

PRE-LISTING STATEMENT



(A public company incorporated in the Republic of Zimbabwe on 4 April 1930 under company registration number 742/1930)

PRE-LISTING STATEMENT

relating to a listing by Introduction of the entire issued share capital of Tanganda Tea Company Limited (“Tanganda” or “the Company”) of 261 064 590 ordinary shares of ZWL 0.01 nominal value on the Zimbabwe Stock Exchange

Financial Advisors

IMARA
INVESTING
IN AFRICA

Corporate Finance

Sponsoring Broker


INVICTUS
SECURITIES

Members of the Zimbabwe Stock Exchange

Auditors and Independent
Reporting Accountants

Deloitte.

Tax Advisors



Legal Advisors

 **WINTERTONS**
Legal Practitioners

Share Transfer Secretaries


ZB TRANSFER SECRETARIES

DATE OF ISSUE: 26 OCTOBER 2021

This Pre-Listing Statement is not an invitation to the public to subscribe for shares in Tanganda Tea Company Limited but is issued in compliance with the ZSE Listings Requirements, for the purpose of giving information to the public with regards to the Company. This Pre-Listing Statement has been prepared on the assumption that the ordinary and special resolutions proposed to give effect to the demerger of Tanganda Tea Company Limited set in the Notice of Extraordinary General Meeting forming part of the Meikles Limited Circular to shareholders to which the Pre-Listing Statement is attached will be passed at the Extraordinary General Meeting of shareholders to be held on 18 November 2021 and registered in terms of the Companies and Other Business Entities Act [Chapter 24:31].

The Directors, whose names are given in Paragraph 6 of this Pre-Listing Statement, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Pre-Listing Statement false or misleading, that they have made all reasonable enquiries to ascertain such facts, and that this Pre-Listing Statement contains all information required by law.

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

Each of the Company's advisors, financial advisors, legal advisors, tax advisors, sponsoring broker, transfer secretaries and reporting accountants have consented in writing to act in the capacity stated and to their names being stated in the Pre-Listing Statement and have not withdrawn their consents prior to the publication of this Pre-Listing Statement.

This Pre-Listing Statement is available in English only and copies thereof may be obtained from 26 October 2021 to 18 November 2021 from the registered office of the Company, Imara Corporate Finance, Invictus Securities and ZB Transfer Secretaries at the addresses set out in the 'Corporate Information' section of this Pre-Listing Statement.

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CORPORATE INFORMATION

Directors

Herbert Nkala
Timothy James Graham Fennell
Henry Nemaire
Kwirirai Chigerwe
Stewart Philip Cranswick
Livingstone Takudzwa Gwata
Simon James Hammond
Rufaro Audrey Maunze
Matthew John Stewart Moxon

Position Held

Independent Non-Executive Chairman
Chief Executive Officer (Executive)
Finance Director (Executive)
Beverages and Marketing Director (Executive)
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

Business Address and Registered Office:

15 Vumba Road
Mutare
Zimbabwe

Company Secretary:

Sharon Nyasha Kodzanai
15 Vumba Road
Mutare
Zimbabwe

Financial Advisors:

Imara Corporate Finance Zimbabwe (Private) Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue,
Eastlea
Harare
Zimbabwe

Sponsoring Brokers:

Invictus Securities (Private) Limited
37 Victoria Drive
Newlands
Harare
Zimbabwe

Auditors and Independent Reporting Accountants:

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

Tax Advisors:

Ernst & Young Chartered Accountants (Zimbabwe)
1st Floor Angwa City
Corner Julius Nyerere Way & Kwame Nkrumah
Avenue
Harare
Zimbabwe

Legal Advisors:

Wintertons Legal Practitioners
Beverley Corner
11 Selous Avenue
Harare
Zimbabwe

Share Transfer Secretaries:

ZB Transfer Secretaries (Private) Limited
21 Natal Road, Avondale
P.O. Box 2540
Harare
Zimbabwe

DEFINITIONS

The following definitions apply throughout this Pre-Listing Statement, unless otherwise stated or the context requires otherwise. In this Pre-Listing Statement, unless otherwise indicated, the words or phrases in the left-hand column bear the meaning stipulated in the right-hand column. Words in the singular shall include the plural and *vice versa*, words importing natural persons shall include juristic persons (whether corporate or incorporate and *vice versa*) and words in the masculine shall import both the feminine and neuter.

“Auditors” or “Independent Reporting Accountants” or “Deloitte”	Deloitte & Touche Chartered Accountants (Zimbabwe); the Independent Auditors of the Company and Independent Reporting Accountants;
“Board” or “Directors”	The Board of Directors of Tanganda Tea Company Limited;
“Circular”	The Circular to Meikles Limited Shareholders setting out the terms and conditions of the proposed transaction and which incorporates all letters and appendices relating thereto;
“Companies and Other Business Entities Act [Chapter 24:31]”	The Companies and Other Business Entities Act [Chapter 24:31], as amended;
“CPI”	Consumer Price Index;
“Demerger” or the “Proposed demerger” or the “Proposed Transaction”	The demerger of Tanganda Tea Company Limited from Meikles Limited, through a dividend <i>in specie</i> and the proposed listing of Tanganda’s shares by way of Introduction on the Main Board of the ZSE on 2 December 2021;
“Dividend Distribution Ratio”	The basis of the dividend <i>in specie</i> of shares in Tanganda to Meikles Shareholders registered as such on the Record Date, which ratio comprises one (1) share in Tanganda for every one (1) Meikles Share held;
“Dividend Record Date”	The date on which the Meikles share register will be closed (at 16:30 hours) for determination of the dividend distribution in terms of the Dividend Distribution ratio, subject to the passing of the resolutions at the EGM, being 19 November 2021;
“Dividend <i>in specie</i> ”	The distribution of Tanganda Tea Company Limited’s entire issued share capital by way of a dividend <i>in specie</i> to shareholders of Meikles Limited;
“EBITDA”	Earnings before Interest, Depreciation, Taxation and Amortisation;
“EBIT”	Earnings before Interest and Tax;
“EGM”	The Extraordinary General Meeting of Meikles Limited Shareholders held virtually by electronic means at 09.30 or immediately following the Annual General Meeting, whichever is later on 18 November 2021;
“EGM Notice” or “Notice”	The notice which was published in accordance with the Companies and Other Business Entities Act [Chapter 24:31] and the ZSE Listings Requirements on 26 October 2021, advising Meikles Shareholders of the EGM to approve the proposed transaction;
“EPS”	Earnings per share;
“Ernst & Young” or “EY”	Ernst & Young Chartered Accountants (Zimbabwe), tax advisors to the Proposed Transaction;
“FVTOCI”	Fair Value Through Other Comprehensive Income;
“Imara” or “Financial Advisors”	The advisors to the Company, Imara Corporate Finance Zimbabwe (Private) Limited a company incorporated in Zimbabwe under company registration number 6369/1992;
“Invictus” or “Sponsoring Brokers”	Invictus Securities (Private) Limited, a company registered under the Companies and Other Business Entities Act [Chapter 24:31], a licensed stockbroker in terms of the Securities and Exchange Act [Chapter 24:25] and Sponsoring Brokers to Tanganda Tea Company Limited in connection with the Proposed Transaction;
“IFRS”	International Financial Reporting Standards;
“Implementation date”	The date on which the Proposed Demerger is effectively implemented, being 1 December 2021;
“Last Practicable Date”	The last Practicable date for the purpose of finalisation of the Pre-Listing Statement, being 21 October 2021;
“Legal Advisors” or “Wintertons”	Wintertons Legal Practitioners, registered legal practitioners and legal advisors to Tanganda regarding the Proposed Transaction;
“Listing”	The proposed listing of Tanganda by way of an Introduction on the Main Board of the ZSE on 2 December 2021;
“Main Board”	The main board category for listing shares on the ZSE;
“Management”	The management of Tanganda;

DEFINITIONS (continued)

“Meikles” or “the Group”	Meikles Limited, a public company incorporated in the Republic of Zimbabwe in 1937 under company registration number 1/37. Meikles is a dually listed holding company listed on the ZSE (primary listing) and London Stock Exchange (secondary listing) with operations in the hospitality, agriculture, retail and property-owning industries. Meikles also being the holding company for Tanganda prior to the Demerger and the Proposed Transaction;
“Non-resident Shareholder” or “Non-resident”	A Meikles Shareholder with non-resident status in terms of the Exchange Control Regulations of Zimbabwe;
“PAAB”	Public Accountants and Auditors Board;
“RTGS”	Real Time Gross Settlement, the reporting currency of Zimbabwe in 2019;
“Pre-Listing Statement” or “Document”	This Pre-Listing Statement dated 26 October 2021, including the appendices relating thereto;
“Share Transfer Secretaries” or “ZB”	ZB Transfer Secretaries (Private) Limited, a company incorporated in the Republic of Zimbabwe which provide share transfer secretarial services to Tanganda;
“Tanganda”	Tanganda Tea Company Limited, a public company incorporated in the Republic of Zimbabwe on 4 April 1930 under company registration number 742/1930. Tanganda’s entire issued share capital of 261,064,590 ordinary shares is held by Meikles. On 1 December 2021, Meikles intends to distribute these shares to Meikles shareholders by way of a dividend <i>in specie</i> using a ratio of one (1) Tanganda share for one (1) Meikles share held, following which these Tanganda shares will be listed on the ZSE;
“US\$”	United States Dollar, the legal tender of the United States of America in which certain monetary amounts in this Circular are expressed;
“WHT”	Withholding tax;
“Zimbabwe”	The Republic of Zimbabwe;
“ZIMRA”	Zimbabwe Revenue Authority;
“ZSE”	The Zimbabwe Stock Exchange constituted in terms of the Securities Act [Chapter 24:25] of 2004;
“ZSE Listings Requirements”	Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019; and,
“ZWL”	The Zimbabwean Dollar, the legal tender of Zimbabwe.

FORWARD LOOKING STATEMENTS

This Pre-Listing Statement contains statements about Tanganda Tea Company Limited (“Tanganda”) that are or may be forward-looking. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

Forward looking statements by their nature, involve general and specific inherent risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Tanganda cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Tanganda operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-Listing Statement.

All these forward-looking statements are based on estimates and assumptions, all of which, although Tanganda believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Tanganda, or not currently considered material), could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Tanganda Shareholders should keep in mind that any forward-looking statement made in this Pre-Listing Statement or elsewhere is applicable only at the date on which such forward-looking statements are made. New factors that could cause the business of Tanganda not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Tanganda has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Pre-Listing Statement after the date of this Pre-Listing Statement, except as may be required by law.

SALIENT FEATURES OF THE LISTING

This section is a summary of the salient features of the proposed Listing of Tanganda Tea Company Limited (“Tanganda”) detailed in the Pre-Listing Statement which should be read in its entirety for a full and proper appreciation thereof.

1. Overview of the Business

Tanganda is the largest producer, packer and distributor of tea in Zimbabwe. The first commercial tea was planted at New Year’s Gift Estate in 1924. Tanganda to date, has also developed the largest hectareage of both macadamia nuts and avocados to become the single largest producer of both crops in Zimbabwe. The Company is also involved in coffee production and spring water bottling.

The Company is divided into three operating divisions, the Agriculture, the Beverage and the Corporate and Administration Divisions. The Agriculture Division is based in Chipinge and consists of five estates inter-cropped with tea, coffee, avocados and macadamia nuts. The Division has an active out-grower scheme supporting tea farmers covering about 1,000 hectares of land. The Beverage Division is focused on creating and developing brands mainly from but not limited to the primary agricultural products and consists of a blending and packaging plant in Mutare with sales and distribution depots in Harare, Bulawayo, Gweru and Mutare. The division’s market is mainly local but has a growing export market into the region. New consumer products and services development is a key focus for the Division. The Corporate and Administration Division is responsible for administration and support services for the Agriculture and Beverage Divisions.

