. The impact of this non-compliance on the related exchange gains/losses, assets, liabilities, revenue, expenditure, and equity could not be determined as it was impractical. However, the effect has been determined as material and pervasive to the consolidated financial statements as a whole.

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 Annual Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements.

Independent Auditor’s Report

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>

IFRS 15 Revenue from Contracts with Customers

- There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240 Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated by the Group.
- The Group is involved in complex construction projects where revenue is recognised over time using the percentage of completion method.
- The amount of revenue and profit recognized in a year on construction projects is dependent, among other things:
  - On the actual costs incurred;
  - The assessment of the percentage of completion for contracts; and
  - The forecast contract revenue and costs to complete for each project.
- The amount of revenue and profit is influenced by the valuation of variation orders and claims.
- Due to the estimates and judgements involved in the recognition of revenue from construction projects, we have considered this matter as a key audit matter.

</td><td>

Our audit procedures included the following:

- Tested general and application controls around the Group’s revenue systems and reviewed the controls over the revenue effects schedule.
- Understanding of the revenue process including the performance of an end to end walkthrough of the revenue recognition process and identifying relevant controls.
- Tested the design and operating effectiveness controls that the Group has put in place over the process to record contract revenues, contract costs, and the calculation of the stage of completion.
- Reviewed whether the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15.
- Evaluated the significant judgements made by management, amongst others based on an examination of the associated project documentation.
- Discussed with finance and technical staff of the Group on the status of projects under construction. In addition, we visited some projects under construction.

Based on our audit work performed and the assumptions used, we satisfied ourselves that the Group’s revenue recognition and valuation of construction projects is in accordance with IFRS 15, Revenue from Contracts with Customers.

</td></tr>
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IFRS 9 Expected credit risk allowance

- This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgement to determine the impairment reserve.
- Key areas of judgement included:
  i. The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Group’s expected credit loss model;
  ii. The identification of exposures with a significant deterioration in credit quality;
  iii. Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (e.g. exchange rates, interest rates, gross domestic product growth, inflation).
- The Group had significant contract receivables as at 31 December 2023. Total gross receivables amounted to USD 36 428 707 (2022: USD 24 260 410). A significant portion of the debtors are not performing and there is uncertainty relating to the recoverability of these amounts.
- The need to apply additional overlays to reflect current or future external factors that are not appropriately captured by the expected credit loss model.
- The determination of allowance for credit losses, recovery periods and discount rates involves judgement hence the valuation of trade receivables was a key audit matter.

</td><td>

Our audit procedures in assessing management’s allowance for credit losses included the following:

- We assessed and tested the material modeling assumptions with a focus on the:
  i. Key modeling assumptions adopted by the Group;
  i. Basis for and data used to determine debtor’s categories; and
  i. Reliability of the historical data collected.
  i. We examined a sample of exposures and performed procedures to evaluate the:
  i. Timely identification of exposures with a significant deterioration in credit quality.
  i. Expected loss calculation for exposures assessed on an individual basis.
- Reviewed the assumptions and computations made by management in determining the expected credit losses.
- We assessed the accuracy of the disclosures in the financial statements.
- Based on our audit work, the assumptions used by management and the rates calculated were appropriate and reflected the current environment.

</td></tr>
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Independent Auditor's Report

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

  ·Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Adverse Opinion, the financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Edmore Chimhowa.

Grant Thornton

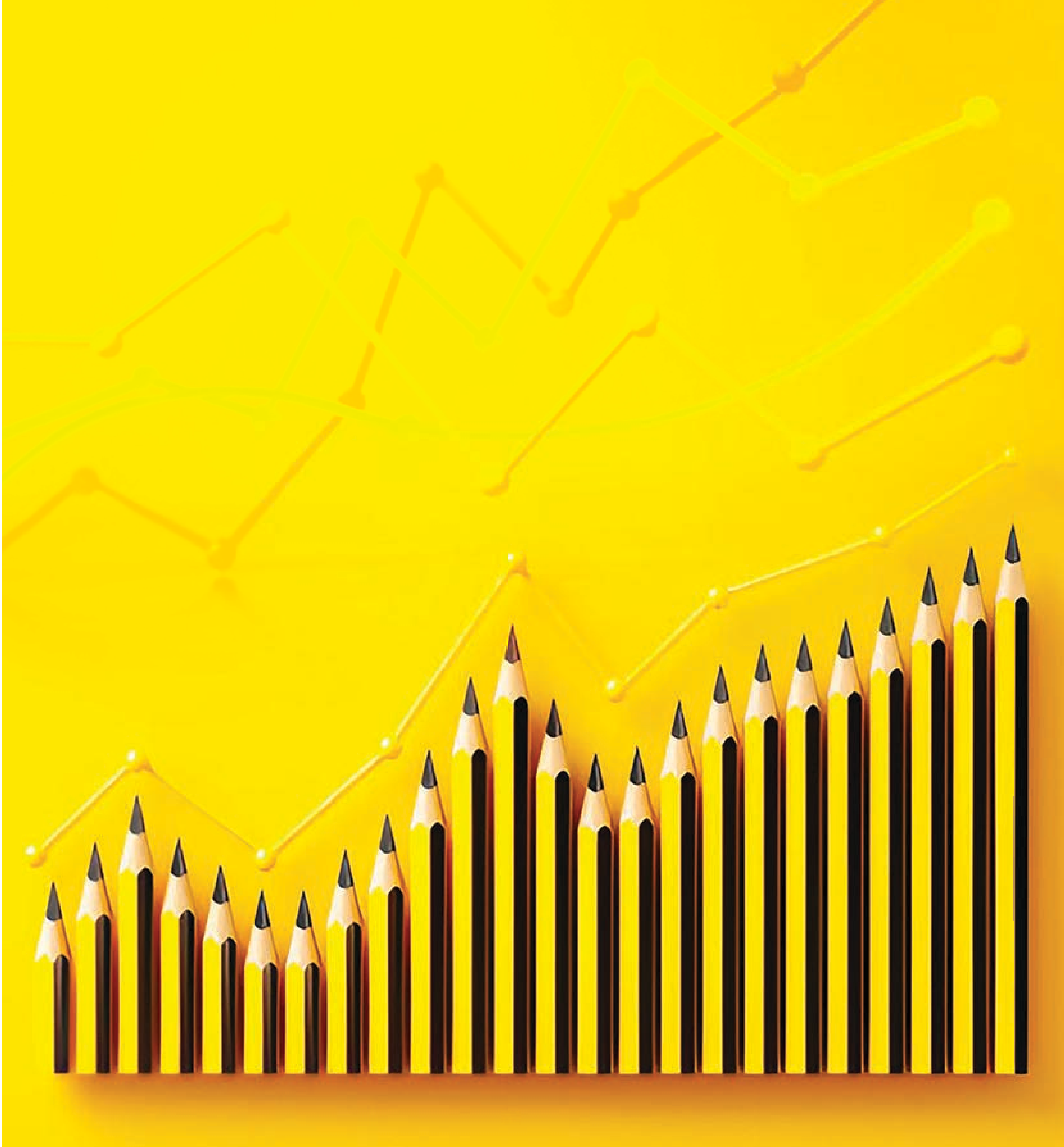
Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton **12 April 2024**
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

Financial Statements



Consolidated Statement of Financial Position

as at 31 December 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Property, plant and equipment	4	23 630 406	19 944 208
Investment property	5	7 800 930	9 802 065
Investments	6	78 304	215 051
		31 509 640	**29 961 324**
Current assets			
Inventories	7	4 580 974	507 804
Contracts in progress and contracts receivables	8	36 182 783	24 132 374
Other receivables	9	10 387 631	7 113 866
Related part receivables	30	391 938	33 416
Cash and cash equivalents	10	2 731 700	1 538 014
		54 275 026	**33 325 474**
Total assets		**85 784 666**	**63 286 798**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	2 316 175	2 338 831
Share premium		455 177	455 177
Share options reserve		25 044	-
Non distributable reserve		574 531	574 531
Distributable reserve		473 910	473 910
Revaluation reserve		6 288 795	6 288 795
Foreign currency translation reserve		-	810 760
Mark to market reserve		64 616	199 996
Retained earnings		14 028 887	18 782 703
		24 227 135	**29 924 703**
Non-current liabilities			
Deferred tax	15	**7 861 646**	**7 556 664**
Current liabilities			
Interest bearing borrowings	12	1 880 547	456 160
Trade and other payables	16	45 331 508	22 201 865
Related party payables	30	400 220	87 861
Current tax liabilities	15	21 610	12 311
Subcontractors	17	6 062 000	3 047 234
		53 695 885	**25 805 431**
Total equity and liabilities		**85 784 666**	**63 286 798**

G. Sebborn
Chairman
12 April 2024

F. Matahwa
Chief Executive Officer
12 April 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Revenue	18	53 834 005	49 818 414
Cost of sales		(40 040 316)	(38 689 231)
Gross profit		13 793 689	11 129 183
Fair value gain	5	2 200	4 570 270
Other operating income	19	449 222	6 776 834
Administrative expenses	20	(6 005 807)	(5 538 967)
Profit before interest and tax		**8 239 304**	**16 937 320**
Finance costs	27	(363 607)	(245 616)
Net monetary loss		-	(3 403 309)
Profit before tax	**21**	**7 875 697**	**13 288 395**
Tax expense	22	(325 225)	(887 680)
Profit for the year		**7 550 472**	**12 400 715**
Other comprehensive income, net of income tax:			
Gain on revaluation of property, plant and equipment		-	8 975 126
Movement in financial assets at fair value through other comprehensive income	6	(136 747)	(337 052)
Deferred tax relating to other comprehensive income	15	1 367	(3 424 162)
Other comprehensive income, net of tax		**(135 380)**	**5 213 912**
Total comprehensive income for the year		**7 415 092**	**17 614 627**
Number of shares		239 388 107	241 653 707
	11		
Basic earnings per share (cents)	23	3.15	5.13
Diluted earnings per ordinary share (cents)	23	3.07	5.13
Headline earnings per ordinary share (cents)	23	3.05	2.23