2. Prospects of the business

Over the years, the Company has transformed itself from being just a tea business to a diversified agricultural export business. The plantation development programme is now almost complete, with a further 160 hectares of avocados scheduled over the next five years. The full maturity of the plantations will continue to transform the financial situation of the Company. The Beverage Division, with its drive to grow packed tea and water sales volumes and broaden supply of customer focused relevant products, will continue making positive contributions to the Company. Cash flows are now evenly spread over twelve months as compared to previous years when it was concentrated over the relatively peak seven tea processing months.

3. Financial Highlights

The following abridged trading update has been extracted from the audited financial statements of Tanganda for the years ended 31 March 2021 and 2020.

INFLATION ADJUSTED FIGURES

Audited	31 March 2021 ZWL	31 March 2020 ZWL
Revenue	2,362,797,093	719,592,566
Total comprehensive income	223,108,559	156,763,317
Inventories	800,042,338	169,334,633
Trade and other receivables	444,343,656	144,344,962
Bank and cash balances	51,571,975	21,447,654
Long-term borrowings	36,914,304	27,327,436
Trade and other payables	278,923,995	53,192,333
Current portion of long-term borrowings	126,997,521	9,731,346

4. Terms of the Listing

At a Board meeting held on 4 March 2021, the Directors of Meikles considered that, with the benefit of significant Group investment over the last decade, Tanganda was now in a solid financial and agricultural position, and therefore that shareholder value would best be served for Tanganda to function as a stand-alone, value enhancing export business. In pursuit of this objective, the Directors approved the demerger of the assets and liabilities of Tanganda from Meikles by way of a dividend *in specie* subject to the shareholders’ approval at the EGM. In terms of the Dividend Distribution Ratio, Meikles shareholders will receive one Tanganda share for every one Meikles share held as at the Record Date. On implementation of the dividend *in specie*, Meikles shareholders will receive their *pro rata* portion of 100% of the shares of Tanganda currently held directly by Meikles.

The Directors also agreed to seek a listing of the Company on the ZSE by way of an Introduction.

Meikles shareholders were advised of these intentions in the Meikles Circular to Shareholders published in the national press on 26 October 2021 and will vote on the relevant resolutions at EGM to be held on 18 November 2021.

Subject to the fulfilment of certain formalities the ZSE Listings Committee on 11 October 2021 approved the distribution of the Pre-Listing Statement as well as the Listing by Introduction of the entire issued share capital of Tanganda.

SALIENT FEATURES OF THE LISTING (continued)

Tanganda's Articles of Association provide for the issuance and trading of shares in dematerialised form. Shareholders with Central Securities Depository ("CSD") accounts will therefore have their CSD accounts credited with the respective entitlements while shareholders without CSD accounts will receive physical share certificates. The ZSE platform trades securities that are dematerialised only, therefore shareholders should contact their stockbrokers for further information, if appropriate.

5. Rationale for Listing

The principal reasons for the Listing are as follows:

- To establish Tanganda as a dedicated stand-alone business attractive to investors and able to pursue business ventures within the value-added diversified agricultural sector in Zimbabwe;
- To enable Tanganda in the future to raise funding with conditions suitable for the type of business it is in;
- To enable Tanganda to report independently to the public and be judged appropriately when compared to similar businesses;
- To unlock shareholder value; and,
- To allow Tanganda customers to assess the Company's performance and sustainability with a view to securing and entrenching valuable trading relationships.

6. Tax implications of the Listing

In terms of the existing tax legislation on dividends, Meikles is obliged to deduct ten per cent (10%) withholding tax ("WHT") and remit to ZIMRA in respect of the dividend *in specie* of Tanganda's ordinary shares to individuals, trusts and non-resident shareholders. To fund this WHT liability, Meikles will withhold ten percent (10%) of the ordinary shares of Tanganda due to all individuals, trusts and non-resident shareholders in respect of the dividend *in specie* and remit this to ZIMRA. Shares withheld from shareholders for withholding tax purposes will be rounded to the nearest whole number.

7. Costs of the Listing

The total costs associated with the Listing of Tanganda on the ZSE are depicted on the table below:

Description	US\$ Amount
Professional Fees	175,948
ZSE Fees	2,500
Printing, Publication and Distribution	7,652
Total	186,100

8. Timetable of Events

Important Dates	
	2021
Meikles Circular and EGM notice published	26 October
Tanganda Pre-Listing Statement published	26 October
Meikles EGM	18 November
Dividend Record Date (at 16:30 hours)	19 November
Publication of the EGM results	22 November
Tanganda share certificates posted to shareholders	1 December
Tanganda shares Listing on the ZSE	2 December

The above dates are subject to change and any amendments will be published in the press.

All transactions on the ZSE in Meikles shares before the closure of the Meikles register on the Record Date will be for immediate settlement.

9. Inspection of the Pre-Listing Statement

The public may inspect this Pre-Listing Statement during normal business hours from 09:30 hours, 26 October 2021 at the following offices:

Sponsoring Brokers:

Invictus Securities (Private) Limited
37 Victoria Drive
Newlands
Harare
Zimbabwe

Financial Advisors:

Imara Corporate Finance Zimbabwe (Private)
Limited
Block Two, Tendeseka Office Park
Samora Machel Avenue,
Eastlea
Harare
Zimbabwe

Share Transfer Secretaries:

ZB Transfer Secretaries (Private) Limited
21 Natal Road, Avondale
P.O. Box 2540
Harare
Zimbabwe

Company Office:

15 Vumba Road
Mutare
Zimbabwe

Queries:

If you have any questions on any aspects of this Pre-Listing Statement, please contact your stockbroker, accountant, banker, legal practitioner or other professional advisor, or Sean Gammon at Imara, Block Two, Tendeseka Office Park, Samora Machel Avenue, Harare, Zimbabwe; Telephone number +263 242 701320; Fax +263 242 701319; E-mail: sean.gammon@imaracapital.com.

1. OVERVIEW OF TANGANDA**1.1 BACKGROUND AND HISTORY**

The history of Tanganda dates back to 1893 when the Moodie Trek, which was part of the Pioneer Column focused on opening and settling in the Chipinga / Melsekter area, camped and celebrated the New Year on the banks of the Tanganda River. The area along Tanganda River which is now the site of New Year's Gift Estate was purchased by Arthur Ward just before the start of the First World War. Arthur Ward was a retired tea planter from Assam.

In 1923 Arthur Ward was joined by his friend Grafton Phillips, another retired tea planter from Assam, on New Year's Gift Estate. In 1924 the development of tea on New Year's Gift commenced and by 1925 tea was being grown on the estate. By 1928 New Year's Gift was producing irrigated tea on 3.5 hectares, under the supervision of Mrs. Florence Phillips, with samples of processed teas sent for tasting and evaluation by tea experts in London and Calcutta. Positive responses led to Messrs Ward and Phillips forming a company Ward and Phillips (Private) Limited, later renamed Rhodesia Tea Estates, in 1930 under company registration number 742/1930.

The Company subsequently acquired Ratelshoek Tea Estate. With substantial production from their expanded growing fields which included Ratelshoek, Jersey and Zona, exports to South Africa started in 1936 and exports to the United Kingdom grew significantly in 1939.

The Meikles family which had started investing in the Company in the early 1930s acquired a majority and controlling stake in 1943. In 1963 Rhodesia Tea Estates was listed on the Rhodesia Stock Exchange. The Company's name was later changed to Tanganda Tea Company Limited in 1976, named after the river from which the whole story of tea unfolds.

Tanganda now comprises five estates; New Year's Gift, Ratelshoek (established 1932), Jersey and Zona (established 1944) and Tingamira (Formerly Avontuur/Petrinella (established 1990)). Annual production from the tea estates averages 9,500 tonnes of tea per annum.

In December 2004, the Company diversified into macadamia nuts and the first thirty-two hectares of macadamia plantation were established at New Year's Gift and further developed to 55 hectares by 2007. Further diversification was implemented in 2006 with the introduction of the Tingamira spring water, with a bottling plant set up at Tingamira Estate in Chipinge.

In 2008, Tanganda was delisted from the ZSE and was merged with Kingdom Financial Holdings Limited, Meikles Africa Limited and Cotton Printers (Private) Limited to form Kingdom Meikles Africa Limited.

Financial performance had been extremely sensitive to international tea and coffee price fluctuations, as well as climatic conditions for production of this narrow product base. In an effort to provide diversification, while making optimal use of growing conditions, the Company has accelerated the diversification programme since 2010. This has resulted in Tanganda developing the largest hectareage of both macadamia nuts and avocados in Zimbabwe.

1.2 VISION, MISSION AND VALUES

Tanganda's vision is to become the leading blue-chip agricultural Company in Africa. In this regard the Company's mission is to:

- build a highly cohesive management team and systems to become a global, high yielding, high quality and efficient agricultural producer;
- build preferred, iconic and high-quality brands that satisfy global market expectations;
- maintain a high moral responsibility to staff, communities and the environment;
- pay a consistent and growing dividend to shareholders; and,
- benchmark itself against the top 20 African agribusiness companies.

The Company's values are hard work, focused growth, teamwork, innovation, dependability, frugality and responsibility.

1.3 BUSINESS UNITS**1.3.1 Agriculture Division**

The Agriculture Division, based in the Chipinge District of Eastern Zimbabwe, consists of five estates inter-cropped with tea, coffee, avocados and macadamia nuts. In the financial year to March 2021 tea production totalled 9,188 tonnes, macadamia 700 tonnes, avocados 2,520 tonnes and coffee production was 135 tonnes.

PRE-LISTING STATEMENT (continued)

Agricultural plantations hectareage - 30 September 2021

Estate	Tea	Macadamias	Avocados	Coffee	Gum & Wattle
Ratelshoek	808	333	69	-	559
Jersey	604	235	-	162	235
Tingamira	274	-	379	-	82
New Year's Gift	-	264	-	-	2
Zona	420	-	-	-	159
Joint venture on 3rd party's land	-	18	-	23	-
Total	2,106	850	448	185	1,037

Tea

Tanganda currently has 2,106 hectares under tea, over four of the estates. Ratelshoek is the largest tea plantation with 808 hectares, followed by Jersey with 604 hectares. While Zona has a relatively small hectareage of 420 hectares, it is extremely high yielding, achieving a world record yield of 5,428 kilogrammes per hectare in the 2002/03 season. Tingamira has 274 hectares of predominantly high value clonal teas. Tanganda averaged 4,200 kilogrammes per hectare in the most recent financial year, which compares favourably with yields in Kenya and India of 3,000 kilogrammes per hectare. Sri Lanka's high yielding clonal teas produce 3,800 kilogrammes per hectare. Tea production of 9,188 tonnes was achieved in the year to March 2021. Tea is a mature crop for Tanganda, and annual production is largely determined by climatic conditions. Tanganda's diversification programme over the last decade has seen active reduction of marginal tea hectareage in favour of Macadamias and Avocados, and the current cropping plans will continue with this trend.

Each estate has its own factory to process the plucked tea. Bulk tea, exported to world markets through merchants, accounted for 6,560 tonnes (71%) in the year ended 31 March 2021, with the balance processed and packed for final consumption in Zimbabwe and export markets. Value added branded tea export is expected to grow as investment is made into both export and factory packaging capacity improvement. World prices are market determined and an extremely significant driver of profitability. Prices in the year ended 31 March 2021 averaged US\$1.38 per kilogramme, the lowest in the last five years, and a 20% reduction on the average price achieved in the year ended 31 March 2018.

Macadamia

Macadamia nuts are grown on 832 hectares on Ratelshoek, New Year's Gift and Jersey estates as well as 18 hectares on a third-party farm. Hectareage has grown rapidly, from around 55 hectares in 2017 to 400 in 2019 and 832 currently. The average age of the plantations is eight years. While production volume has increased to 700 tonnes in 2021, yields are expected to improve with the maturity profile. Macadamia trees have a 40-year economic life. Long term yields of four tonnes per hectares are anticipated, implying production of 3,400 tonnes per annum.

The macadamia product is essentially entirely exported to world markets through agents. Macadamia nuts are currently sold as nut-in-shell, but the international trend is toward de-shelled product. Tanganda has scheduled investment into equipment to crack nuts into kernel to meet the changing market requirement. Export prices have firmed in the last five years, to an achieved average price of US\$5.13 per kilogramme in 2021.

Avocados

The first 35 hectares were established at Tingamira Estate in 2011. Subsequent developments were made to reach the current 448 hectares on Ratelshoek and Tingamira Estates. Production in the year ended March 2021 was 2,520 tonnes. Yields are improving each year with fields reaching maturity age, and the average age is now seven years. Long term yields of 15 tonnes per hectare imply significant uplift in production. Avocados are essentially all exported to markets in South Africa and Europe. Prices are fairly volatile, and the Covid-19 impact of restrictions on the hospitality sector is evident in 2021 prices which were 50% down on prices achieved in the year ended 31 March 2020 of US\$1.73 per kilogramme.

Coffee

Coffee is grown on 162 hectares at Jersey estate and also on 23 hectares on a joint venture at a third-party farm. A total of 135 tonnes was achieved in the year ended 31 March 2021. Most of Tanganda's coffee is marketed under a Nespresso contract, while the balance is roasted, ground and supplied into the local market under the High Country brand.

1.3.2 Beverage Division

The Beverage Division is focused on creating and developing brands mainly from but not limited to the primary agricultural products. It consists of a blending and packaging plant in Mutare with sales and distribution depots in Harare, Bulawayo, Gweru and Mutare. Products are distributed to wholesale and retail outlets on both the domestic and regional markets. The regional market territory currently consists of Zambia, Malawi, Mozambique, South Africa, Botswana and Namibia.

The factory in Mutare has undergone a packaging machinery upgrade in the past seven years. The packaging machinery upgrade is in line with the drive to ensure that the factory is world class. The division packs tea in three different forms:

PRE-LISTING STATEMENT (continued)

- Tagged tea bags and enveloped tea bags;
- Tagless tea bags;
- Loose leaf teas.

Until recently, each of the above categories was packed using either semi manual and hand packing technology. The machines were producing considerable waste and had constant break downs resulting in supply disruption.

The tagged tea bags and envelopes line was upgraded with an IMA C23 machine which packs both enveloped and tagged tea bags. The machine is rated to run at 220 bags per minute, and is currently running 156 bags per minute, supplying all the market requirements. While the tagged envelope range of tea bags is a small segment of the product portfolio the improved quality has seen uplift in market demand. This market is expected to grow as the country's economic status improves and more people move into higher Living Standards Measures (LSM) category where their purchasing is more on preference rather than being price sensitive.

The tagless tea bag category has been significantly upgraded, with the installation of an IMA C51 tagless tea bags machine, in line with OPM flow Packer as well as IMA Carton Easy machine. A second IMA C51 line was then acquired to enhance the packaging and growth of teabags. This has increased capacity to pack both pouched and boxed tea bags giving the Company potential to innovate and diversify into herbal and specialty teas. The increased capacity creates opportunities for the Company to pack Own Label tea bags for its major customers. This is a potential entry strategy into different markets which the Company can leverage on.

Loose leaf tea packaging has been significantly improved through the installation of a Form Fill and Seal machine in 2013. The line replaced three hand packing machines and the Hesser which was an anchor packing machine. The old technology required 41 staff compared to the current eight. The equipment allows for efficient variation of pack size. In November 2021, the Company expects to receive a second Form Fill and Seal Machine to ensure that there will be increased capacity to meet expected market growth

Major brands for Tanganda include the following: Tanganda loose leaf tea, Stella loose leaf tea, Silver, Joko, Special Blend Teabags, Tanganda Tips Loose leaf tea, Fresh Leaves, Healthi Green, Tanganda Herbal Infusions Moringa, Tanganda Herbal Infusion Zumbani, Natra Rooibos, Nella Rooibos, High Country Coffee and tinga mira spring water.

1.3.3 The Corporate and Administration division

This division is responsible for the administration of finance, human resources, information technology and logistics.

2. FINANCIAL INFORMATION

2.1 SUMMARY FINANCIAL INFORMATION

Below are extracts from the financial statements of Tanganda for the year ended 31 March 2021. Historic financial information is included for five years, from 31 March 2017. Information in this paragraph should be read in conjunction with Appendix 1 –Independent Reporting Accountant's Report on the historical financial information included in the Tanganda Pre-Listing Statement:

Statement of Profit or Loss and Other Comprehensive Income

Audited Year End - 31 March	2017 (US\$) Historic Cost	2018 (US\$) Historic Cost	2019 (RTGS) Historic Cost	2020 (ZWL) Inflation Adjusted	2021 (ZWL) Inflation Adjusted
Revenue	21,173,049	28,847,191	37,014,632	719,592,566	2,362,797,093
Cost of sales	(12,971,063)	(16,906,983)	(10,802,599)	(353,613,395)	(1,606,019,250)
Gross profit	8,201,986	11,940,208	26,212,033	365,979,171	756,777,843
Administration expenses	(1,794,783)	(2,075,053)	(3,108,820)	(59,702,168)	(267,143,707)
Selling and distribution expenses	(3,445,878)	(3,662,583)	(5,485,734)	(81,537,901)	(246,745,111)
Other income - net	1,578,631	1,768,911	32,070,252	324,870,867	203,719,348
Operating profit	4,539,956	7,971,483	49,687,731	549,609,969	446,608,373
Net finance costs	(2,015,877)	(1,670,537)	(1,486,743)	(6,314,717)	(80,848,605)
Monetary loss	-	-	-	(271,910,055)	(29,229,648)
Profit before income tax	2,524,079	6,300,946	48,200,988	271,385,197	336,530,120
Income tax	(1,425,893)	157,706	(7,899,760)	(114,621,880)	(113,421,561)
Profit for the year	1,098,186	6,458,652	40,301,228	156,763,317	223,108,559
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	1,098,186	6,458,652	40,301,228	156,763,317	223,108,559

PRE-LISTING STATEMENT (continued)

Statements of Financial Position

Audited Year End - 31 March	2017 (US\$) Historic Cost	2018 (US\$) Historic Cost	2019 (RTGS) Historic Cost	2020 (ZWL) Inflation Adjusted	2021 (ZWL) Inflation Adjusted
Assets					
<u>Non-current assets</u>					
Property, plant & equipment	61,468,042	61,954,526	64,519,702	849,201,253	3,085,314,461
Intangible assets	124,141	124,141	124,141	1,569,774	5,345,895
Biological assets	1,147,324	1,298,644	2,904,142	22,502,779	75,060,649
Other financial assets	60,715	66,015	89,690	1,018,576	4,191,392
Total non-current assets	62,800,222	63,443,326	67,637,675	874,292,382	3,169,912,397
<u>Current assets</u>					
Inventories	6,247,083	8,430,500	22,693,348	169,334,633	800,042,338
Produce on bearer plants	1,866,974	2,810,390	11,178,051	187,052,148	717,611,830
Trade and other receivables	4,872,407	9,882,522	15,800,372	144,344,962	444,343,656
Cash and cash equivalents	251,660	1,015,348	3,453,074	21,447,654	51,571,975
Total current assets	13,238,124	22,138,760	53,124,845	522,179,397	2,013,569,799
Total assets	76,038,346	85,582,086	120,762,520	1,396,471,779	5,183,482,196
<u>Equity and liabilities</u>					
<u>Capital and reserves</u>					
Share capital	1,157,473	1,157,473	1,157,473	14,642,999	49,867,007
Share premium	17,139,482	18,389,482	18,389,482	232,536,664	980,410,711
Non-distributable reserves	9,640,456	9,640,456	9,640,456	121,904,483	415,148,006
Retained earnings	17,156,557	23,615,209	58,190,112	730,939,113	2,696,344,332
Shareholders' equity	45,093,968	52,802,620	87,377,523	1,100,023,259	4,141,770,056
<u>Non-current liabilities</u>					
Deferred taxation	6,908,425	6,750,719	13,651,417	167,466,747	480,561,635
Long term borrowings	3,814,664	14,070,720	8,103,083	27,327,436	36,914,304
Other financial liabilities	792,294	-	-	-	-
Total non-current liabilities	11,515,383	20,821,439	21,754,500	194,794,183	517,475,939
<u>Current liabilities</u>					
Short term loans	569,136	416,120	-	-	-
Bank overdraft	1,507,941	289,613	-	-	-
Trade and other payables	10,738,631	4,253,859	4,099,308	53,192,333	278,923,995
Current portion long term borrowings	6,193,287	6,188,182	6,557,637	9,731,346	126,997,521
Other financial liabilities	420,000	810,253	973,552	38,730,658	118,314,685
Total current liabilities	19,428,995	11,958,027	11,630,497	101,654,337	524,236,201
Total equity and liabilities	76,038,346	85,582,086	120,762,520	1,396,471,779	5,183,482,196

2.2 EXTRACTS FROM THE PERFORMANCE REVIEW FOR TANGANDA FOR THE YEAR ENDED 31 MARCH 2021

Financial commentary below is a comparison of the inflation adjusted financial results for the year ended 31 March 2021 to the inflation adjusted financial results for the year ended 31 March 2020 after uplifting to the CPI at 31 March 2021.

2.2.1 Statement of Profit or Loss and Other Comprehensive Income

During the year ended 31 March 2021 strong performance came from value added packed tea products whose sales volume grew by 16% from 1,812 tonnes in prior year to 2,100 tonnes. Adverse weather and the Covid-19 pandemic impacted negatively on the business especially on avocado crop export price and Tingamira water volumes. Overall inflation adjusted turnover of ZWL 2.4 billion was resilient and remained in line with prior year in real terms.

Tea production of 9,188 tonnes grew by 10% over prior year of 8,319 tonnes. Average export selling price for bulk tea was US\$1.38 per kilogramme down 4% from prior year average of US\$1.44 per kilogramme. The macadamia crop of 650 tonnes was 24% lower than 855 tonnes in the prior year. Fortunately, the average price firmed from US\$4.99 per kilogramme of the prior year to US\$5.30 per kilogramme. The avocado crop grew by 32% from 1,907 tonnes in the prior year to 2,520 tonnes. However, the average export price for avocados was 84 US cents per kilogramme, 51% lower than prior year's 173 US cents per kilogramme as a result of Covid-19 induced lockdown of the hospitality sector in Europe.

Tanganda was able to leverage on a lucrative coffee supply contract with Nespresso resulting in a firmer average coffee export price, 14% higher than the prior year average price. The 22% reduction in coffee production volume from 172 tonnes in prior year down to 135 tonnes was a direct result of the removal of maturing coffee inter-planted with macadamia trees.

Inflation adjusted profit before tax of ZWL 337 million was lower in real terms than the prior year due to underperformance of macadamia nuts and avocados. Successive droughts, two cyclones and hailstorms inevitably affected our crops performance.