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital USD	Share premium USD	Non-distributable reserve USD	Distributable reserve USD	Revaluation reserve USD	Share options reserve USD	Foreign currency translation reserve USD	Mark to market reserve USD	Retained earnings USD	Total USD
Balance at 1 January 2022	**388 365**	**146 184**	**574 531**	**473 910**	**659 663**	-	**3 070 219**	**502 192**	**6 604 366**	**12 419 430**
Total comprehensive income	-	-	-	-	5 629 132	-	-	(302 196)	12 400 715	17 727 651
Transfer of reserves	1 950 466	308 993	-	-	-	-	(2 259 459)		-	-
Dividend paid	-	-	-	-	-	-	-	-	(222 378)	(222 378)
Balance at 31 December 2022	**2 338 831**	**455 177**	**574 531**	**473 910**	**6 288 795**	**-**	**810 760**	**199 996**	**18 782 703**	**29 924 703**
Total comprehensive income	-	-	-	-	-	25 044	(12 056 697)	(135 380)	7 550 472	(4 616 561)
Cancellation of shares	(22 656)	-	-	-	-	-	-	-	-	(22 656)
Transfer			-	-			11 245 937	-	(11 245 937)	-
Dividend paid	-	-	-	-	-	-	-	-	(1 058 351)	(1 058 351)
Balance at 31 December 2023	**2 316 175**	**455 177**	**574 531**	**473 910**	**6 288 795**	**25 044**	**-**	**64 616**	**14 028 887**	**24 227 135**

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Cash flows from operating activities			
Profit before interest and tax		8 239 304	16 937 320
Adjustment for non-cash items:			
Depreciation of non-current assets	4	4 342 126	1 812 097
Fair value adjustment of investment property	5	(2 200)	(4 570 270)
Allowances for credit losses	9	210 523	(144 674)
Unrealised exchange gain	19	(141 032)	(5 841 320)
Loss on disposal of property, plant and equipment	19	4 027	7 095
Dividends received	19	-	(1)
Other non-cash items		(14 045 250)	2 689 946
Operating cash flow before changes in working capital		**(1 392 502)**	**10 890 193**
Changes in working capital:			
Increase in contracts in progress and contract receivables		(12 050 409)	(9 981 937)
Increase in trade and other receivables		(3 273 765)	(150 281)
(Increase)/decrease in inventory		(4 073 170)	178 266
Increase in trade and other payables and sub-contractors		26 144 409	95 461
Cash generated from operating activities		**5 354 563**	**1 031 702**
Net interest paid		(363 607)	(245 616)
Tax paid	15	(12 311)	(14 115)
Net cash flows generated from operating activities		**4 978 645**	**771 971**
Cash flows from investing activities			
Payments for property, plant and equipment:			
To maintain operations	4	(4 167 677)	(4 812 642)
Proceeds from the disposal of property, plant and equipment		98 842	7 098
Proceeds from disposal of investments		-	237 574
Purchase of shares		(82 160)	(178 726)
Dividends received		-	1
Net cash flows utilised in investing activities		**(4 150 995)**	**(4 746 695)**
Cash flows from financing activities			
(Decrease)/Increase in borrowings		1 424 387	(768 436)
Dividends paid		(1 058 351)	(222 378)
Net cash flows (utilised)/generated from financing activities		**366 036**	**(990 814)**
Net (decrease)/increase in cash and cash equivalents		1 193 686	(4 965 538)
Cash and cash equivalents at beginning of the year		1 538 014	6 503 552
Cash and cash equivalents at end of year	**10**	**2 731 700**	**1 538 014**

Company Statement of Financial Position

as at 31 December 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Property, plant and equipment	4	21 482 458	17 003 633
Investments	6	6 367 292	4 849 073
		27 849 750	**21 852 706**
Current assets			
Inventories	7	1 910 616	507 804
Contracts in progress and contracts receivables	8	36 182 783	24 132 427
Trade and other receivables	9	10 358 597	7 076 094
Related party receivables	30	1 486 772	1 013 751
Cash and cash equivalents	10	2 715 807	1 534 031
		52 654 575	**34 264 107**
Total assets		**80 504 325**	**56 116 813**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	2 316 175	2 338 831
Share premium		455 177	455 177
Share options reserve		25 044	-
Non distributable reserve		2 274 659	2 274 659
Revaluation reservee		4 617 718	4 617 718
Foreign currency translation reserve		-	(1 682 502)
Mark to market reserve		54 241	199 785
Retained earnings		11 515 895	16 758 260
		21 258 909	**24 961 928**
Non-current liabilities			
Lease Liability	14	-	6 516
Deferred tax	15	5 048 223	4 891 314
		5 048 223	**4 897 830**
Current liabilities			
Interest bearing borrowings	12	1 880 547	456 160
Lease Liability	14	55 975	3 258
Trade and other payables	16	45 798 451	22 662 542
Subcontractors	30	400 220	87 861
Related party payables	17	6 062 000	3 047 234
		54 197 193	**26 257 055**
Total equity and liabilities		**80 504 325**	**56 116 813**

G. Sebborn
Chairman
12 April 2024

F. Matahwa
Chief Executive Officer
12 April 2024

Company Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Revenue	18	53 834 005	49 818 414
Cost of sales		(40 119 846)	(38 810 755)
Gross profit		13 714 159	11 007 659
Fair value adjustments	6.2	1 665 130	1 575 317
Other operating income	19	276 291	6 932 489
Administrative expenses	20	(5 697 722)	(5 288 758)
Profit before interest and tax		**9 957 858**	**14 226 707**
Net monetary loss		-	(4 272 994)
Finance costs	27	(363 607)	(245 616)
Profit before tax	21	9 594 251	9 708 097
Tax expense	22	(155 542)	289 975
Profit for the year		**9 438 709**	**9 998 072**
Other comprehensive income, net of income tax:			
Gain on revaluation of property, plant and equipment		-	7 615 095
Movement in financial assets at fair value through other comprehensive income	6	(146 911)	(327 040)
Deferred tax relating to other comprehensive income	15	1 367	(3 346 532)
Other comprehensive income, net of tax		(145 544)	3 941 523
Total comprehensive income for the year		**9 293 165**	**13 939 596**
Profit per share			
Number of shares		239 388 107	241 653 707
Basic earnings per share (cents)	23	3.94	4.14
Diluted earnings per ordinary share (cents)	23	3.84	4.14
Headline earnings per ordinary share (cents)	23	3.15	5.13

Company Statement of Changes In Equity

for the year ended 31 December 2023

	Share capital USD	Share premium USD	Non-distributable reserve USD	Foreign currency translation reserve USD	Revaluation reserve USD	Share based payment reserve USD	Mark to market reserve USD	Retained earnings USD	Total USD
Balance at 1 January 2022	**388 365**	**146 184**	**2 274 659**	**576 957**	**349 155**	**-**	**502 221**	**6 982 566**	**11 220 107**
Total comprehensive income	-	-	-	-	4 268 563	-	(302 436)	9 998 072	13 964 199
Transfer of reserves	1 950 466	308 993	-	(2 259 459)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(222 378)	(222 378)
Balance at 31 December 2022	**2 338 831**	**455 177**	**2 274 659**	**(1 682 502)**	**4 617 718**	**-**	**199 785**	**16 758 260**	**24 961 928**
Total comprehensive income	-	-	-	(11 940 221)	-	25 044	(145 544)	9 438 709	(2 622 012)
Cancellation of shares	(22 656)	-	-	-		-	-	-	(22 656)
Transfer	-	-	-	13 622 723		-		(13 622 723)	-
Dividend paid	-	-	-	-	-	-	-	(1 058 351)	(1 058 351)
Balance at 31 December 2022	**2 316 175**	**455 177**	**2 274 659**	**-**	**4 617 718**	**25 044**	**54 241**	**11 515 895**	**21 258 909**

Company Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Cash flows from operating activities			
Profit before interest and tax		9 957 858	14 226 707
Adjustment for non-cash items:			
Depreciation of non-current assets	4	4 268 762	1 767 623
Allowances for credit loss	9	210 695	(144 727)
Unrealised exchange gain		(149 366)	(6 181 641)
Fair value adjustments		(1 665 130)	(1 575 317)
Loss/(profit) on disposal of property, plant and equipment	19	4 027	7 095
Dividends received	19	-	(1)
Other non-cash items		(17 337 002)	1 087 389
Operating cash flow before changes in working capital		**(4 710 156)**	**9 187 128**
Changes in working capital:			
Increase in contracts in progress and contract receivables		(12 050 356)	(9 981 892)
Increase in trade and other receivables		(3 282 503)	(127 873)
(Increase)/decrease in inventory		(1 402 812)	178 266
Increase/(decrease) in related party balances		473 021	(1 879 469)
Increase in trade and other payables and sub-contractors		26 150 675	3 703 869
Cash generated from operating activities		**5 177 869**	**1 080 029**
Net interest paid	27	(363 607)	(245 616)
Net cash flows generated from operating activities		**4 814 262**	**834 413**
Cash flows from investing activities			
Payments for property, plant and equipment:			
-To maintain operations		(4 097 364)	(4 812 643)
Proceeds from the disposal of property, plant and equipment		98 842	7 098
Dividends received		-	1
Net cash flows utilised in investing activities		**(3 998 522)**	**(4 805 544)**
Cash flows from financing activities			
Movement in interest bearing borrowings		1 424 387	(768 436)
Dividends paid		(1 058 351)	(222 378)
Net cash flows utilised/received in financing activities		**366 036**	**(990 814)**
Net increase/(decrease) in cash and cash equivalents		1 181 776	(4 961 945)
Cash and cash equivalents at beginning of the year		1 534 031	6 495 976
Cash and cash equivalents at end of year		**2 715 807**	**1 534 031**

Accounting Policies

for the year ended 31 December 2023

1 GENERAL INFORMATION

Masimba Holdings Limited (the Group) is a limited company incorporated in the Republic of Zimbabwe. The address of its registered office is 44 Tilbury Road, Willowvale, Harare, Zimbabwe.

The principal activities of the Group are civil engineering, building contracting, quarry mining and property development.

1.2 Functional and Presentation Currency

"The Group had a steady increase in the use of foreign currency and reassessed its functional currency in accordance with the requirements of IAS 21, effects of changes in foreign exchange rates. The Group concluded that based on the primary operating environment and the Group's own operating activities, there had been a change in its functional currency from Zimbabwean Dollar ("ZWL") to United States Dollars ("USD") with effect from 1 January 2023, i.e. beginning of current financial period. The financial statements are presented in United States Dollars (USD), being the functional and reporting currency of the primary economic environment in which the Group operates.