2.2.2 Statement of Financial Position

The increase in non-current assets was mainly as a result of work in progress on the construction of two solar plants (at a combined cost of US\$3.5 million) at Tingamira and Jersey Estates. There was a reduction in the biological assets' valuation due to the reduction in standing timber plantations by 9% from 1,200 ha down to 1,097 ha. The livestock herd increased by 21% from 624 to 754. Inventory growth was mainly brought about by increased production as the new plantations matured. Produce on bearer plants grew due to maturity of immature macadamia and avocado plantations. The reduction in receivables was a direct result of change in credit terms coupled with a collection drive implemented during the year.

During the year, Meikles injected US\$2.4 million in funding for the solar projects by way of new equity injection. One new Tanganda share was issued, with the difference between nominal and actual value posted to the share premium account. Long term borrowings increased on drawdown of an asset finance loan of ZWL 110 million during the year, while other payables rose as a result of increased utilisation of suppliers' credit facilities as inflation stabilised over the year.

Construction of the Ratelshoek 1.8 megawatt solar plant was completed in September 2020. Tingamira's 1.2 megawatt, and Jersey's 1.8 megawatt plants were completed in July 2021. An application for Independent Power Producer licence has been lodged and will result in the solar plants becoming grid-tied. Furthermore, a battery pack has been sourced for Ratelshoek Estate providing battery back-up for all three solar plants.

3. FUTURE PROSPECTS FOR THE COMPANY

Over the years the Company has transformed itself from being a tea business to a diversified agricultural export business. The plantation development programme is now almost complete, with anticipated addition to both macadamia and avocado hectareage. The full maturity of the plantations will continue to transform the financial situation of the Company. The drive to increase value added product sales and exports in Beverage Division and bringing in consumer relevant services will improve earnings in that division. Cash flows are now evenly spread over the twelve months as compared to previous years when it was concentrated over the relatively peak seven tea processing months.

Tanganda's strategy is summarised below:

Tea business

Ongoing labour shortages will see further focus on mechanisation across the agricultural operations. This includes increased use of ride-on tea plucking machines, aerial fertilizer application and use of specialised hauling equipment for timber.

The Company intends to increase throughput through the Mutare factory, and to this end has recently purchased a second Zenobia line. This will increase supply capacity to meet growing demand. The line is an integrated form, fill and seal and incorporates shrinking with fully integrated x-ray metal detection technology to meet global quality assurance standards. This line will contribute to further reduction of manpower requirements and improve end-of-line packaging quality. Additional revenue will be earned if value-addition is applied to bulk tea by blending and packing it for the local and regional markets.

Construction of three solar plants at Ratelshoek, Tingamira and Jersey estates has improved the power supply to the Company's tea factories. Construction of the planned solar plant at Zona estate will ensure that all four tea factories are fully covered by efficient power supply. The Ratelshoek solar plant, which currently only works when there is no utility supply, has saved the Company 53,700 litres of diesel since commissioning in September 2020. More savings are expected once the battery pack that has been ordered has been installed and the plant is grid-tied. The Tingamira and Jersey solar plants were commissioned in August 2021 and significant savings are expected. Better crop performance and lower power costs are also expected to be realised from the investment in solar.

Avocado Business

The main strategy is to increase the hectareage of avocados from 448 hectares to 654 hectares by 2026 whilst focusing on quality improvement and human capital development. Avocado yields will improve as the average crop reaches maturity and long-term production is expected to reach around 10,000 tonnes per annum.

Macadamia Business

Tanganda intends to invest further in microjet irrigation on all macadamia plantations, improving both water efficiency and yield realisation. Yields are expected to improve with maturation of the plantations, trending towards 3,300 tonnes per annum. Plans are advanced to acquire and install a cracking plant as the first stage of value addition to the crop. Further value addition options will be implemented in due course.

Mineral water

The tinga mira spring water is a premium water brand. Maintaining the pristine water source, the care in the processing of water and the commitment to excellent service remains a key mission. The current water plant will be replaced in the current financial year, improving packing efficiency and capacity.

Introduction of new products

In the medium term the Company will look to diversify the finished product offering through development of appropriate value-added products relevant to consumer taste. This is expected to include entry into the ready to drink market.

4. BUSINESS RISK FACTORS

4.1 RISK POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including the effects of changes in foreign currency exchange rates and interest rates), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's senior executives analyse, on a regular basis, currency and interest rate exposures and re-evaluate financial risk management strategies against regularly revised economic forecasts. Compliance with exposure limits is reviewed at the Board of Directors' meetings.

4.1.1 Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar, the Euro and South African Rand. The Company is exposed to foreign exchange risk on foreign denominated transactions against the Zimbabwe Dollar

(ii) Price risk

The Company is not exposed to equity securities price risks because it had no assets exposed to the risks at period end nor obligations that expose the Company to these risks.

(iii) Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income is substantially independent of changes in market interest rates.

The Company's interest rate risk would arise from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

4.1.2 Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, well as credit exposures to wholesale and retail customers, including outstanding trade receivables. Only approved financial institutions with sound capital bases are utilised to invest surplus funds. For customers, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. The utilisations of credit limits are regularly monitored.

4.1.3 Liquidity risk

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flow. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

4.2 FACTS AND EVENTS WHICH MAY HAVE A MATERIAL ADVERSE EFFECT ON TANGANDA

As an agri-business operating in Zimbabwe, Tanganda is exposed to various risks which include, but are not limited to:

	RISK	MITIGANTS
1.	Adverse weather such as drought, extended hot and dry weather, hailstorms, extremely low temperatures and frost will affect yields and quality of crop production. Specifically floods and extended incessant rainfall will affect the quality of avocados.	Four dams and boreholes provide irrigation water for hot months. Solar project Phase 1 to 3 with aggregate 4.4MW at Ratelshoek, Tingamira and Jersey will be completed by the year ending 31 March 2022 to provide cost effective power and to support extended periods of irrigation. Furthermore, the avocado fruit is insured against hailstorm and other perils.
2.	Changes in the global crop prices of tea, coffee, macadamia nuts and avocados have a direct impact on export revenues. The Mombasa & Malawi auctions give the Company a good indication on global tea prices. The European market determines avocado pricing. The Asian market determines macadamia nut prices.	The diversification into tea, coffee, macadamia nuts and avocados mitigates against fluctuation in global crop prices. Planned value addition on all crops also will mitigate against global price fluctuations. Existing supply agreements enhance coffee viability.
3.	Government policy on retention of foreign currency. The portion of export earnings converted at official exchange rate which is much lower than market exchange rate affects the profitability of exporters.	The new export incentives and lobbying for improved monetary policies will assist in dealing with this risk.
4.	Uncertainty regarding land tenure in terms of policy with regard to agricultural land assets in Zimbabwe.	Tanganda proactively ceded 401 ha of land for land redistribution and an agreement was signed between the Government of Zimbabwe and Tanganda in which the government agreed to not subject the remainder of the land to expropriation. This agreement was lodged at the Administrative Court and an order is on hand to give effect to that agreement.
5.	Economic situation characterised by high inflation and low buying power tends to affect the business as the population focuses on survival. Supply of raw materials and efficiency in production are affected by the economic environment.	The Company continues to participate in business membership organisations such as Confederation of Zimbabwe Industries and Zimbabwe National Chamber of Commerce and other platforms to influence sound and conducive economic policies.
6.	Erratic power supply – National demand for electricity has far exceeded supply in the past five years due to shortage of foreign currency and inadequate maintenance of transmission infrastructure.	Solar plants have been constructed on Ratelshoek, Tingamira and Jersey estates to produce aggregate 4.4MW. Further generation projects are scheduled for the remaining estates and the Mutare factory.
7.	Competition – the Beverages Division currently faces competition from both local and regional players. Hot beverages are being threatened by many substitute products such as ready to drink beverages.	Consideration is being given to introduction of new products. The Company has already launched additional health products such as Zumbani tea to tap into the growing healthy lifestyle market.

5. SHAREHOLDER INFORMATION

5.1 CONTROLLING SHAREHOLDER

Gondor Capital Limited, the shareholder vehicle of the Meikles family, is the controlling shareholder of Meikles prior to the demerger of Tanganda, with a 47.08% shareholding. It is the intention of the shareholder to hold their Tanganda investment for the foreseeable future.

5.2 MAJOR SHAREHOLDERS

The table below details the top twenty shareholders of Meikles as at 21 October 2021. In terms of the Dividend Distribution Ratio the initial Tanganda shareholding on listing will closely approximate this, allowing for withholding tax adjustments.

Rank	Name	No of shares	%
1	Gondor Capital Limited – NNR	122,903,771	47.08%
2	Mega Market (Private) Limited	25,550,780	9.79%
3	Old Mutual Life Assurance of Zimbabwe Limited	21,394,417	8.20%
4	Stanbic Nominees (Private) Limited - A/C 140043470003	8,682,919	3.33%
5	Meikles Consolidated Holdings (Private) Limited	4,697,819	1.80%
6	London Register - Meikles Africa Limited	4,556,899	1.75%
7	Stanbic Nominees (Private) Limited - A/C 140043470002	4,228,212	1.62%
8	Old Mutual Zimbabwe Limited	2,896,272	1.11%
9	Meikles Pension Fund – ABC	2,861,210	1.10%
10	Mundell Family Trust	2,466,231	0.94%
11	LHG Malta Holdings Limited	2,333,075	0.89%
12	Meikles Limited Employee Share Ownership Trust	1,860,000	0.71%
13	Meikles Pension Fund	1,821,909	0.70%
14	Public Service Commission Pension Fund – ABC	1,739,385	0.67%
15	Windward Capital (Proprietary) Limited	1,726,213	0.66%
16	The Roy Turner Trust	1,638,208	0.63%
17	Barkprest Investments (Private) Limited	1,500,000	0.57%
18	Motor Industry Pension Fund – ABC	1,391,269	0.53%
19	The Seed Trust	1,295,698	0.49%
20	Local Authorities Pension Fund	1,210,748	0.46%
Top 20 shareholding		216,755,035	83.03%
Remaining holding		44,309,555	16.97%
Total issued shares		261,064,590	100.00%

The Board is not aware of any pre-existing intention of any major shareholder to dispose of any material number of their shares within eighteen months of listing.

6. DIRECTORS

6.1 THE BOARD OF DIRECTORS

The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is accordingly the highest policy organ of the Company and also acts to direct strategy. Meeting regularly, with a minimum of four scheduled meetings annually, the Board receives key information pertaining to the operations of Tanganda.

6.1.1 Composition

The Board consists of three executive Directors and six independent non-executive Directors, comprising a cross-section of professionals. The independent non-executive Directors of Tanganda comprise individuals with proven track records and a wide range of different skills and experience, which they employ for the Company's benefit, and who also provide crucial guidance to the Company's strategic decision-making process and corporate governance practices. The Tanganda Board was restructured on 30 July 2021, in preparation for the demerger from the Group and separate Listing on the ZSE.

6.1.2 Details of Directors

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

Full Name	Business Address	Nationality	Position
Herbert Nkala	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Independent Non-Executive Chairman
Timothy James Graham Fennell	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Chief Executive Officer
Henry Nemaire	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Finance Director
Kwirirai Chigerwe	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Beverages and Marketing Director
Stewart Philip Cranswick	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Independent Non-Executive Director
Livingstone Takudzwa Gwata	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Independent Non-Executive Director
Simon James Hammond	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Independent Non-Executive Director
Rufaro Audrey Maunze	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Independent Non-Executive Director
Matthew John Stewart Moxon	15 Vumba Road, Mutare, Zimbabwe	Zimbabwean	Independent Non-Executive Director

Herbert Nkala – Non-Executive Chairman

Herbert Nkala is a Businessman and a Marketing Consultant with many local and international assignments. Herbert is a holder of a Bachelor of Science Honours Degree from the University of Wales (U.K.) and a Master of Business Administration Degree from the University of Zimbabwe. His leadership career in the corporate world began as a Technical Executive with Dairibord Zimbabwe and he subsequently became the Marketing Director for the same company and later joined Delta as Marketing Director for the National Breweries of Zimbabwe. He continued his leadership growth as Chief Executive Officer and led the transformation of the then Zimbabwe Tourism Investment Company to Rainbow Tourism Group Limited, culminating in its listing on the Zimbabwe Stock Exchange (ZSE) with Accor of France as the anchor shareholder. He is currently the Chairman of the boards of FBC Holdings Limited and OK Zimbabwe Limited, both of which are listed on the Zimbabwe Stock Exchange (ZSE). Herbert is a former chairman of African Sun Limited, Industrial Development Corporation (IDC), Astra Holdings amongst many other Public and Private entities. He is also a trustee of the Joshua Mqabuko Nkomo Foundation.

Timothy James Graham Fennell - Chief Executive Officer

Timothy is a highly trained and experienced farmer and business leader, with a passion for developing people and Zimbabwean agriculture. A product of Peterhouse, Timothy received tertiary education in Zimbabwe and South Africa. His father was instrumental in establishing the coffee research and the coffee mill in Chipinge and Mutare, and Timothy established his own farming operations in the Chipinge area growing Macadamia nuts and coffee.

Timothy was involved in consultancy work in various parts of the world and helped Tanganda establish its Macadamia and Avocado project initially as a consultant and then in a managerial role. He has led the transformation of Tanganda from a loss-making single crop tea Company to a profitable and diversified entity. He was also instrumental in transforming the beverage division tea packaging by bringing in world class packaging machinery from Germany and Italy.

Henry Nemaire - Finance Director

Henry is a Chartered Certified Accountant and a registered public accountant who served his articles with Deloitte and Touche. He is also the holder of a Bachelor of Accountancy (Honours) Degree from the University of Zimbabwe and a Master of Professional Accountancy from the University of London. Prior to joining Tanganda, Henry worked at the Lonrho Agribusiness Unit, The Wattle Company and Manica Board & Doors both involved in exports of processed forestry products.

Henry has lectured Tax Law & Practice at Africa University and Zimbabwe Open University and is a non-executive director of listed Fidelity Life Assurance Company of Zimbabwe and a Trustee of the Development Trust of Zimbabwe.

Kwirirai Chigerwe - Beverage & Marketing Director

Kwirirai holds a Bachelor of Science Honours Degree in Agricultural Engineering from University of Zimbabwe, Masters in Business Administration from University of Zimbabwe, Masters in Leadership and Management from University of Zimbabwe and various quality management systems training certifications. He is currently studying for a Masters in Food Processing Systems Technology with University of Zimbabwe.

Kwirirai joined Tanganda as a Factory Manager in January 2002 and rose through the ranks to Director of Beverages & Marketing, where he has overseen the development of a diversified product range and modernisation of production. Prior to joining Tanganda, Kwirirai was involved in quality systems management as well as research and development in the engineering sector.

Stewart Philip Cranswick – Independent Non-Executive Director

Stewart had a distinguished career as a stockbroker in Johannesburg. He brings a wealth of business insights having significant experience in a wide range of industries from travel and tourism to property and farming in various countries over 20 years including operating a successful hotel business in Africa and Australia.

He is a director of Meikles Limited and was previously a director of African Sun Limited.

Livingstone Takudzwa Gwata – Independent Non-Executive Director

Livingstone is a holder of a Bachelor of Administration from the University of Zimbabwe and has thirty-seven years of regional and international banking experience, spanning all facets of Corporate, Retail and Merchant banking. He held various executive director positions within the Standard Chartered group in Zimbabwe, Europe, the Far East and several African countries.

In 1998, Livingstone joined First Banking Corporation Limited as Managing Director and steered the privately-owned bank to a profitable public listed diversified financial services group, FBC Holdings Limited, from where he retired as Chief Executive Officer in 2011. Livingstone was appointed to the board of ABC Holdings Limited, in September 2015, and became Chairman in December 2018. He is a member of the Risk Committee of the board.

Livingstone has held directorships and leadership positions in several Zimbabwean and multinational companies, including founder Chairmanship of the Rainbow Tourism Group Limited and University of Zimbabwe Council, Vice Chairman of MasterCard International Limited, Middle East and Africa and President of the Institute of Bankers of Zimbabwe. He was the Chairman of the Securities and Exchange Commission of Zimbabwe until April 2021 and is currently the Chairman of the Zimbabwe Open Golf Committee.

Simon James Hammond – Independent Non-Executive Director

Simon is a Chartered Accountant and seasoned business leader. He joined the Old Mutual Group in 1999 and served in various positions including Group Finance Director for Zimbabwe, Chief Operating Officer for Old Mutual Africa and Managing Director for CABS, a position he held until retirement in March 2020. Prior to joining Old Mutual, Simon was a Partner at KPMG Zimbabwe from 1989 to 1999 and is a past President of the Institute of Chartered Accountants (“ICAZ”).

Simon has held various positions of responsibility for ICAZ, is a past director of Delta Corporation Limited and is the chairman of the Executive Committee of Peterhouse Group of Schools. He is also a director of Meikles Limited, Zimswitch Holdings Limited, RMI Holdings Limited and Old Mutual Insurance Company Limited.

Rufaro Audrey Maunze – Independent Non-Executive Director

Rufaro is a seasoned business leader, Inclusive Finance Expert and Executive Management Consultant with experience working in Zimbabwe, Australia, and several countries across sub-Saharan Africa focusing on inclusive finance, strategic operations, change management, and socio-economic development. She holds both a Specialized Masters’ in Coaching & Consulting for Change from HEC Paris & Oxford SAID Business Schools and a Masters’ in Development Finance from Stellenbosch Business School and is also a qualified Chartered Accountant. She also holds a Certificate in Impact Investing from Oxford SAID Business School.

Rufaro started her career in Assurance & Audit with Deloitte and worked for several global offices before moving into the Australian banking sector where she held various leadership roles. She has also held National and Regional leadership roles for international development organisations including TechnoServe and Financial Sector Deepening Africa (FSDA) focusing on entrepreneurship, inclusive finance, social enterprise and agriculture for the rural poor, women and youth.

Rufaro is a Non-Executive Director for OK Zimbabwe Limited, Imara Fiduciary (Private) Limited, and is also the Chairperson for the Women’s Chartered Accountants Network (WeCAN) in Zimbabwe. In the past she also sat on the board of directors of Imara Asset Management Zimbabwe (Private) Limited, Imara Edwards Securities (Private) Limited, Nedbank Zimbabwe Limited and Cold Storage Company of Zimbabwe.

Matthew John Stewart Moxon – Independent Non-Executive Director

Matthew is a holder of a Bachelor of Arts Degree from Stellenbosch University and a Bachelor of Laws from the University of Cape Town. He joined Shoprite Checkers (Proprietary) Limited in their Management Training programme and after a stint in project management and operations within their Mozambique Division Matthew joined Meikles Limited in 2017. He is Managing Director of Thomas Meikle Properties with properties across major cities of Zimbabwe.

6.1.3 Extracts from the Memorandum and Articles of Association of Tanganda

The relevant provisions in Tanganda’s Articles and Memorandum of Association concerning the appointment, qualification, remuneration, borrowing and voting powers and retirement information relating to the Directors are available to be viewed along with the other documentation available for inspection as outlined in Paragraph 23 of this document.

6.2 DIRECTORS INTERESTS

6.2.1 Interests in Ordinary Shares

As at 31 March 2021, the Directors, directly and/or indirectly, held beneficial interests aggregating approximately 121,866 Meikles shares representing below 1.0% of the issued share capital of that company. The Directors will hold the same shareholding in Tanganda. Details of the direct and indirect interests held by the Directors is set out below:

Director	Number of Meikles shares as at 31 March 2021	Number of Meikles shares as at 21 October 2021
Herbert Nkala	-	-
Timothy J. G. Fennel	-	-
Henry Nemaire	10,760	10,760
Kwirirai Chigerwe	960	960
Stewart P. Cranswick	94,649	94,649
Livingstone T. Gwata	-	-
Simon J. Hammond	15,497	15,497
Rufaro A. Maunze	-	-
Matthew J. S. Moxon	-	-
Total	121,866	121,866

There were no changes in the Directors' interests between the end of the financial year ended 31 March 2021 and the date of the Pre-Listing Statement.

6.2.2 Interests in transactions

The Tanganda Directors have not had any interest in transactions with either Meikles or Tanganda in the current or immediately preceding financial years.

6.3 DIRECTORS EMOLUMENTS

Tanganda Directors received directors' fees of ZWL 2,488,590 for the year to 31 March 2021 (prior year ZWL 488,226), in respect of their duties on the Board of Tanganda. This excludes amounts received by executive Directors in terms of their employment contracts.

6.4 DIRECTORS DECLARATIONS

None of the Directors of Tanganda whether in Zimbabwe or elsewhere:

1. have at any time been declared insolvent or bankrupt or have assigned their estate for the benefit of creditors;
2. have been directors of a company of that was wound up at the instance of creditors, whether compulsorily or voluntarily, placed under corporate rescue or entered into a composition or arrangement with its creditors generally or any class of its creditors while being a director or within 12 months after they had ceased to be a director;
3. have been partners in a partnership which underwent any event or occurrence referred to above;
4. have been publicly criticised by any statutory or regulatory authority (including a recognised professional body) and disqualified by a court from acting as director of a company or from acting in the management or conduct of the affairs of any company; or,
5. have been convicted for an offence involving dishonesty.

7. MANAGEMENT

The executive management team is professional and committed to the future growth and profitability of Tanganda. The Company currently employs 1,145 permanent staff.

7.1 SENIOR MANAGEMENT

The key members of the executive management team are set out in the table below:

Full Name	Position	Nationalities	Business Addresses
Timothy J.G. Fennell	Chief Executive Officer	Zimbabwean	194A Mutare Road, Harare, Zimbabwe
Henry Nemaire	Finance Director	Zimbabwean	15 Vumba Road, Mutare, Zimbabwe
Kwirirai Chigerwe	Beverage and Marketing Director	Zimbabwean	194A Mutare Road, Harare, Zimbabwe
Francis Chingono	Group Human Resources Manager	Zimbabwean	New Year's Gift Estate, Chipinge, Zimbabwe
Sharon N. Kodzanai	Company Secretary	Zimbabwean	15 Vumba Road, Mutare, Zimbabwe
Samson Kandoko	Finance Manager	Zimbabwean	15 Vumba Road, Mutare, Zimbabwe
Lincoln Mushiwokufa	Agricultural Manager (Avocado)	Zimbabwean	Tingamira Estate, Chipinge, Zimbabwe
Michael A. Saywood	Agricultural Manager (Macadamia)	Zimbabwean	New Year's Gift Estate, Chipinge, Zimbabwe
William D. Stanley	Agricultural Manager (Tea)	Kenyan	Ratelshoek Estate, Chipinge, Zimbabwe

Set out below are the brief profiles of the executive management team:

Timothy J. G. Fennell – Chief Executive Officer (Profile above)

Henry Nemaire - Finance Director (Profile above)

Kwirirai Chigerwe - Beverage & Marketing Director (Profile above)

Francis Chingono - Group Human Resources Manager

Francis is a trained and experienced Human Resources practitioner who joined Tanganda in 1998. He holds a Business Administration Degree from the University of Zimbabwe, a Master of Administration from Exeter University and Diplomas in Training and Personnel Management from the Institute of Personnel Management in Zimbabwe. He also holds a Quality Auditing Certificate (SAATCA). Prior to joining Tanganda Francis worked in the police force and rose to the position of Chief Superintendent as Chief Planning Officer for the Zimbabwe Republic Police.