IAS 21 directs that entities operating in hyperinflationary economies should translate their last reported inflation-adjusted financial statements using the closing rate of exchange at the reporting date in order to derive and present comparative financial statements under a newly assessed functional currency. The December 2022 comparatives disclosed on the Consolidate Statement of profit or loss and other comprehensive income and statement of cash flows were derived from applying an exchange rate as at 31 December 2022 on the reviewed inflation adjusted figures, except for share capital and reverses, where alternative procedures and techniques were applied. In aiming to achieve fair presentation, any differences that arose from the converted balances and the historic USD values were recorded under the Foreign Currency Translation Reserve (FCTR) as effects of translation.

The Group's consolidated financial statements are presented in United States Dollar currency and the Directors have applied estimated exchange rates to convert all Zimbabwean Dollar transactions and balances to the Group's functional currency, the United States Dollar (USD).

Effects of translation

Following translating the comparative numbers in accordance with IAS21, the Directors assessed the resultant numbers against the historical USD values of the account balances arrived at by application of alternative procedures and techniques. In endeavour for fair presentation and provision of best usable information to all stakeholders, the Directors adopted the historical USD values where there were material differences. In such instances, the account balances were adjusted through Foreign Currency Translation Reserve (FCTR) and the adjustments have been presented as effects of translation in the consolidated financial statements.

Share Capital and Reserves

In estimating the USD values, the Directors applied the USD values as per the share register filed with the Registrar of Companies and maintained the historic value of each share. This value differs from the values determined by applying guidance of IAS21 of dividing the prior year inflation adjusted by the closing rate of exchange. The movement between the above values has been recorded as effects of translation in the current year financial statements.

Property, plant and equipment

The Group has been maintaining USD historical costs for all pieces of property, plant and equipment owned by the Group based on the actual payments made towards acquisition of the equipment and adjusted for depreciation for the period the equipment has been in use. The Group adopted these historical costs upon change of functional currency to United States Dollar. The adoption of historical USD values was premised on the material differences that arose between the hostorical costs and the values arrived at when IAS21 is complied with. To foster fair presentation, the Group adopted the values that represent the true economic value of the transactions and account balance.

Investment Property

In 2022, the Group engaged an independent valuer to estimate the USD values at 31 December 2022, though the USD values were disregarded for financial reporting purposes and ZWL values were adopted. Following determination of opening balances in USD, material variances have arisen from the assessment of the 2 values and the Directors have adopted the USD values as fair values determined in prior year. The resultant variances have been reported as effects of translation in the financial statements.

1.3 Use of Significant Judgements

In preparation of these consolidated financial statements management has made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

a) Valuation of Properties
   The valuation was undertaken using the appropriate methodology and professional judgement of valuers.
   For all the Properties, that is investment and owner-occupied properties, the Group engaged an independent external valuer, Integrated Properties (Private) Limited . The properties were valued based on rental inputs and observed transactions in accordance with International Valuation Standards. Income generating projects were valued using the Income Approach while land and residential on the Direct Comparison Approach.

b) Valuation of Other Property, Plant and Equipment
The Directors estimated the USD historical values of property, plant and equipment following change of functional currency from Zimbabwe Dollar to United States Dollar. Current year depreciation was therefore based on the estimated historical values of property, plant and equipment.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company has applied new and several amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on 1 January 2023.

2.1 Amendments to IAS 1 (Presentation of Financial Statements) and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

'Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.

However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The adoption of these amendments, which became effective from 1 January 2023, has not had any material impact on the Company's financial statements.

2.2 Definition of Accounting Estimates (Amendments to IAS 8)

The amendments include a definition of 'accounting estimates' as well as other amendments to IAS 8 that will help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

2.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In specific circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability. The amendments require an entity to recognise deferred tax on certain transactions (e.g. leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments clarify that the initial recognition exemption set out in IAS 12 'Income Taxes' does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements. The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

3.2 Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) and related statutory instruments. With the exceptions noted as in policy 2.2 above, "Application of new and revised IFRSs", the accounting policies set out below have been consistently applied from the previous year and throughout the current year.

These financial statements are presented in United States Dollar (USD) being the functional and reporting currency of the primary economic environment in which the Company operates. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on managements' best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Accounting Policies (continued)

for the year ended 31 December 2023

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of International Financial Reporting Standards (IFRSs) that have a significant effect on the financial statements, and significant estimates made in the preparation of these consolidated financial statements are discussed in Note 33.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:-

. has power over the investee;
. is exposed, or has rights, to variable returns from its involvement with the investee; and
. has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:-

. the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
. potential voting rights held by the Company, other vote holders or other parties;
. rights arising from other contractual arrangements; and
. any additional facts and circumstances that indicate that the Company has or does not have the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous Shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficient balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consideration.

3.3.1 Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition - date of fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group, in exchange for the control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

Accounting Policies (continued)

for the year ended 31 December 2023

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at the fair value except that::

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquirer's share- based payments awards are measured in accordance with IFRS 2 Share-based Payment; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3.5 Interests in joint ventures

When a Group entity undertakes its activities directly under joint arrangements, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transaction will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity, in which each venture has an interest, are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities is combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising in a business combination (see note 3.4 above).

When a Group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interest in the jointly controlled entity that are not related to the Group.

3.6 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue when it transfers control to the customer.

3.6.1 Long-term and construction contracts

Where the outcome of a long-term and construction contract can be measured reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the statement of financial position date, as measured by the proportion that contract costs incurred for work to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that collection is probable and the amounts can be measured reliably. Anticipated losses to completion are recognised immediately as an expense in contract costs. This method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. The Group becomes entitled to invoice customers on long term construction contracts based on achieving a series of performance related milestones. When a particular milestone is achieved the customer is sent the relevant statement of work signed by a third party assessor and an invoice for the related milestone payment.

Where the outcome of the long-term and construction contracts cannot be reliably determined, contract revenues are recognised to the extent that the recoverability of incurred costs is probable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profit less recognized losses, the surplus is shown as the amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under contracts in progress and contracts receivables.

3.6.2 Dividend and interest revenue

Dividend revenue from investments is recognised when the Shareholder's right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Accounting Policies (continued)

for the year ended 31 December 2023

3.6.3 Rental income
Rental income from investment properties is recognised on a straight line basis over the term of the relevant lease.

3.7 Property, plant and equipment

Property, plant and equipment are tangible assets that the Group holds for its own use or for rental to others and which the Group expects to use for more than one period. The consumption of property, plant and equipment is reflected through a depreciation charge designed to reduce the asset to its residual value over its useful life.

3.7.1 Measurement
It is the policy of the Group to revalue its property, plant and equipment frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation increase arising is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve of that asset. Property, plant and equipment are shown at cost/revaluation less the related depreciation.

3.7.2 Subsequent costs
Subsequent costs are included in an asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

3.7.3 Components
The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components and where they have different useful lives, are recorded and depreciated separately. The remainder of the cost, being the parts of the item that are individually not significant or have similar useful lives, are grouped together and depreciated as one component.

3.7.4 Depreciation
Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following average useful lives are used in the calculation of depreciation
Land is not depreciated

Buildings	40 years	On a straight - line basis
Plant and equipment	4-10 years	On a straight - line basis
Motor vehicles	5 years	On a straight - line basis
Other Assets	3-10 years	On a straight - line basis

3.7.5 The property, plant and equipment's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors such as number of shifts for which the asset is to be used and the repair and maintenance program and technological obsolescence arising from changes and residual value.

3.8 Impairment of assets

At each statement of financial position date the Group assesses whether there is any indication that an asset maybe impaired. If any such indication exists, the asset is tested for impairment by estimating the recoverable amount of the related asset. Irrespective of whether there is any indication of impairment, an intangible asset with an indefinite useful life, intangible assets not yet available for use and goodwill acquired in a business combination, are tested for impairment on an annual basis.

When performing impairment tests, the recoverable amount is determined for the individual asset for which an objective indication of impairment exists. If the asset does not generate cash flows from continuing use that are largely independent from other assets or group of assets, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Accounting Policies (continued)

for the year ended 31 December 2023

3.9 Taxation and deferred taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.9.1 Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted by the statement of financial position date.

3.9.2 Deferred taxation

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

3.9.3 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except where the goods supplied are exempted or zero rated. The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

3.10. Contracts in progress and contract receivables

The valuation of contracts in progress takes account of all direct expenditure on contracts, less payment on account and provision for possible losses to completion. Profits or losses on contracts are recognised with reference to the stage of completion, which is determined by taking into account the proportion of work executed and the nature of each contract. Anticipated losses to completion are deducted.

3.10.1 Advance payments received

Advance payments received are assessed on initial recognition to determine whether it is probable that they will be repaid in cash or another financial asset. If it is probable that the advance payments will be repaid with goods or services, the liability is carried at historic cost.

3.11. Inventories

Inventories comprise of land being developed for stands, construction materials and spares. They are valued at the lower of cost or net realisable value generally determined on a moving average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12. Foreign currency translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in USD, which is the functional currency of the Group and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of

Accounting Policies (continued)

for the year ended 31 December 2023

financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use,
- exchange differences which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- exchange differences on transactions entered into in order to hedge certain foreign currency risks, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in USD using exchange rates prevailing at the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation (i.e. disposal of a Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit and loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in profit and loss. All partial disposals i.e. partial disposal of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

- exchange differences which relate to assets under construction for future productive use,
- exchange differences which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- exchange differences on transactions entered into in order to hedge certain foreign currency risks, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in USD using exchange rates prevailing at the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation (i.e. disposal of a Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit and loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in profit and loss. All partial disposals i.e. partial disposal of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Accounting Policies (continued)

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Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

3.13. Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

3.13.1 Financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on the settlement date. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Separate assets or liabilities are recognized if any rights and obligations are created or retained in the transfer. The Group has three classes for its financial assets, that is amortized cost, fair value through profit/loss and fair value through other comprehensive income. The classification depends on the cashflow characteristics of the financial asset and the business model in which it is held.