Sharon N. Kodzanai – Company Secretary

Sharon has in excess of twenty years working experience in Finance and Administration. She is an Associate of the Chartered Institute of Secretaries and Administrators in Zimbabwe and is a certified member of the Public Accountants and Auditors Board. She holds a Master of Business Administration from the University of Gloucestershire. Since joining Tanganda in 2005 she held various accounting positions before being recently promoted to Company Secretary from her previous role as Finance Manager. Prior to joining Tanganda, Sharon worked for a horticultural Export Processing Zone registered enterprise, Kondozi Estate and has also worked in the hospitality industry at Leopard Rock Hotel.

Samson Kandoko – Finance Manager

Samson is a Chartered Accountant who completed his articles of clerkship with Deloitte. He attained a Bachelor of Accountancy Honours degree with a first class from the University of Zimbabwe in 2016. Prior to joining Tanganda, Samson was an Assistant Audit Manager at Deloitte.

Lincoln Mushiwokufa - Agricultural Manager (Avocados)

Lincoln was born and educated in the Chipinge district of Zimbabwe. In 2000 he graduated with a Bachelor of Science (Honours) Agriculture- Crop Science at the University of Zimbabwe. For two years after graduation, Lincoln worked as a Research Officer at the Coffee Research Station before joining Tanganda on an internship programme. Lincoln then rose through the ranks to his current senior management position of Agricultural Manager (Avocados). His farming skills and attention to detail were instrumental during the construction of Tanganda's state of the art Avocado packhouse.

Michael A. Saywood - Agricultural Manager (Macadamia)

Michael was born in Zimbabwe and attended school at Peterhouse and obtained a National Diploma in Mechanical Engineering at Cape Technikon South Africa in 1993. Prior to joining Tanganda in 2018 Michael worked for Forrester Estates in Mvurwi and has had significant experience in tobacco farming and processing. Michael is a broad skilled manager with exposure in sales, marketing, security and risk management.

William D. Stanley - Agricultural Manager (Tea)

William was born in Kenya on a Livestock farm and attended school in both Kenya and the United Kingdom until joining the Royal Air Force Police ("RAFP"). After leaving the RAFP, William went to Lackham Agricultural College for a three-year Farm Mechanisation Course. Prior to joining Tanganda, William worked for highly reputable agricultural companies such as Eastern Produce Kenya Limited as General Manager, Agricultural Services Company servicing Unilever Tea Tanzania and Rift Valley Holdings.

7.2 EXECUTIVE MANAGEMENT DECLARATIONS

With the exception of Michael A. Saywood, whose company Potvick (Private) Limited was declared insolvent in 2011, none of the Executive management of Tanganda whether in Zimbabwe or elsewhere:

1. have at any time been declared insolvent or bankrupt or have assigned their estate for the benefit of creditors;
2. have been directors of a company of that was wound up at the instance of creditors, whether compulsorily or voluntarily, placed under corporate rescue or entered into a composition or arrangement with its creditors generally or any class of its creditors while being a director or within 12 months after they had ceased to be a director;
3. have been partners in a partnership which underwent any event or occurrence referred to above;
4. have been publicly criticised by any statutory or regulatory authority (including a recognised professional body) and disqualified by a court from acting as director of a company or from acting in the management or conduct of the affairs of any company; or,
5. have been convicted for an offence involving dishonesty.

7.3 SHARE OPTION SCHEME

At present there is no share option scheme in place. The Board is cognisant of the importance of appropriately incentivising senior staff, and intend on implementing an appropriate scheme in the future, subject to shareholder approval.

8. CORPORATE GOVERNANCE**8.1 INTRODUCTION**

The Board of Directors shall establish or adopt written corporate governance guidelines covering matters such as standards of qualification and independence of a director, director's responsibilities including meeting attendance, diligence in reviewing materials, and rules for disclosure and review of potential conflicts of interest with the company, director compensation policy, succession planning for both directors and officers, and other corporate governance matters deemed appropriate. Such guidelines shall be consistent with the National Code on Corporate Governance.

8.2 BOARD OF DIRECTORS AND BOARD COMMITTEES

The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is accordingly the highest policy organ of the Company and also acts to direct strategy. Meeting regularly, with a minimum of four scheduled meetings annually, the Board receives key information pertaining to the operations of Tanganda.

8.2.1 Audit and Finance Committee

The Audit Committee which comprises of four non-executive directors is set to meet four times a year. The Committee will review the company quarterly and annual financial statements before submission to the Board for approval. The Committee will also review reports from both internal and external auditors on accounting and internal control matters and monitors action taken to address control weaknesses. The Committee recommends the appointment of and reviews the fees of the external auditors. This committee consists of Rufaro A. Maunze (Chairman), Simon J. Hammond, Matthew J.S. Moxon and Livingstone T. Gwata.

8.2.2 Human Resources and Remuneration Committee

The Human Resources and Remuneration committee determines, on behalf of the Board and the shareholders, the individual remuneration packages of the executive Directors and other executive management. The Company's remuneration policy is to provide packages that attract, retain and motivate high quality individuals who will contribute substantially to the growth and success of the Company. Packages include basic salaries, benefits and performance related bonuses. This Committee comprises of four non-executive Directors, being Stewart P. Cranswick (Chairman), Herbert Nkala, Matthew J.S. Moxon and Simon J. Hammond.

8.2.3 Risk Committee

The Risk Committee, comprising of four non-executive Directors, is responsible for assisting the Board in its oversight of risk, reviewing the Company's risk appetite and risk profile in relation to capital, liquidity and business value, reviewing the effectiveness of the Company's risk management framework, reviewing the methodology used in determining the Company's capital requirements, stress testing, ensuring due diligence appraisals are carried out on strategic or significant transactions, working with the Remuneration Committee to ensure that risk management is properly considered in setting remuneration policy, and monitoring prudential regulatory requirements across the Company. Simon J. Hammond is Chairman of this Committee, which includes Livingstone T. Gwata, Stewart P. Cranswick and Rufaro A. Maunze.

8.2.4 Nominations Committee

The role of the Committee shall be to assist the Board in carrying out its duties with regards to the process for nominating, electing and appointing members of the Board of Directors, succession planning in respect of the Board members and evaluation of the performance of the Board. The Committee has three non-executive Directors, namely Herbert Nkala (Chairman), Simon J. Hammond and Stewart P. Cranswick.

8.3 DEALINGS IN SHARES

The Company has a policy prohibiting dealings in its shares by Directors, officers and executive management for a designated period, which is from the close of the financial reporting period to the date of the announcement of its results, or when they are in possession of price sensitive information not readily available to the public.

8.4 ETHICS AND BUSINESS INTEGRITY

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

8.5 ARTICLES AND MEMORANDUM OF ASSOCIATION OF TANGANDA

The ZSE has reviewed the Articles and Memorandum of Association of the Company and has confirmed that they comply with the ZSE Listing Requirements.

9. SHARE CAPITAL**9.1 SHARE CAPITAL SUMMARY**

	Authorised		Issued	
	Number	ZWL	Number	ZWL
31 March 2021 - Ordinary shares (nominal value)	130,000,000	1,300,000	115,747,372	1,157,474
30 September 2021 - Ordinary shares (nominal value)	400,000,000	4,000,000	261,064,590	2,610,646

9.2 AUTHORISED BUT UNISSUED SHARE CAPITAL

The authorised but unissued share capital of the Company is under the control of the Shareholders.

9.3 VARIATION OF RIGHTS

According to Clause 67 of Tanganda's Articles of Association, the rights attached to any class of securities issued by the Company may be modified, abrogated or varied with the consent in writing of the holders of three-fourths of the nominal amount of the issued shares of that class, or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of that class.

9.4 SUMMARY OF ISSUES AND OFFERS

During the current financial year, there has been the following issue of ordinary shares:

Date	Description	Number of shares issued	Recipient
August 2021	Equity injection of US\$2.4 million by Meikles into Tanganda	145,317,218	Meikles Limited

9.5 PREFERENTIAL RIGHTS IN RESPECT OF SHARES

There are no Tanganda shares with preferred rights in respect of the Company's share capital.

9.6 VOTING RIGHTS

All existing authorised but unissued and issued Tanganda ordinary shares are of the same class and rank *pari passu* in every respect.

10. ADEQUACY OF CAPITAL

The Directors are of the opinion that the Company's share capital and working capital are adequate for the foreseeable future.

11. WORKING CAPITAL AND CASH FLOW

The Directors are of the opinion that the available working capital is sufficient to cover the cash flow requirements of the Company.

12. DIVIDEND POLICY

Subject to the cash requirements for on-going expansion of the Company, a dividend policy of approximately four times cover has been set by the Board. This policy is in line with comparative companies identified by the Company and is considered appropriate. This policy will be reviewed by the Directors from time to time.

13. CAPITAL COMMITMENTS, LEASE COMMITMENTS AND CONTINGENT LIABILITIES**13.1 CAPITAL COMMITMENTS**

As at 31 March 2021, the Company has authorised capital expenditure budget amounting to US\$4,700,937 for the twelve months to 31 March 2022.

13.2 OPERATING LEASE COMMITMENTS

As of the date of 31 March 2021, Tanganda had no material operating leases.

13.3 FINANCE LEASE COMMITMENTS

As of 31 March 2021, Tanganda had no material Finance Lease Commitments.

13.4 CONTINGENT LIABILITIES

As of 31 March 2021, Tanganda had no material Contingent Liabilities.

14. INTEREST-BEARING LOANS AND BORROWINGS**14.1 BORROWING POWERS**

In terms of Clause 9 of Tanganda's Articles of Association, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or of any third party provided that the aggregate amount at any one time owing in respect of monies borrowed by the company and its subsidiaries (exclusive of

intercompany borrowings) shall not exceed 50% of equity based on the previously audited statement of financial position except with the consent of the company in general meeting by ordinary resolution and the Directors shall procure that the aggregate amount at any one time owing in respect of the monies borrowed by the company shall not without such consent exceed the said limit.

The borrowing powers of the Directors have not been exceeded for the past three years.

14.2 MATERIAL LOANS AND BORROWINGS

As at 21 October 2021, total borrowings amounted to ZWL 100 million.

14.3 LOAN RECEIVABLES

As at 21 October 2021, the Company had no material loan receivables.

15. MATERIAL CONTRACTS

As at 21 October 2021, Tanganda had not entered into any material contracts, other than in the ordinary course of business.

16. LITIGATION STATEMENT

The Company is not involved in any litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Pre-Listing Statement, a significant effect on the financial position of the Company, nor is the Company aware that any such proceedings are pending or threatening.

17. AUTHORISATIONS FOR THE LISTING

Resolutions for the approval by the shareholders of Meikles Limited authorising the listing of Tanganda on the Zimbabwe Stock Exchange will be considered at an Extraordinary General Meeting to be held on 18 November 2021. In a letter dated 11 October 2021 the Listings Committee of the ZSE has approved the Listing of Tanganda on the ZSE, subject to approval of the Proposed Transaction by the shareholders of Meikles.

18. WITHHOLDING TAX PAYABLE ON THE DISTRIBUTION OF TANGANDA SHARES

In terms of the existing tax legislation on dividends, Meikles is obliged to deduct ten per cent (10%) withholding tax ("WHT") and remit to ZIMRA in respect of the dividend *in specie* of Tanganda's ordinary shares to individuals, trust and non-resident shareholders. To fund this WHT liability, Meikles will withhold ten percent (10%) of the ordinary shares of Tanganda due to all individuals, trusts and non-resident shareholders in respect of the dividend *in specie* and remit this to ZIMRA. Shares withheld from shareholders for withholding tax purposes will be rounded to the nearest whole number.

19. EXCHANGE CONTROL APPROVAL FOR THE DIVIDEND *IN SPECIE*

In terms of a letter dated 01 October 2021, the Reserve Bank of Zimbabwe has approved the dividend in specie to Non-Resident Shareholders, subject to Meikles shareholder approval, the approval of the ZSE Listings Committee, and standard regulatory filings.

20. INDEPENDENT REPORTING ACCOUNTANTS' REPORT

The information set out in Appendix 2 should be read in conjunction with the Independent Reporting Accountant's Report in Appendix 1.

21. MATERIAL CHANGES

21.1 CHANGE OF YEAR-END

The Company has changed its year end from 31 March to 30 September. This change has been approved by both the Tanganda Board and Zimbabwe Revenue Authority. The change is aimed at aligning the financial year end with the end of an agricultural season.

21.2 CHANGES IN AUTHORISED AND ISSUED SHARE CAPITAL

Changes in the authorised and issued share capital since year-end are detailed in Paragraph 9 above.

22. EXPERTS' CONSENTS

Imara, Wintertons, ZB, Invictus, Ernst & Young and Deloitte have given and have not withdrawn their written consents to the issue of this Pre-Listing Statement with the inclusion of their names and reports in the forms and context in which they appear. The above mentioned consents are available for inspection by interested parties in terms of Paragraph 23 below.

23. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between 26 October 2021 and 18 November 2021, copies of the following documents will be available for inspection during normal business hours, at the registered office of Tanganda, as well as ZB Transfer Secretaries, Invictus and Imara, at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Memorandum and Articles of Association of the Company;
- The 5 year audited financial statements of the Company for the years ended 31 March 2017 to 31 March 2021 which are set out in Appendix 2;
- The Independent Reporting Accountant's Report on the historical financial information, set out in Appendix 1;
- Signed letters of Consent from all experts and advisors;

PRE-LISTING STATEMENT (continued)

- The ZSE Listings Committee approval letter for the issuance of this Pre-Listing Statement; and
- The copy of the full Pre-Listing Statement signed by the Directors.

24. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear in Paragraph 6 of this document, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading that they have made all reasonable enquiries to ascertain such facts and that the Pre-Listing Statement contains all information required by law.

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

Director	Position	Signature
Herbert Nkala	Non-executive Chairman	
Timothy James Graham Fennell	Chief Executive Officer	
Henry Nemaire	Finance Director	
Kwirirai Chigerwe	Beverage and Marketing Director	
Stewart Philip Cranswick	Independent Non-executive Director	
Livingstone Takudzwa Gwata	Independent Non-executive Director	
Simon James Hammond	Independent Non-executive Director	
Rufaro Audrey Maunze	Independent Non-executive Director	
Matthew John Stewart Moxon	Independent Non-executive Director	



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26 October 2021
The Board of Directors
Tanganda Tea Company Limited
15 Vumba Road
Mutare
Zimbabwe

Dear Madam and Sirs,

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE TANGANDA TEA COMPANY LIMITED PRE-LISTING STATEMENT

As per your request and for the purposes of the Pre-listing Statement dated 26 October 2021, relating to a listing by Introduction of the entire issued share capital of Tanganda Tea Company Limited on the Zimbabwe Stock Exchange, and in terms of Section 240(a) of the Zimbabwe Stock Exchange ("ZSE") Listings Requirements, as applicable to this transaction, we report to you hereunder on the historical financial information laid out from page 30 to 34 of the Pre-listing Statement.

We have performed the procedures agreed with you and enumerated below on the historical financial information of Tanganda Tea Company Limited ("the Company"), in respect of the years ended 31 March 2017 to 31 March 2021, set out on pages 30 to 34.

The historical financial information in respect of each annual period comprises the statement of financial position as at the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the years then ended.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information". The procedures were performed solely to assist you in providing an accountant's report for the purposes of the Pre-listing Statement and are summarized as follows:

- Inspection of the historical information included in the Pre-listing Statement for the years ended 31 March 2017 to 31 March 2021 and agreeing to the audited financial statements for the respective years.
- Inspection of the audit reports issued on the financial statements for the years ended 31 March 2017 to 31 March 2021 for the following:
 - Scope of the audits; and
 - Opinions issued.

Directors' Responsibility for the Historical Financial Information

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

Auditor's Responsibility

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

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



A full list of partners and directors is available on request

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Findings

We report our findings as below

- Historical financial information

The historical information that has been included in the Pre-listing Statement and set out on pages 30 to 34 agrees to the audited financial statements for the respective years. Current portion of long-term borrowings and short-term borrowings included under current liabilities in the statement of financial position of the signed financial statements were aggregated and presented as "Borrowings" in the Pre-listing statement.

- Scope of the audits

The scope of the audits, on inspection of the audit reports for the years 2017 to 2021, was as follows:

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

- Audit Opinions

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

• Audited financial statements for the year ended 31 March 2017

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act (Chapter 24:03) and the relevant statutory instruments (SI33/99 and SI62/96).

An emphasis of matter related to going concern was included in the audit report and this did not result in a modification of the opinion.

• Audited financial statements for the year ended 31 March 2018

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act (Chapter 24:03) and the relevant statutory instruments (SI33/99 and SI62/96).

• Audited financial statements for the year ended 31 March 2019

Adverse Opinion

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the financial statements do not present fairly, the statement of financial position of Tanganda Tea Company Limited as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03), the relevant Statutory Instruments ("SI") SI33/99 and SI 62/96.

Basis for Adverse Opinion

The Company transacted using a combination of United States Dollars (USD), bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country, resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement (RTGS) system and mobile money platforms.

During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.

In October 2018, banks were instructed by the Reserve Bank of Zimbabwe ("RBZ") to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts.

This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand). Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled.

As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity. These events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by International Accounting Standard (IAS) 21- "The Effects of Changes in Foreign Exchange Rates."

As a result of these factors the directors performed an assessment on the functional currency of the Company in accordance with IAS 21 and acknowledged that the functional currency of the Company is no longer USD.

On 20 February 2019, a currency called the RTGS Dollar was legislated through Statutory Instrument 33 of 2019 ("SI 33/19") with an effective date of 22 February 2019. SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at a rate of 1:1 for the period up to its effective date. The rate of 1:1 is consistent with the rate mandated by the RBZ at the time it issued the bond notes as currency.

The Directors used the same date to effect the change in functional currency. Because the Company transacted using a combination of United States Dollars (USD), bond notes and coins, Real Time Gross Settlement (RTGS) system and mobile money platforms during the period from 1 October 2018 to 22 February 2019, the decision to change the functional currency on 22 February 2019 in accordance with SI 33/19 results in material misstatement to the financial performance and cash flows of the Company, as transactions denominated in USD were not appropriately translated during that period. Had the Company applied the requirements of IAS 21, many of the elements of the accompanying financial statements would have been materially impacted and therefore the departure from the requirements of IAS 21 is considered to be pervasive. The financial effects on the financial statements of this departure have not been determined.

• **Audited inflation adjusted financial statements for the year ended 31 March 2020**

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the inflation adjusted financial position of the Company as at 31 March 2020, and its inflation adjusted financial performance and inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the relevant Statutory Instruments ("SI") SI33/99 and SI62/96.

Basis for Qualified Opinion

Impact of incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" on comparative financial information.

On 20 February 2019, a currency called the RTGS Dollar was legislated through Statutory Instrument 33 of 2019 ("SI33/19") with an effective date of 22 February 2019. SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at a rate of 1:1 for the period up to its effective date.

The rate of 1:1 is consistent with the rate mandated by the RBZ at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by International Accounting Standard (IAS) 21- "The Effects of Changes in Foreign Exchange Rates":

- The Company transacted using a combination of United States Dollars (USD), bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country, resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement (RTGS) system and mobile money platforms. During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.
- In October 2018, banks were instructed by the Reserve Bank of Zimbabwe ("RBZ") to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity.

For the period up to 22 February 2019, the Company maintained its functional currency as the USD, with transactions and balances reflected using an exchange rate of 1:1 in compliance with SI 33/19. From 22 February 2019, balances and transactions were retranslated at the legislated inaugural exchange rate of 1:2.5 between the USD and the ZWL in compliance with the requirements of SI 33/19.

Whilst the timing of this conversion was in line with the dictates of SI 33/19 it constituted a departure from the requirements of IAS 21, and therefore the 2019 financial statements were not prepared in conformity with IFRS. Had the Company applied the requirements of IAS 21, the 31 March 2019 comparative inflation adjusted financial statements would have been materially impacted. The financial effects of this departure on the inflation adjusted financial statements have not been determined.

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

• **Audited inflation adjusted financial statements for the year ended 31 March 2021**

In our opinion, the inflation adjusted financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its inflation adjusted financial performance and inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the relevant Statutory Instruments ("SI") SI33/99 and SI62/96.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the historical information of Tanganda Tea Company Limited for the financial years ended 2017 to 2021.

APPENDIX 1: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION (continued)

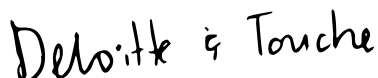
Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the historical financial information specified above and does not extend to any financial statements of Tanganda Tea Company Limited taken as a whole. Our report should not in any way constitute recommendations regarding the completion of the transaction or the issue of the Pre-listing Statement.

Exclusion of Notes and Accounting Policies

At the request of Tanganda Tea Company Limited and with the approval of the ZSE, the notes to the financial statements, and the accounting policies have been excluded from this Pre-listing Statement, but are available for inspection.

Yours faithfully,



DELOITTE & TOUCHE

Chartered Accountants (Zimbabwe)
Per Charity Mtwazi
Registered Auditor
PAAB Practice Certificate No 0585

26 October 2021

APPENDIX 2: HISTORICAL FINANCIAL INFORMATION

TANGANDA TEA COMPANY LIMITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	AUDITED				
	31-Mar-21 ZWL	31-Mar-20 ZWL	31-Mar-19 RTGS	31-Mar-18 US\$	31-Mar-17 US\$
Revenue	2,362,797,093	719,592,566	37,014,632	28,847,191	21,173,049
Cost of sales	(1,606,019,250)	(353,613,395)	(10,802,599)	(16,906,983)	(12,971,063)
Gross profit	756,777,843	365,979,171	26,212,033	11,940,208	8,201,986
Administration expenses	(267,143,707)	(59,702,168)	(3,108,820)	(2,075,053)	(1,794,783)
Selling and distribution expenses	(246,745,111)	(81,537,901)	(5,485,734)	(3,662,583)	(3,445,878)
Other income- net	203,719,348	324,870,867	32,070,252	1,768,911	1,578,631
Operating profit	446,608,373	549,609,969	49,687,731	7,971,483	4,539,956
Net finance costs	(80,848,605)	(6,314,717)	(1,486,743)	(1,670,537)	(2,015,877)
Monetary loss	(29,229,648)	(271,910,055)	-	-	-
Profit before income tax	336,530,120	271,385,197	48,200,988	6,300,946	2,524,079
Income tax charge	(113,421,561)	(114,621,880)	(7,899,760)	157,706	(1,425,893)
Profit for the year	223,108,559	156,763,317	40,301,228	6,458,652	1,098,186
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	223,108,559	156,763,317	40,301,228	6,458,652	1,098,186

Refer to notes on page 34

APPENDIX 2: HISTORICAL FINANCIAL INFORMATION (continued)