Classification

The Group's financial assets are classified as either amortized cost or fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

Amortised Cost

Financial assets are classified at amortized cost if the contractual terms give rise to payments that are solely payments of principal and interest ("SPPI") on the principal amount outstanding and the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows. These assets are subsequently measured at amortized cost using the effective interest method, minus impairment allowances. Interest income and gains and losses from financial assets at amortized cost are recognized in statement of profit or loss as financial income. The Group's financial assets measured at amortised cost include trade and other receivables, cash and cash equivalents and loans receivable. Trade and other receivables mainly comprise sale of goods receivables. Certain trade and other receivables are considered to be long term in nature and are recorded as non-current in the statement of financial position.

Financial assets at FVTPL

Financial instruments are classified at fair value through profit or loss if it fails the SPPI test or if it is designated at FVTPL. Financial instruments at 'fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of profit or loss. The Group classifies the following financial assets at fair value through profit or loss (FVTPL): - debt investments that do not qualify for measurement at either amortised cost or FVOCI - equity investments that are held for trading, and - equity investments for which the entity has not elected to recognise fair value gains and losses through OCI. - unit trust held at fair value through profit or loss.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income (FVOCI) if the asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Recognition and derecognition are regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. There were no financial instruments that were offset during the year.

Measurement

At initial recognition, the Group measures a financial asset classified at amortised cost at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition the difference is accounted for as follows;

If fair value is evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability.

Trade Receivables
Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection was expected in one year or less, they were presented as current assets. If not, they were presented as non-current assets. Trade receivables were measured at initial recognition at fair value, and were subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts were recognised in profit or loss when there was objective evidence that the asset was impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments were considered indicators that the trade receivable was impaired. The allowance recognised was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises Expected Credit Losses ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate

For all other financial instruments, the Group recognises ECL when there has been a significant increase in credit risk since initial recognition. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument

In making this assessment, Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

3.13.2 Financial liabilities and equity instruments

Financial Liabilities
Financial liabilities are recognized when the Group becomes bound to the contractual obligations of an instrument. Financial liabilities are derecognized when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires. Financial liabilities at amortised cost Financial liabilities at amortised cost mainly comprise of borrowings, trade and other payables and amounts due to related parties.

Interest bearing Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables were presented as current liabilities if payment was due within one year or less, If not, they were presented as non-current liabilities. Trade payables were initially measured at fair value, and were subsequently measured at amortised cost, using the effective interest rate method.

3.14. Leases

The Group assesses whether a contract is or contains a base, at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all these lease arrangements in which it is a leasee, except for short term leases (defined as leases with a lease term of 12 months or less) and lease of low value assets. For these leases, the Group recognises the lease payments as an operating expense or sundry income on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group as Lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the leasee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to carrying amount of the leased asset and recognised on a straight-line basis over the lease term .

Amounts due from lessees under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding respect of the leases.

When a contract includes leases and non- lease components, the Group applies IFRS 15: Revenue from Contracts with customers, to allocate the consideration under the contract to each component.

The Group as Lessee
The lease liability is initially measured at the present value of the lease payments that are not paid at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be reliably determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprises of: fixed lease payments (including in substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lease under residual value guarantees; the exercise price of purchase options, if the lease is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the base term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect the lease payments made. The Group remeasured the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever: the lease term has changed change or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease using a revised rate The lease payments change due to changes in an index or rate or a change in expected payments under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating rate, in which case a revised discount rate is used)A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make such adjustments during the periods presented.

The right of use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and amortisation losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37; Provisions" Contingent Liabilities and Contingent Assets. The costs are included in the related right of use asset, unless those costs are incurred to produce inventories.

Accounting Policies (continued)

for the year ended 31 December 2023

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lessee transfers ownership of the underlying asset or the cost of the right of use assets reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36: Impairment of Assets to determine whether right of use asset is impaired and accounts for any identified impairment loss as described in the Property, Plant and Equipment policy (3.7).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and right of use asset. The related payments are recognised as an expense in the period in which the event or condition triggers those payments occurs and are included in the line administrative expenses in the statement of profit or loss.

As a practical expedient, IFRS 16: Leases permits a lease not to separate non lease components, and instead account for any lease and associated non lease components as a single arrangement. The Group has not used this practical expedient.

3.15 Share based payments

Senior Executives of the Group receive remuneration in the form of share based payments, whereby they receive equity instruments as consideration for rendering services. The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions other than those linked to the price of the shares of the Group. The cost of equity settled transactions is recognised, together with corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Details regarding the determination of the fair value of equity settled share based transactions are set out in note 11.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve (Share Based Payment reserve).

3.16. Investment properties

Investment property is property held to earn rentals and/or for capital appreciation rather than for use in the production or supply of goods or services, for administrative purposes, or sale in the ordinary course of business. This classification is performed on a property-by-property basis. Initially, investment property is measured at its cost, including transaction costs. Subsequent to initial measurement, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the period in which the property is de-recognised.

3.17. Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Accounting Policies (continued)

for the year ended 31 December 2023

3.18. Provisions and contingencies

3.18.1 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.18.2 Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

3.18.3 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

3.18.4 Contingent assets

A contingent asset is a possible asset that arises from past events and existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group. In the ordinary course of business, the Group may pursue a claim against a subcontractor or client. Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the flow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the Group but not recognised on the statement of financial position.

3.19. Employee benefits

3.19.1 Defined contribution plans

The Group operates pension schemes in terms of the Pension and Provident Funds Act and current contributions to defined contribution schemes are charged against income as incurred. The Group also participates in the National Social Security Authority scheme. Under defined contribution plans, the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

3.19.2 Short term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and accrued when the associated services are rendered by the employees of the Group.

3.19.3 Termination benefits

Termination benefits are payable when employment is terminated by the Group before retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than twelve (12) months after the statement of financial position date are discounted to present value.

3.19.4 Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Accounting Policies (continued)

for the year ended 31 December 2023

3.20 Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Executive and non-Executive Directors.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

4 Property, plant and equipment

	Group				
	Freehold land and buildings USD	**Plant and machinery USD**	**Motor vehicles USD**	**Furniture and office equipment USD**	**Total USD**
Cost/Valuation					
Balance at 01 January 2022	**1 746 516**	**8 199 336**	**910 621**	**166 323**	**11 022 796**
Additions	-	4 495 550	263 668	53 425	643 812 4
Disposals	-	(1)	(3)	-	(4)
Revaluation	1 205 097	2 973 840	76 404	(146 568)	4 108 773
Balance 31 December 2022	**2 951 613**	**15 668 725**	**1 250 690**	**73 180**	**19 944 208**
Additions	-	-	312 941	100 057	4 167 677
Disposals		(169 371)	(18 500)	-	(187 871)
Effects of translation	(776 613)	4 702 209	16 590	106 332	4 048 518
Balance 31 December 2023	**2 175 000**	**23 956 242**	**1 561 721**	**279 569**	**27 972 532**
Depreciation and impairment					
Balance 1 January 2022	**111 313**	**2 430 054**	**384 190**	**128 699**	**3 054 256**
Depreciation charge for the year	45 719	1 630 830	112 021	23 527	1 812 097
Elimination on revaluation	(157 032)	(4 060 884)	(496 211)	(152 226)	(4 866 353)
Balance 31 December 2022	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	72 500	3 865 078	387 955	101 595	4 427 128
Elimination on disposals	-	(80 159)	(4 843)	-	(85 002)
Balance 31 December 2023	**72 500**	**3 784 919**	**383 112**	**101 595**	**4 342 126**
Carrying amount					
Balance at 31 December 2022	**2 951 613**	**15 668 725**	**1 250 690**	**73 180**	**19 944 208**
Balance at 31 December 2023	**2 102 500**	**20 171 323**	**1 178 609**	**177 974**	**23 630 406**

Effects of translation

Comparative numbers are arrived at by dividing the 2022 ZWL inflation adjusted numbers by closing official rate of exchange. Following the determinition of opening balances, the Directors adopted the historical USD values based on the 2022 USD revalution. The resultant differences from this assessment has been reported as effects of translation.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

4 Property, plant and equipment (continued)

	Company				
	Right of use assets USD	Plant and machinery USD	Motor vehicles USD	Furniture and office equipment USD	Total USD
Cost/Valuation					
Balance at 01 January 2022	**16 579**	**8 199 336**	**910 621**	**166 323**	**9 292 859**
Additions	-	4 495 550	263 668	53 425	4 812 643
Disposals	-	(1)	(3)	-	(4)
Revaluation	(5 541)	2 973 840	76 404	(146 568)	2 898 135
Balance 31 December 2022	**11 038**	**15 668 725**	**1 250 690**	**73 180**	**17 003 633**
Additions	-	3 703 292	312 941	81 131	4 097 364
Disposals	-	(169 371)	(18 500)	-	(187 871)
Effects of translation	12 962	4 702 209	16 590	106 332	4 838 093
Balance 31 December 2023	**24 000**	**23 904 855**	**1 561 721**	**260 643**	**25 751 219**
Depreciation and impairment					
Balance at 01 January 2022	**6 394**	**2 430 054**	**384 190**	**128 699**	**2 949 337**
Depreciation charge for the year	1 245	1 630 830	112 021	23 527	1 767 623
Depreciation eliminated at disposal	(7 639)	(4 060 884)	(496 211)	(152 226)	(4 716 960)
Balance 31 December 2022	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	12 000	3 855 063	387 955	98 745	4 353 763
Depreciation eliminated at disposal	-	(80 159)	(4 843)		(85 002)
Balance 31 December 2023	**12 000**	**3 774 904**	**383 112**	**98 745**	**4 268 762**
Carrying amount					
Balance at 31 December 2022	**11 038**	**15 668 725**	**866 500**	**73 179**	**17 003 633**
Balance at 31 December 2023	**12 000**	**20 129 951**	**1 178 609**	**161 898**	**21 482 458**

Effects of translation

Comparative numbers are arrived at by dividing the 2022 ZWL inflation adjusted numbers by closing official rate of exchange. Following the determinition of opening balances, the Directors adopted the historical USD values based on the 2022 USD revalution. The resultant differences from this assessment has been reported as effects of translation.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

5 Investment property

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
At fair value				
Balance at the beginning of the year	9 802 065	5 290 643	-	-
Fair value adjustment	2 200	4 570 270	-	-
Effects of translation	476 737	-	-	-
Additions	82 160	178 726	-	-
Transfers	(2 562 232)	-	-	-
Disposal	-	(237 574)	-	-
Balance at the end of the year	**7 800 930**	**9 802 065**	**-**	**-**

Effects of Translation
Comparative numbers are arrived at by dividing the 2022 ZWL inflation adjusted numbers but closing official rate of exchange. Following the determination of opening balances, the Directors adopted the historical USD values based on the 2022 USD revaluation. The resultant differences from this assessment has been reported as effects of translation.

Transfers
Transfers relate to Shurugwi Impali Land bank that was reclassified to inventory from investment property following change of intention from capital appreciation to land development for residential stands and subsequent resale in the normal course of trading.

Fair Value
The fair value of investment property has been arrived at on the basis of a valuation carried out at 31 December 2023 by independent professional valuers, Integrated Properties. In arriving at the market value, the implicit investment approach based on the capitalisation of income was applied. This method is based on the principle that rentals, capital and income generated by owner occupied assets are interrelated. The effective date of revaluation was 31 December 2023.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:-

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument/asset.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

The following table presents assets and liabilities recognised at fair value in the statement of financial position of the Group:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Freehold land and buildings	-	2 102 500	-	2 102 500
Investment property	-	7 800 930	-	7 800 930

There were no transfers between level 1 and level 2 during the current year.

The property rental income earned by the entity from its investments property, all of which is leased out under operating leases, amounted to USD185 244 (2022: USD68 752). Direct operating expenses arising on the investment property amounted to USD305 224 (2022: USD 93 228).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

6 INVESTMENTS

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Financial assets carried at fair value	78 304	292 252	63 732	210 643
Investments in Subsidiaries	-	-	6 303 560	4 638 430
	78 304	**292 252**	**6 367 292**	**4 849 073**

Financial assets that are disclosed under long term investments are stated at fair value with the changes in fair value being recognised in other comprehensive income.

6.1 Financial assets carried at fair value

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Financial assets carried at fair value	215 051	552 103	210 643	537 683
Investments in Subsidiaries	-	-	-	-
Fair value through other comprehensive income	**(136 747)**	**(337 052)**	**(146 911)**	**(327 040)**
	78 304	**215 051**	**63 732**	**210 643**

Investments include investments in equity instruments listed on the Zimbabwe Stock Exchange.

6.2 Investments in Subsidiaries

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Balance at the beginning of the year	-	-	4 638 430	3 063 113
Fair value adjustment through profit and loss	-	-	1 665 130	1 575 317
	-	**-**	**6 303 560**	**4 638 430**

7 INVENTORIES

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Land under development	2 562 232	-	-	-
Construction materials	1 095 211	279 292	1 095 211	279 292
Spares and consumables	923 531	228 512	815 405	228 512
	4 580 974	**507 804**	**1 910 616**	**507 804**

Included under land under development is Shurugwi Impali Land bank amounting to USD2 562 232 that was reclassified to inventory from investment property following change of intention from capital appreciation to land development for residential stands and subsequent resale in the normal course of trading.

8 CONTRACTS IN PROGRESS AND CONTRACT RECEIVABLES

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Contracts receivables in respect of certified work	17 181 145	2 317 747	17 181 145	2 317 747
Contracts receivables in retentions	1 721 884	121 215	1 721 884	21 821 448
Contracts receivables in retentions	17 525 678	21 821 448	17 525 678	121 215
	36 428 707	**24 260 410**	**36 428 707**	**24 260 410**
Less: allowance for credit losses	(245 924)	(128 036)	(245 924)	(127 983)
	36 182 783	**24 132 374**	**36 182 783**	**24 132 427**

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

9 OTHER RECEIVABLES

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Prepayments	9 898 205	7 102 366	9 886 308	7 092 974
Other receivables	884 661	46 034	1 960 296	997 780
Less:allowance for credit losses	(3 297)	(1 118)	(1 235)	(909)
Less: Related party receivables	(391 938)	(33 416)	(1 486 772)	(1 013 751)
	10 387 631	**7 113 866**	**10 358 597**	**7 076 094**

The average credit period for trade receivables is thirty (30) days. No interest is charged on the overdue trade receivables. The entity has recognised an allowance for credit losses against all receivables using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the sector, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade receivables disclosed include amounts (see below for aged analysis) that are past due at the end of the reporting period. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by it to the counterparty.

Ageing of impaired contracts in progess and receivables

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
180+ days	249 221	129 154	247 159	128 892

	2023 days	**2022 days**	**2023 days**	**2022 days**
180+ days	70	52	70	115

Movement in the allowance for credit losses

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Balance at the beginning of the year	129 154	273 828	128 891	273 618
Net movement in provision for the year	210 523	(144 674)	210 695	(144 727)
Effects of translation	(90 456)	-	(92 427)	-
Balance at the end of the year	**249 221**	**129 154**	**247 159**	**128 891**

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

9 OTHER RECEIVABLES (CONTINUED)

	2023		
	Trade Receivables USD	Loss Rate %	ECL USD
Retention	1 344 173	2.23%	30 018
Current	27 787 993	0.27%	75 419
30 Days	534 982	0.30%	1 602
60 Days	1 505 309	1.60%	24 150
>90 Days	5 256 249	2.18%	114 734
Total	**36 428 707**		**245 924**

	2022		
	Trade Receivables USD	Loss Rate %	ECL USD
Retention	1 095 958	2.23%	19 489
Current	30 083 045	0.27%	82 557
30 Days	1 689 757	0.30%	23 634
60 Days	-	1.60%	-
>90 Days	100 790	2.18%	2 356
Total	**32 969 550**		**128 036**

Book debtors are encumbered as shown in note 12.

In determining trade recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risks is limited due to the customer base being large and unrelated.

The Directors consider that the carrying amount of trade receivables approximates their fair values.

Ageing of impaired contracts in progress and receivables

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
180+ days	249 221	129 154	247 159	128 891

10 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Bank overdraft	(155 106)	-	(155 106)	-
Cash at bank	2 886 806	1 538 014	2 870 913	1 534 031
Bank and cash balances	**2 731 700**	**1 538 014**	**2 715 807**	**1 534 031**

Cash and cash equivalents are recognised at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances held with our bankers.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

11 SHARE CAPITAL AND RESERVES

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Authorised and issued share capital				
Authorised				
875 000 000 ordinary shares of USD0.01 each	8 750 000	8 750 000	8 750 000	8 750 000
Issued				
239 388 107 (2022: 241 653 707) ordinary shares of USD0.01 each.	2 316 175	2 338 831	2 316 175	2 338 831
Unissued share capital	**6 333 463**	**6 333 463**	**6 333 463**	**6 333 463**

Issued share capital
This is share capital which Directors may allot, grant options over or deal with at their discretion (in terms of the Articles of Association) subject to the limitations of the Companies and Other Businesses Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange, without further restrictions. During the financial period, the Group, in accordance with Companies and Other Business Entities Act (Chapter 24:31) cancelled 2 265 600 Masimba Holdings Limited shares with a nominal value of USD22 656. The Group had previously acquired its own shared in a share buy back scheme in prior years.

Issued share capital reconciliation

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Shares at the beginning of the year	241 653 707	241 653 707	241 653 707	241 653 707
Shares cancelled	(2 265 600)	-	(2 265 600)	-
Shares at the end of the year	**239 388 107**	**241 653 707**	**239 388 107**	**241 653 707**

Share Options Scheme
The Directors are empowered to grant share options to senior Executives of the Group up to a maximum of 20 000 000 (2022: 20 000 000) share options. The options are granted for a period of five (5) years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. During the year, the Group granted 7 637 500 shares to its senior management with a vesting condition of serving in the employment of the company for 5 years. The share options are exercisable any time during the vesting period. During the year, 1 230 000 share options were forfeited. Details of share options outstanding as at 31 December 2023 were as follows:

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Balance at the beginning of year	-	-		-
Granted during the year	7 637 500	-	7 637 500	7 637 500
Forfeited during the year	(1 230 000)	-	(1 230 000)	-
Exercised during the year	-	-	-	-
Balance as at end of year	**6 407 500**	**-**	**6 407 500**	**7 637 500**

A valuation was carried out by the Ernst & Young Advisory Services (Private) Limited as at 01 January 2023. The estimated fair values of options granted were determined using Black Scholes model in accordance with IFRS 2 with the following inputs and assumptions:

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

11 SHARE CAPITAL AND RESERVES (CONTINUED)

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Grant date share price (USD)	0.083	0.083	0.083	0.083
Exercise price (USD)	0.083	0.083	0.083	0.083
Expected volatility	60.05%	60.05%	48.85%	48.85%
Dividend yield	4%	4%	4%	4%
Risk-free interest rate (ZWL)	63%	63%	63%	63%

Valuation Inputs

Exercise price
The scheme rules state that the price for the shares comprised in an option shall be the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted.

Expected volatility
Expected volatility is a measure of the amount by which the price is expected to fluctuate during a period, for example between grant date and the exercise date.

Volatility was calculated as the standard deviation of log normal daily returns for the period starting 2017 to December 2022.

Expected dividends
When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting period. This is because the payment of dividends reduces the value of a company.

Risk free rate of return
A risk free rate of return is the interest rate an investor would expect to earn on an investment with no risk which is usually taken to be a Government issued security. It is the interest rate earned on a riskless security over a specified time horizon. The risk free rate return is based on 62.65% Fixed Rate Infrastructure Development Bonds 2015 issued by the Infrastructure Development Bank of Zimbabwe.

All options expire, if not exercised five (5) years after the date of grant.

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Expenses arising from share options	25 044	-	25 044	-
Closing share options reverse	25 044	-	25 044	-

Non-distributable reserves
This is the residual figure of assets and liabilities arising from the change in functional currency.

12 INTEREST BEARING BORROWINGS

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Secured borrowings at amortised costs				
Opening balance	619 914	1 224 596	619 914	1 224 596
Additional loans	2 560 197	614 661	2 560 197	614 661
Interest charged	363 607	245 616	363 607	245 616
Repayments	(1 663 171)	(1 628 713)	(1 663 171)	(1 628 713)
	1 880 547	**456 160**	**1 880 547**	**456 160**

The loans are short term with a tenure of six (6) months. They accrue interest at an effective rate of 10% per annum (2022: 10%) per annum. The balances include loans denominated in ZWL which accrue interest at 95% per annum(2022: 150%).These bank loans are fully secured against immovable property and a notarial general covering bond over movable assets, including a cession of book debts.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

13 SEGMENTAL ANALYSIS

Operating segment information

For management purposes the Group is organised into business units based on their products and services and has resulted in three reportable operating segments as follows:

Contracting

The segment offers civil engineering works in the following categories:
- Roads and earthworks
- Building construction
- Fabrication and steel works

Property Development and Leasing

This segment is into property development and leasing of property. Properties are leased out to business units in the Group as well as to third parties.

Quarry Mining

The quarry mining business unit manufactures stone aggregates which are key in the contracting business

	2023				2022			
	Contracting	Properties	Quarry	Consolidated	Contracting	Properties	Quarry	Consolidated
Revenue	**53 834 005**	-	**1 286 335**	**53 834 005**	**49 818 414**	-	**1 065 630**	**49 818 414**
External	53 834 005	-	-	5005 834 3	49 818 414	-	-	49 818 414
Internal	-	-	1 286 335	-	-	-	1 065 630	-
Rental Income	-	465 923	-	185 244	-	239 090	-	50 591
External	-	244 185	-	244 185	-	50 591	-	50 591
Internal	-	280 679	-	-	-	188 499	-	-
Gross profit	13 714 159	-	79 530	13 793 689	11 007 659	-	121 524	11 129 183
Net finance cost	(607 363)	-	-	(363 607)	(245 616)	-	-	(245 616)
Fair value gain	-	200 2	-	200 2	317 575 1	270 570 4	-	587 145 6
Profit before tax	9 594 251	184 098	(207 132)	697 875 7	708 226 14	600 594 4	397 16	705 837 18
Monetary loss	-	-	-	-	(4 272 994)	-	-	(4 272 994)
Segment assets	80 504 325	13 312 926	167 899	85 784 666	56 116 813	12 868 295	968 889	63 286 798
Segment Liabilities	54 197 193	903 225	122 295	53 695 885	31 154 883	3 273 883	1 083 252	33 362 094
Net segment assets	26 307 132	12 409 701	45 604	32 088 781	24 961 930	9 594 412	(114 363)	29 924 703
Depreciation charge for the year	4 268 762	-	-	4 342 126	1 767 623	-	-	1 812 097
Capital expenditure	4 097 364	82 160	-	4 167 677	4 812 642	178 726	-	4 991 368
Number of empoyees	2 049	10	29	2 088	1 758	21	35	1 814

14 FINANCE LEASE-RIGHT OF ASSET USE

	Company		
2023	**Current USD**	**Non-current USD**	**Total USD**
Minimum lease payments			
Principal	55 975	-	55 975

	Company		
2022	**Current USD**	**Non-current USD**	**Total USD**
Minimum lease payments			
Principal	3 258	6 516	9 774

The finance lease liabilities comprise of right of use asset..

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

15 TAXATION

15.1 Deferred tax

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Balance at the beginning of year	7 556 664	3 257 133	4 891 314	1 834 757
Charge to income statement	303 615	875 369	155 542	(289 975)
Charge to other comprehensive income	1 367	3 424 162	1 367	3 346 532
Balance at the end of year	**7 861 646**	**7 556 664**	**5 048 223**	**4 891 314**
Comprising of:				
Accelerated wear and tear	6 557 708	1 370 212	6 557 708	1 862 099
Uncertified work and claims	17 525 678	5 394 262	17 525 678	7 330 725
Retention	1 833 388	92 893	1 833 388	126 240
Revenue received in advance	(2 819 291)	(2 840 615)	(2 819 291)	(3 860 355)
Maintenance provision	(546 875)	(376 344)	(546 875)	(511 446)
Assessed loss and other	(14 688 962)	3 916 256	(17 502 385)	(55 949)
	7 861 646	**7 556 664**	**5 048 223**	**4 891 314**

15.2 Current tax liability

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Balance at the beginning of year	12 311	14 115	-	-
Tax charge	21 610	12 311	-	-
Tax paid	(12 311)	(14 115)	-	-
Balance at the end of year	**21 610**	**12 311**	**-**	**-**

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Trade	2 045 291	1 173 082	1 859 100	1 044 885
Accruals	198 072	25 553	147 648	10 065
Provisions	15 866 369	7 768 423	16 614 063	7 768 163
Unearned revenue (Advance receipts from customers)	24 664 843	11 492 798	24 660 965	11 491 160
Other	2 556 933	1 742 009	2 516 675	2 348 269
	45 331 508	**22 201 865**	**45 798 451**	**22 662 542**

The average credit period on purchases of goods and services from suppliers is thirty (30) days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates their fair values.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

17 SUB-CONTRACTORS

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Balance as at year end	6 062 000	3 047 234	6 062 000	3 047 234

Contracts in progress and contract receivables include claims against clients in respect of sub-contractor liabilities. These liabilities are only settled when payment has been received from clients.

18 CONSTRUCTION CONTRACT REVENUE

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Construction contract revenue	53 834 005	49 818 414	53 834 005	49 818 414

19 OTHER INCOME

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Rental income	185 244	50 591	-	-
Exchange gains	141 032	5 841 320	149 366	6 181 641
Scrap and services sales	(4 008)	12 281	(4 008)	1 607
Sundry income	130 981	879 736	134 960	756 335
Dividend received	-	1	-	1
Loss on disposal of property, plant and equipment	(4 027)	(7 095)	(4 027)	(7 095)
	449 222	**6 776 834**	**276 291**	**6 932 489**

20 ADMINISTRATION EXPENSES

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Advertising and promotions	161 873	121 193	161 873	121 193
Audit fees	42 000	60 197	42 000	60 197
Allowance for credit losses	210 523	(144 674)	210 695	(144 727)
Bank charges	1 280 431	1 287 121	1 276 643	1 221 605
Communication	67 515	17 363	63 421	17 363
Computer printing and stationery	172 157	96 641	170 868	96 435
Depreciation	273 547	121 753	213 047	66 001
Directors' fees	106 000	44 793	106 000	44 793
Insurance	64 721	57 762	48 825	43 148
Licenses and levies	97 936	56 622	81 307	56 622
Professional and subscriptions	278 185	189 565	183 447	148 444
Property expenses	10 096	15 209	280 679	452
Staff	2 455 873	2 797 032	2 274 071	2 780 102
Training and recruitment	111 456	28 629	111 456	27 363
Travel and accommodation	128 399	74 456	119 156	74 456
Utilities	86 427	74 459	24 740	20 820
Other costs	458 668	640 848	329 494	654 491
	6 005 807	**5 538 967**	**5 697 722**	**5 288 758**

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

21 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Depreciation	4 342 126	1 812 097	4 268 762	1 767 623
Staff costs	2 455 873	2 797 032	2 274 071	2 780 102

22 INCOME TAX

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
22.1 Current tax:				
Current income tax	(21 610)	(12 311)	-	-
Deferred tax movement	(303 615)	(875 369)	(155 542)	289 975
Income tax	**(325 225)**	**(887 680)**	**(155 542)**	**289 975**
22.2 Tax reconciliation:				
Profit before tax	**7 875 697**	**13 288 395**	**9 594 251**	**9 708 097**
Tax at standard rate (24.72%)	(1 946 872)	(3 284 891)	(2 371 698)	(2 399 841)
Adjusted for:				
Effects of expenses not deductible for tax	621 612	(8 570)	1 225 867	(12 310)
Effects of other permanent differences	1 000 035	2 405 781	990 289	2 702 126
Effective tax	**(325 225)**	**(887 680)**	**(155 542)**	**289 975**

23 EARNINGS PER SHARE

Basic earning basis

The calculation is based on the profit attributable to ordinary Shareholders and the number of shares in issue at the end of the year which participated in the results of the Group.

Diluted earnings basis

The calculation is based on the profit attributable to ordinary Shareholders and the number of shares in issue after adjusting to assume conversion of share options not yet exercised.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

23 EARNINGS PER SHARE (CONTINUED)

Headline earnings basis

The calculation of basic, diluted and headline earnings per share from continuing operations attributable to ordinary shareholders of the Company is based on the following data:

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Earnings				
Profit attributable to the equity holders	7 550 472	12 400 715	9 438 709	9 998 072
Net earnings from operational and capital investment activities	7 312 425	5 382 113	7 529 398	12 385 047
Number of shares				
Weighted average number of shares in issue used in the determination of:				
Basic	239 388 107	241 653 707	239 388 107	241 653 707
Diluted	245 795 607	241 653 707	245 795 607	241 653 707
Headline	239 388 107	241 653 707	239 388 107	241 653 707
Profit per share (USD cents):				
Basic	3.15	5.13	3.94	4.14
Diluted	3.07	5.13	3.84	4.14
Headline	3.05	2.23	3.15	5.13

24 RETIREMENT BENEFIT COSTS

Pension funds

The Group's operations and all permanent employees contribute to one of the funds detailed below:

24.1 Masimba Holdings Limited Retirement Fund

All entity employees with the exception of those participating in the funds detailed in 24.2 below are members of this Fund administered by Old Mutual. The Fund is a defined contribution scheme. All members joining the Fund automatically participate on the defined contribution pension benefit basis.

As at 31 December 2023, there were 128 (2022: 120) members in the scheme.

24.2 Construction Industry Pension Fund

This Fund is a defined contribution scheme and encompasses employees generally subject to an industrial agreement.

24.3 National Social Security Authority (NSSA)

The entity and its employees contribute to the National Social Security Authority. This is a social security scheme promulgated under the National Social Security Act 1989. The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

24 RETIREMENT BENEFIT COSTS (CONTINUED)

24.4 Pension costs recognised as an expense for the year

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Masimba Holdings Limited Retirement Fund	82 400	51 454	82 400	51 454
National Social Security Authority	13 806	9 325	13 806	9 325
Other Funds	22 756	6 224	22 756	6 224
	118 962	**67 004**	**118 962**	**67 004**

25 CAPITAL COMMITMENTS

Capital expenditure authorised, but not contracted for, is USD3 897 406 (2022: USD448 729). The expenditure is to be financed from internal resources and existing facilities.

26 DIRECTORS' INTERESTS

The Directors directly/indirectly hold the following number of shares in the Company:

		Group		Company	
Director's Name		**2023 USD**	**2022 USD**	**2023 USD**	**2022 USD**
Canada Malunga	Giona Capital (Private) Limited	15 406 581	18 538 160	15 406 581	18 538 160
Malcom William McCulloh & Mark Mario Di Nicola	Zumbani Capital (Private) Limited	69 827 168	68 309 081	69 827 168	68 309 081

27 BORROWINGS

Finance costs for borrowings at amortised cost

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Borrowings at amortised cost	1 880 547	456 160	1 880 547	456 160
Shareholder loans	-	-	-	-
Net interest expense	**363 607**	**245 616**	**363 607**	**245 616**

Authority is granted in the Articles of Association for Directors to borrow a sum not exceeding 300% of the ordinary Shareholders' funds without the prior sanction of an ordinary resolution of the Company. The Group's borrowings have not exceeded the borrowing threshold per Articles of Association .

The average rate for finance costs was 10% (2022:10%) for USD borrowings and 95% (2022:150%) for ZWL borrowings.

28 INSURANCE COVER

In the opinion of the Directors, the Group's assets are adequately insured at full replacement cost of current condition and age of the asset.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

29 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

29.1 The Group is from time to time involved in various disputes, claims and legal proceedings arising in the ordinary course of the business. The Board does not believe that adverse decisions in any pending proceedings or claims against the Group will have a material effect on the future financial conditions of the Group.

29.2 **Bank guarantees in issue as at year end:**

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Performance bonds	8 046 599	6 234 026	8 046 599	6 234 026
Advance payment bonds	405 162	11 852 108	405 162	11 852 108
Retention bonds	55 000	706	55 000	706
	8 506 761	**18 086 840**	**8 506 761**	**18 086 840**

30 RELATED PARTY DISCLOSURES

The Group's related parties include joint ventures,companies that have common directorship and key management as described below:

30.1 **Related party transactions**

			Group		Company	
			2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Related party	**Nature of Relationship**	**Nature of transactions**				
Reinforcing Steel Contractors Zimbabwe	Common directorship/ Shareholding	Supply of materials	235 646	190 486	235 646	190 486
Proplastics Limited	Common directorship/ Shareholding	Supply of materials	277 650	25 952	277 650	25 952
Total transactions reported under cost of sales			**513 296**	**216 437**	**513 296**	**216 437**

30.2 **Year end balances arising from transactions with related parties**

Included in the contracts receivables, work in progress, other receivables and trade payables balances are related party balances that resulted from transactions that occurred between Masimba Holdings Limited and its related parties.

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Related party receivables				
Proplastics Limited	391 938	33 416	391 938	33 416
Masimba Properties (Zimbabwe) Limited	-	-	1 094 834	980 335
	391 938	**33 416**	**1 486 772**	**1 013 751**
Related party payables				
Reinforcing Steel Contractors Zimbabwe	62 702	25 531	62 702	25 531
Proplastics Limited	337 518	62 330	337 518	62 330
Masimba Properties (Zimbabwe) Limited	-	-	-	-
	400 220	**87 861**	**400 220**	**87 861**

Balances and transactions between entities within the Group have been eliminated on consolidation and are not disclosed in this note.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

30 RELATED PARTY DISCLOSURES (CONTINUED)

30.3 Transactions with key management personnel

Key management of the Group are the executive members of Masimba Holdings Limited's board of directors and senior management personnel. Key management personnel's remuneration include the following expenses:

The remuneration of directors and other members of key management during the year were as follows:

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Compensation to key management	910 005	357 067	910 005	357 067
The remuneration of Directors and key Executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.				
Loans and advances to Directors	-	-	-	-

Terms and Conditions: The loan amount limit ranges from 100% to 130% of annual salary and is subject to cash flow and Remuneration Committee approval. The annual interest rate is the lower of 50% of minimum Bank lending rate and 150% of the income tax deemed interest rate. The repayment period is six (6) months to two (2) years.

31 FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instruments, are disclosed per note 3.

(b) Categories of financial instruments

	Group		Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Financial assets				
Cash and cash equivalents	2 731 700	1 538 014	2 713 511	1 534 031
Trade and contract receivables	46 570 414	31 279 655	46 541 380	31 241 937
Financial assets carried at fair value	78 304	215 051	63 732	210 643
Financial liabilities				
Borrowings, trade payables and subcontractors	53 695 885	25 805 431	59 245 416	31 154 883

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities approximate the carrying values in the statement of financial position as at 31 December 2023.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

32 FINANCIAL RISK MANAGEMENT

The entity's financial liabilities comprise bank loans and overdrafts and trade and other payables. The main purpose of these financial instruments is to raise finance for the entity's operations. The entity has various financial assets such as trade receivables, cash and short term deposits which arise directly from its operations. The entity does not use derivative financial instruments in its management of foreign currency risk. Derivative financial instruments are not held or issued for trading purposes.

The main risks arising from the entity's financial instruments are cash flow risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. Senior Executives of the Group meet on a regular basis to review and agree on policies to manage each of these risks. Treasury management strategies together with currency and interest rate exposures are re-evaluated against revised economic forecasts. Compliance with the Group policies and exposure limits are reviewed at Audit and Risk Committee meetings.

32.1 Foreign exchange risk management

The Group undertakes certain transactions denominated in currencies other than the USD hence exposure to exchange rate fluctuations arises.

	2023		2022	
Currency	**Foreign Balance ZWL**	**USD Equivalent**	**Foreign Balance ZWL**	**USD Equivalent**
Receivables	59 037 661 634	7 520 721	22 531 025 063	32 924 023
Bank	(409 695 144)	(52 190)	1 058 048 127	1 546 099
Payables	2 182 896 792	278 076	(3 173 270 665)	(4 637 021)
	60,810,863,282	**7,746,607**	**20,415,802,525**	**29,833,101**

Given the amounts and types of currency held, the Group has no significant exposure to foreign currency risk at year end.

Fair values of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements. Assets and liabilities denominated in currencies other than the USD which were on hand at the statement of financial position date have been valued for the purpose of these financial statements at alternative rates of exchange as the Directors are of the opinion that they fairly reflects the value of such assets and liabilities for accounting purposes.

32.2 Interest risk

The entity's treasury policy limits exposure to interest rate fluctuations by adopting a non-speculative approach to managing interest rate risk and only deals in approved financial instruments. Implementation of treasury policy ensures limited exposure to funding instruments while investment instruments are those which provide risk free returns at variable interest rates and mature within one year.

32.3 Credit risk

Financial assets which potentially subject the entity to concentration of credit risk consist principally of cash, short-term deposits and trade receivables. The entity's surplus cash equivalents and short-term deposits are placed with high quality creditworthy financial institutions. The trade receivables are presented net of the allowance for credit losses and comprise a large, widespread customer base and the Group monitors the performance and financial condition of its customers so that the exposure to bad debts is not significant.

32.4 Liquidity risk

The entity monitors its risk of shortage of funds using a liquidity planning tool. The entity considers the maturity of both its financial investments and financial assets (e.g. receivables) and projected cash flows from operations. The entity's main object is to maintain short term bank loans at a manageable level.

32.5 Capital risk management

The entity manages its capital structure to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the entity consists of debt, which includes borrowings and finance leases as disclosed in Note 12 and 13 respectively, interest bearing borrowings and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

The Group's Audit and Compliance Committee reviews the capital structure on a quarterly basis. As part of this review, the Committee considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Committee, the entity will balance its overall structure through payments of dividends, new share issues and share buy backs as well as the issue of new debt or the redemption of existing debt.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

33 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions made in the preparation of these consolidated financial statements are discussed below.

Revenue recognition and contract accounting
The entity uses certain assumptions and key factors in the management of and reporting for its contracting arrangements. These assumptions are material and relate to:
- The estimation of costs to completion and the determination of the percentage of completion;
- The recoverability of underclaims;
- The recognition of penalties and claims on contracts: and
- The recognition of contract incentives.

Management is satisfied that at year end the Company met its perfomance obligations under contracts and the recognition of revenue is appropriate.

Other Estimates Made
The entity also makes estimates for:
- The calculation of the provision for credit losses. In determining recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group therefore recognises an allowance for credit losses against receivables on a case by case basis.
- The determination of useful lives and residual values of items of property, plant and equipment. (Refer to property, plant and equipment accounting policy note 3.7).
- The determination of the fair value of share options. (Refer to note 11).

34 JOINT OPERATIONS

Details of material joint operations

	Principal Activity	Place of incoporation and principal place of business	Proportion of ownership interest voting rights held by Masimba 2023 %	2022 %
Masimba Holdings Limited and Kuchi Construction (Private) Limited	Contracting	Zimbabwe	-	50
Masimba Holdings Limited and Tencraft (Private) Limited	Contracting	Zimbabwe	-	50
Masimba Holdings Limited and Grindale Enginering Limited	Contracting	Zimbabwe	50	50
Masimba Holdings Limited and Fossil Mining	Contracting	Zimbabwe	-	50
Masimba Holdings Limited and Fossil Mining	Contracting	Zimbabwe	-	50
Masimba Holdings Limited and Oplenac Private Limited	Contracting	Zimbabwe	69	69

The above joint operations are accounted for using the proportional consolidation method in these consolidated financial statements.

The summarised financial information in respect of the Group's joint operations is set out below:

	Group		Company	
	2023 USD	**2022 USD**	**2023 USD**	**2022 USD**
Current assets	41 677	3 972 239	41 677	3 972 239
Current liabilities	(34 132)	(1 460 519)	(34 132)	(1 460 519)
The above amounts of assets and liabilities include the following:				
Cash and cash equivalent	20 388	48 672	20 388	48 672
Revenue	-	6 330 071	-	6 330 071
Profit for the period	-	1 899 021	-	1 899 021
The above profit/(loss) for the year includes the following items:				
Depreciation and amortisation	-	-	-	-

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2023

35 GOING CONCERN

The Directors have assessed the ability of the entity to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the entity to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements. In confirming the validity of the going concern basis of preparation, the Group has considered the following specific factors:

- The Group reported a profit of USD 7,550,472 for the year
- Liquidity needs of the Group have been assessed on a 12 months rolling cashflow forecast and net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout periods, which is typically 12 months from the date of authorisation of these financial statements.

36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 12 April 2024.

37 EVENTS AFTER THE REPORTING DATE

Intoduction of a new structured currency

The RBZ introduced a structured currency, known as Zimbabwe Gold (ZiG) with effect from 5th April 2024,replacing the Zimbabwean dollar (ZW$). Zimbabwe Gold (ZiG) currency is backed by a composite basket of foreign currency and precious metals held as reserves by the Central bank. All Zimbabwe dollar balances shall be converted to the new currency and the swap rate will be guided by the closing interbank exchange rate and the price of gold as at 5 April 2024. In accordance with IAS10 events after the reporting date, the event does not warrant an adjustment on the current set of financial statements.

Shareholders' Analysis

Shareholder Spread

Range	Holders	% of Holders	Holdings	% of Issued Shares
500 - 0	339	28.70	58,297	0.02
1,000 - 501	137	11.60	97,461	0.04
5,000 - 1,001	333	28.20	875,896	0.37
10,000 - 5,001	118	9.99	851,291	0.36
50,000 - 10,001	146	12.36	3,218,554	1.34
and over 50,001	108	9.14	234,286,608	97.87
Total	**1,181**	**100.00**	**239,388,107**	**100.00**

Major Shareholders – Top 10

Rank	Shareholder	Number of Shares	% of Total
1	Zumbani Capital (Private) Limited	69,827,168	29.17
2	Akribos Wealth Managers Nominees	44,718,786	18.68
3	Old Mutual Life Assurance Company of Zimbabwe Limited	43,088,079	18.00
4	Puredream Investments (Private) Limited	18,534,518	7.74
5	Giona Capital (Private) Limited	15,406,581	6.44
6	QuantAfrica Wealth Management	11,345,001	4.74
7	Stanbic Nominees (Private) Limited	7,062,191	2.95
8	Standard Chartered Nominees (Private) Limited	4,143,692	1.73
9	Wealthaccess Investment Managers Nominees	2,631,579	1.10
10	Effective Circle (Private) Limited	2,570,900	1.07
	Others	20,059,612	8.38
	Total Number of Shares	**239,388,107**	**100.00**

Analysis by Category

Industry	Holders	% of Holders	Holdings	% of Issued Shares
Banks, Insurance companies and nominees	42	3.56	90,376,535	37.75
Pension funds, Trust/Property companies	116	9.82	16,970,691	7.09
Resident Individuals and other corporate companies	904	76.55	129,774,922	54.21
Foreign Companies and Foreign individuals	119	10.08	2,265,959	0.95
Total	**1,181**	**100.00**	**239,388,107**	**100.00**

Shareholders' Diary

31 May 2024	Forty Ninth Annual Report to be Published on the Company's Website
21 June 2024	Forty Ninth Annual General Meeting of Shareholders
26 September 2024	Interim Press Results
7 November 2024	Third Quarter Trading Update
31 December 2024	Financial Year End
March 2025	Preliminary Announcement to Shareholders
May 2025	First Quarter Trading Update
May 2025	Fiftieth Annual Report to be Published on the Company's Website
June 2025	Fiftieth Annual General Meeting

CORPORATE AND ADVISORY INFORMATION

Company Registration Number	278/74
Business Address and Registered Office **Postal Address** **Telephone** **Email** **Website**	44 Tilbury Road, Willowvale, Harare, Zimbabwe P.O. Box CY490, Causeway, Harare, Zimbabwe +263 242 611 641-5 or 611 741-9 +263 772 220921-2 / 712 806600/2 enquiries@masimbagroup.com www.masimbagroup.com
Share Transfer Secretaries **Telephone**	First Transfer Secretaries 1 Armagh Road, Eastlea Harare, Zimbabwe +263 242 782 864 -72
Auditor	Grant Thornton 135 Enterprise Road Highlands Harare, Zimbabwe
Bankers	Standard Chartered Bank Zimbabwe Limited Africa Unity Square Branch Nelson Mandela Avenue Harare, Zimbabwe FBC Banking Corporation Limited FBC Centre, 45 Nelson Mandela Avenue Harare, Zimbabwe
Lawyers	Atherstone & Cook Legal Practitioners Praetor House 119 Josiah Chinamano Avenue Harare, Zimbabwe

Notice To Shareholders

Notice is hereby given that the forty ninth Annual General Meeting of members of Masimba Holdings Limited for the year ended 31 December 2023 will be held at 44 Tilbury Road, Willowvale, Harare, Zimbabwe, on Friday 21 June 2024 at 12 noon for the purpose of transacting the following business:

1. ORDINARY BUSINESS

1.1 Approval of Financial Statements and Reports

To receive, consider and adopt the Annual Financial Statements for the year ended 31 December 2023, including the Directors' and Independent Auditor's reports thereon.

1.2 Approval of Directors' Fees

Approval of Directors' fees for the year ended 31 December 2023.

Note: In terms of Section 184 of the Zimbabwe Stock Exchange Listing Requirements, the Directors' Remuneration Report shall be available for inspection at the AGM and, thereafter, the Company's registered office.

1.3 Election of Directors

1.3.1 In accordance with Articles 114 of the Company's Articles of Association, Mrs Sharon Bwanya and Mr. Herbert Stanley Mashanyare retire by rotation at the Company's Annual General Meeting and being eligible, offer themselves for re-election. The directors will be elected by a separate resolution.

1.4 Auditor

1.4.1 To approve the remuneration of the auditor for the previous year.
1.4.2 To consider the appointment of Messrs. Grant Thornton as the auditor for the ensuing year.

Note: In terms of Section 69(6) of the Zimbabwe Stock Exchange Listing Requirements, Companies must change audit partners every five years and their audit firm every ten years. The current audit partner has been serving in this role for the past two years, starting from the financial year ended 31 December 2022. Grant Thornton Chartered Accountants (Zimbabwe) has been the auditor for the Company for the past eight years. As a result, they remain eligible to continue as the auditor for the Company.

2. SPECIAL BUSINESS

2.1 Share Buyback

To consider and if deemed fit, to pass with or without modification, the following special resolution, "That the Company, as duly authorised by section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements, may purchase its own ordinary shares in such manner or on such terms as the Directors may from time to time determine and provided that:

i. the repurchases are not made at a price greater than five percent (5%) above nor five percent (5%) below the weighted average of the market price at which such ordinary shares are traded on the Zimbabwe Stock Exchange as determined over the five (5) business days immediately preceding the date of the repurchase.
ii. the maximum number of shares authorised to be acquired shall not exceed ten percent (10%) of the Company's issued ordinary share capital.
iii. This authority shall expire at the next Annual General Meeting and shall not extend beyond fifteen (15) months from the date of this resolution.

Directors' Statement

The Directors in considering the effect of any such repurchase, will duly consider the ability of the Company, for a period of twelve (12) months, to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and the adequacy of ordinary capital and reserves as well as adequacy of working capital.

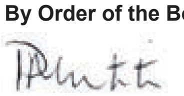
Details of the Meeting

Shareholders are advised that the details of the meeting will be available on the Company's website, www.masimbagroup.com, on Friday 31 May 2024. Alternatively, Shareholders may contact First Transfer Secretaries at 1 Armagh Road, Eastlea, Harare, Zimbabwe.

Audited Financial Statements

The electronic copies of the Company's 2023 Integrated Annual Report, the financials statements and Directors' and Independent Auditor's reports for the financial year ended 31 December 2023 will be available on or before Friday 31 May 2024. These documents, which will also be available on the Company's website, www.masimbagroup.com, will be emailed to the Shareholder whose email addresses are on record.

By Order of the Board



P. Mutiti
Company Secretary

31 May 2024

Note: A member entitled to attend and vote at the Annual General Meeting of Shareholders may appoint a proxy to attend ad speak and, on poll, vote in his stead. A proxy need not to be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company or emailed to enquiries@masimbagroup.com not less than forty-eight (48) hours before the time of holding of the meeting.

Proxy Form

For the forty ninth Annual General Meeting to be held at 44 Tilbury Road, Willowvale, Harare on Friday 21 June 2024 at 1200 hours.

I/We………...………………….................

of………………………………………………………………………………..………………………………………………

being the holder of…………………………........…………………..…………shares in the Company hereby appoint:

1……………………………...……..of …………...............……............................……………………………….... or failing him/her

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

Resolutions	For	Against	Abstain
1. Ordinary Business			
1.1 Approval of Financial Statements and Reports To receive, consider and adopt the Annual Financial Statements for the year ended 31 December 2023, including the Director's and Independent Auditor's reports thereon.			
1.2 Approval of Directors' Fees Approval of Directors' fees for the year ended 31 December 2023.			
1.3 Election of Directors 1.3.1 In accordance with Articles 114 of the Company's Articles of Association, Mrs Sharon Bwanya and Mr. Herbert Stanley Mashanyare are set to retire by rotation at the upcoming Company's Annual General Meeting. Both individuals, being eligible, have offered themselves for re-election. The election of directors will be conducted through a separate resolution.			
1.4 Auditor 1.4.1 To approve the remuneration of the auditor for the previous year. 1.4.2 To consider the appointment of Messrs. Grant Thornton as the auditor for the ensuing year			
2. Special Business			
2.1 Share Buyback			

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

Signed at……………………...............................…….............………… on ……………………………………......................................…………2024

Signature(s)……………………………………………………………………………………………………..…………………………………….....................

Assisted by…………………………………………………………………………………….…..………...

Full name(s) of signatories if signing in a representative capacity (see note 2) (**PLEASE USE BLOCK LETTERS)**.

……………………………………………………………………………………………......………….......................................…..

Notes to the form of proxy: ………………………………………………………………………….............................……...

……………………………………………………………………………………......………….......................................…..

Instructions for signing and lodging the 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 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 authorise the proxy to vote or abstain from voting at the AGM as he/she deems fit in respect of the entire Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.

3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the 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 forty-eight (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 AGM 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. To be effective, completed proxy forms must reach the Company's transfer secretaries or the registered office of the Company not less that forty-eight (48) hours before the time appointed for the holding of the AGM.

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.

10. Please be advised that the number of votes a member is entitled to will be determined by the number of shares recorded on the Share Register by 1600 hours on Thursday 20 June 2024.

OFFICE OF THE TRANSFER SECRETARIES
First Transfer Secretaries (Private) Limited
1 Armagh Road, Eastlea
Harare
Zimbabwe

REGISTERED OFFICE OF THE COMPANY
44 Tilbury Road
Willowvale
Harare
Zimbabwe

Design & Layout by vpcg

asimba
HOLDINGS LIMITED

www.masimbagroup.com