TANGANDA TEA COMPANY LIMITED STATEMENTS OF FINANCIAL POSITION	AUDITED				
	31-Mar-21 ZWL	31-Mar-20 ZWL	31-Mar-19 RTGS	31-Mar-18 US\$	31-Mar-17 US\$
ASSETS					
Non-current assets					
Property, plant & equipment	3,085,314,461	849,201,253	64,519,702	61,954,526	61,468,042
Intangible assets	5,345,895	1,569,774	124,141	124,141	124,141
Biological assets	75,060,649	22,502,779	2,904,142	1,298,644	1,147,324
Other financial assets	4,191,392	1,018,576	89,690	66,015	60,715
Total non-current assets	3,169,912,397	874,292,382	67,637,675	63,443,326	62,800,222
Current assets					
Inventories	800,042,338	169,334,633	22,693,348	8,430,500	6,247,083
Produce on bearer plants	717,611,830	187,052,148	11,178,051	2,810,390	1,866,974
Trade and other receivables	444,343,656	144,344,962	15,800,372	9,882,522	4,872,407
Bank and cash balances	51,571,975	21,447,654	3,453,074	1,015,348	251,660
Total current assets	2,013,569,799	522,179,397	53,124,845	22,138,760	13,238,124
Total assets	5,183,482,196	1,396,471,779	120,762,520	85,582,086	76,038,346
EQUITY & LIABILITIES					
Capital and reserves					
Share capital	49,867,007	14,642,999	1,157,473	1,157,473	1,157,473
Share premium	980,410,711	232,536,664	18,389,482	18,389,482	17,139,482
Non-distributable reserves	415,148,006	121,904,483	9,640,456	9,640,456	9,640,456
Retained earnings	2,696,344,332	730,939,113	58,190,112	23,615,209	17,156,557
Total equity	4,141,770,056	1,100,023,259	87,377,523	52,802,620	45,093,968
Non-current liabilities					
Deferred tax	480,561,635	167,466,747	13,651,417	6,750,719	6,908,425
Borrowings	36,914,304	27,327,436	8,103,083	14,070,720	3,814,664
Other financial liabilities	-	-	-	-	792,294
Total non-current liabilities	517,475,939	194,794,183	21,754,500	20,821,439	11,515,383
Current liabilities					
Trade & other payables	278,923,995	53,192,333	4,099,308	4,253,859	10,738,631
Borrowings	126,997,521	9,731,346	6,557,637	6,604,302	6,762,423
Bank overdraft	-	-	-	289,613	1,507,941
Other financial liabilities	118,314,685	38,730,658	973,552	810,253	420,000
Total current liabilities	524,236,201	101,654,337	11,630,497	11,958,027	19,428,995
Total liabilities	1,041,712,140	296,448,520	33,384,997	32,779,466	30,944,378
Total equity & liabilities	5,183,482,196	1,396,471,779	120,762,520	85,582,086	76,038,346

Refer to notes on page 34

APPENDIX 2: HISTORICAL FINANCIAL INFORMATION (continued)

TANGANDA TEA COMPANY LIMITED STATEMENTS OF CHANGES IN EQUITY	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- distributable reserves US\$	Total equity US\$
2017					
Balance at 1 April 2016	1,157,473	14,845,001	9,640,456	16,058,371	41,701,301
Total comprehensive income for the year	-	-	-	1,098,186	1,098,186
Issue of capital	-	2,294,481	-	-	2,294,481
Balance at 31 March 2017	1,157,473	17,139,482	9,640,456	17,156,557	45,093,968
2018	US\$	US\$	US\$	US\$	US\$
Balance at 1 April 2017	1,157,473	17,139,482	9,640,456	17,156,557	45,093,968
Total comprehensive income for the year	-	-	-	6,458,652	6,458,652
Issue of capital	-	1,250,000	-	-	1,250,000
Balance at 31 March 2018	1,157,473	18,389,482	9,640,456	23,615,209	52,802,620
2019	RTGS	RTGS	RTGS	RTGS	RTGS
Balance 1 April 2018	1,157,473	18,389,482	9,640,456	23,475,612	52,663,023
Total comprehensive income for the year	-	-	-	40,301,228	40,301,228
Issue of capital	-	-	-	-	-
Dividend paid	-	-	-	(5,586,728)	(5,586,728)
As at 31 March 2019	1,157,473	18,389,482	9,640,456	58,190,112	87,377,523
2020	ZWL	ZWL	ZWL	ZWL	ZWL
Balance 1 April 2019 uplifted to 31 March 2020					
CPI index	14,642,999	232,536,664	121,904,483	585,877,675	954,961,821
Total comprehensive income for the year	-	-	-	156,763,317	156,763,317
Issue of capital	-	-	-	-	-
Dividend paid	-	-	-	(11,701,879)	(11,701,879)
As at 31 March 2020	14,642,999	232,536,664	121,904,483	730,939,113	1,100,023,259
2021	ZWL	ZWL	ZWL	ZWL	ZWL
Balance 1 April 2020 - uplifted to 31 March 2021					
CPI index	49,867,007	791,907,977	415,148,006	2,489,226,859	3,746,149,849
Total comprehensive income for the year	-	-	-	223,108,559	223,108,559
Issue of capital	-	188,502,734	-	-	188,502,734
Dividend paid	-	-	-	(15,991,086)	(15,991,086)
As at 31 March 2021	49,867,007	980,410,711	415,148,006	2,696,344,332	4,141,770,056

Refer to notes on page 34

APPENDIX 2: HISTORICAL FINANCIAL INFORMATION (continued)

TANGANDA TEA COMPANY LIMITED STATEMENTS OF CASH FLOWS	AUDITED				
	31-Mar-21 ZWL	31-Mar-20 ZWL	31-Mar-19 RTGS	31-Mar-18 US\$	31-Mar-17 US\$
Cash flows from operating activities					
Profit before tax	336,530,120	271,385,197	48,200,988	6,300,946	2,524,079
<i>Adjustments for non-cash items:</i>					
Depreciation and impairment of property, plant and equipment	140,856,182	37,482,093	2,166,782	2,250,642	1,922,473
Loss on disposal of biological assets and property, plant and equipment	193,055,978	851,547	152,214	1,307,322	53,615
Gain on fair value adjustment on fruit on trees	66,539,027	(90,446,764)	(7,797,258)	(1,287,567)	(766,912)
Gain on fair value adjustment on fruit of biological assets	14,785,031	(353,110)	(964,587)	(47,603)	(21,683)
Impairment of property, plant and equipment	-	5,703,303	222,342	28,347	307,150
Net livestock movement	(11,389,591)	487,619	(671,635)	(102,265)	167,115
Net finance costs	80,848,605	6,314,717	1,486,743	1,670,537	2,015,877
Effects of inflation adjustments	-	1,160,923	-	-	-
Operating cash flow before working capital changes	821,225,352	232,585,525	42,795,589	10,120,359	6,201,714
(Increase) / decrease in inventories	(370,511,318)	3,333,994	(14,815,600)	(1,839,266)	(511,677)
Decrease / (increase) in trade and other receivables	47,225,826	(19,873,249)	(6,073,034)	(5,010,115)	(312,649)
Increase / (decrease) in trade and other payables	97,776,495	21,365,728	(182,124)	(6,484,772)	(513,343)
Cash generated from operations	595,716,355	237,411,998	21,724,831	(3,213,794)	4,864,045
Income tax paid	(216,754,378)	(55,359,820)	(810,253)	(402,041)	254,563
Net cash generated from operating activities	378,961,977	182,052,178	20,914,578	(3,615,835)	5,118,608
Cash flows from investing activities					
Payment of property, plant & equipment	(532,865,924)	(93,901,345)	(5,040,306)	(4,159,891)	(2,557,959)
Expenditure on biological assets	(3,699,628)	(323,006)	(102,274)	-	-
Proceeds from sale of property, plant & equipment and biological assets	7,487,281	1,592,587	66,789	85,644	84,210
Increase in other financial assets	(722,612)	-	(23,675)	(5,300)	-
Interest received	121,283	99,884	96,474	93,604	1,747
Net cash (utilised in) / generated from investing activities	(529,679,600)	(92,531,880)	(5,002,992)	(3,985,943)	(2,472,002)
Financing activities					
Net (decrease) / increase in interest bearing borrowings	37,707,448	(76,765,459)	(6,014,302)	10,097,935	(4,282,157)
Capital injection	188,502,734	-	-	1,250,000	2,294,481
Dividend paid	(15,991,086)	(11,701,879)	(5,586,728)	-	-
Interest paid	(80,969,888)	(6,414,601)	(1,583,217)	(1,764,141)	(2,017,624)
Net cash utilised in financing activities	129,249,208	(94,881,939)	(13,184,247)	9,583,794	(4,005,300)
Net (decrease) / increase in cash and cash equivalents	(21,468,415)	(5,361,641)	2,727,339	1,982,016	(1,358,694)
Cash and cash equivalents at beginning of year	73,040,390	26,809,295	725,735	(1,256,281)	102,413
Cash & bank balances at the end of the year	51,571,975	21,447,654	3,453,074	725,735	(1,256,281)

Refer to notes on page 34

APPENDIX 2: HISTORICAL FINANCIAL INFORMATION (continued)

TANGANDA TEA COMPANY LIMITED	Agricultural Produce ZWL	Packed tea & coffee ZWL	Water ZWL	TOTAL ZWL
Revenue and Gross Profit				
31 March 2021				
Revenue	1,343,821,631	947,733,191	71,242,271	2,362,797,093
Cost of sales	(905,585,222)	(640,539,799)	(59,894,229)	(1,606,019,250)
Gross profit	438,236,409	307,193,392	11,348,042	756,777,843
31 March 2020	ZWL	ZWL	ZWL	ZWL
Revenue	501,160,351	184,452,948	33,979,267	719,592,566
Cost of sales	(233,340,798)	(97,841,579)	(22,431,018)	(353,613,395)
Gross profit	267,819,553	86,611,369	11,548,249	365,979,171
31 March 2019	RTGS	RTGS	RTGS	RTGS
Revenue	19,544,028	14,738,648	2,731,956	37,014,632
Cost of sales	(4,689,978)	(4,433,971)	(1,678,650)	(10,802,599)
Gross profit	14,854,050	10,304,677	1,053,306	26,212,033
31 March 2018	US\$	US\$	US\$	US\$
Revenue	15,788,119	11,450,492	1,608,580	28,847,191
Cost of sales	(10,412,168)	(5,542,222)	(952,593)	(16,906,983)
Gross profit	5,375,951	5,908,270	655,987	11,940,208
31 March 2017	US\$	US\$	US\$	US\$
Revenue	10,546,061	9,169,890	1,457,098	21,173,049
Cost of sales	(7,413,000)	(4,784,807)	(773,256)	(12,971,063)
Gross profit	3,133,061	4,385,083	683,842	8,201,986

Refer to notes below

Notes to the financial information

1. The financial information has been extracted from the audited financial statements of Tanganda Tea Company Limited for periods ended 31 March 2017, 2018, 2019, 2020 and 2021.
2. The financial statements for financial years 2020 and 2021 were adjusted for the effects of Inflation in accordance with International Accounting Standard ("IAS") 29- Financial Reporting in Hyperinflationary Economies following a pronouncement issued by PAAB on 11 October 2019 requiring entities operating in Zimbabwe with financial periods ending on or after 1 July 2019 to prepare and present financial statements in line with requirements of IAS 29.
3. There was a change to both the Company's functional and presentation currency to RTGS Dollar ("RTGS") from United States Dollar ("US\$") following promulgation of Statutory Instrument 33 of 2019 ("SI33/19") on 22 February 2019. On 24 July 2019, the Government of Zimbabwe renamed RTGS to ZWL through Statutory Instrument 142 of 2019 ("SI142/19").

