

5.3 Statement of Cash Flows extracted from the Padenga Audited Financial Statements

	Audited 31-Dec-16 12 Months US\$	Audited 31-Dec-15 12 Months US\$	Audited 31-Dec-14 12 Months US\$	Audited 31-Dec-13 18 Months US\$	Audited 30-Jun-12 12 Months US\$
Cash generated from operating activities	4,418,998	13,662,136	5,408,147	8,203,113	4,141,589
Interest income	1,189,023	307,906	126,305	45,793	-
Interest paid	(748,234)	(786,416)	(858,300)	(719,060)	(582,612)
Taxation paid	(3,072,328)	(2,233,289)	(1,116,689)	(650,723)	(1,078,457)
Net cash generated from operations	1,787,459	10,950,337	3,559,463	6,879,123	2,480,520
Net cash flow utilised in investing activities	(4,507,400)	(2,375,834)	(2,155,761)	(3,860,871)	(986,287)
Proceeds on disposal of property, plant and equipment	243,890	1,982	92,098	24,602	1,599
Purchase of property, plant and equipment	(4,139,295)	(2,222,832)	(1,562,875)	(3,558,348)	(881,162)
Expenditure on non-current biological assets	(145,413)	(135,622)	(648,359)	(243,996)	(106,724)
Purchase of intangible assets	-	(19,362)	(36,625)	(70,030)	-
Payment of deferred consideration	(466,582)	-	-	-	-
Net cash flow on subsidiary acquisition	-	-	-	(13,009)	-
Net cash flow utilised in financing activities	2,460,348	(442,072)	(9,279,855)	5,494,870	(364,852)
Proceeds from borrowings	14,135,000	13,604,865	5,775,000	10,150,000	10,539,861
Repayments of borrowings	(9,194,307)	(12,452,935)	(14,043,392)	(3,435,000)	(10,025,674)
Dividends paid	(2,226,927)	(1,594,002)	(1,011,463)	(1,220,130)	(879,039)
Investments by non-controlling interests	226,582	-	-	-	-
Purchase of additional interest	(480,000)	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(259,593)	8,132,431	(7,876,153)	8,513,122	1,129,382
Cash and cash equivalents at the beginning of the period	10,525,248	2,392,817	10,268,970	1,755,848	626,466
Cash and cash equivalents at the end of the period	10,265,655	10,525,248	2,392,817	10,268,970	1,755,848

6. Directors Interests

The resolutions shall be subject to a vote by the shareholders of the Company who are non-conflicted. The Executive Directors of the Company who are also shareholders, namely Messrs Gary Sharp, Messrs Oliver Kamundimu and Messrs Michael Fowler are entitled to benefit from the Padenga Management Share Ownership Trust and the 2017 Padenga Share Option Scheme. As a result they have interest in the Proposed Transactions and shall be precluded from voting.

As at the 31 December 2016, the Directors directly and/or indirectly, held beneficial interests totalling 113,872,010 Padenga shares representing 21.03% of the issued share capital of Padenga. The details of the direct and indirect interests held by the Directors are summarised below:

Directors	Direct shareholding	Indirect shareholding	Total
Alexander Kenneth Calder	-	-	-
Gary John Sharp	250,000	1,000,000	1,250,000
Oliver Tendai Kamundimu	113,200	-	113,200
Michael John Fowler	-	112,508,810	112,508,810
Annie Mutsa Mazvita Madzara	-	-	-
Theminkosi Nkosana Sibanda	-	-	-

7. Litigation Statement

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

8. Documents and consents available for inspection

Between 0800 and 1600 hours from 27 April 2017 to 18 May 2017, copies of the following documents will be available for inspection at the Financial Advisors, Sponsoring Brokers, and Padenga's Registered Offices:

- The Articles and Memorandum of Association of the Company;
- The written consents of the Financial Advisors, Sponsoring Brokers, Legal Advisors and Transfer Secretaries to act in the capacities stated and to their names being stated in the Circular and these consents have not been withdrawn as at the date of this Circular;
- The National Indigenisation and Economic Empowerment Board Certificate of Compliance;
- The 2017 Padenga Share Option Scheme document;
- The Share Option and Purchase Agreement between the Company and Padenga Management Share Ownership Trust;
- The Share Option and Purchase Agreement between the Company and Padenga Employee Share Ownership Trust;
- The Padenga Management Share Ownership Trust Deed;
- The Padenga Employee Share Ownership Trust Deed;
- The audited financial statements of Padenga for the five financial years ended 30 June 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016; and
- The ZSE approval letter.

9. Directors' responsibility statement

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

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

Signed on the 27 April 2017:

Director's Name	Position	Signature
Alexander Kenneth Calder	Non-Executive Chairman	[Signed on original]
Gary John Sharp	Chief Executive Officer	[Signed on original]
Oliver Tendai Kamundimu	Chief Financial Officer	[Signed on original]
Michael John Fowler	Executive Director	[Signed on original]
Annie Mutsa Mazvita Madzara	Non-Executive Director	[Signed on original]
Theminkosi Nkosana Sibanda	Non-Executive Director	[Signed on original]



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

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of the Shareholders of Padenga Holdings Limited is to be held at Royal Harare Golf Club, 5th Street Extension, on Thursday 18 May 2017 at 0900 hours, for the purpose of transacting the following business: -

ORDINARY RESOLUTION 1 - APPROVAL OF 2017 Padenga Share Option Scheme

To resolve as an ordinary resolution, with or without amendment: -

"That the Directors of the Company be and are hereby authorised to establish a Share Option Scheme, to be called the "2017 Padenga Share Option Scheme", for options in the aggregate not exceeding 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares, being 10% of the 541,593,440 (Five Hundred and Forty-One Million, Five Hundred and Ninety-Three Thousand, Four Hundred and Forty) ordinary shares in issue on 27 April 2017, being the date of this EGM Notice."

SPECIAL RESOLUTION 1 - RESERVATION OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST

To resolve as a special resolution, with or without amendment: -

"That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Management Share Ownership Trust upon subscription in terms of the Padenga Management Trust Share Purchase and Option Agreement (as detailed in the Circular), at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Management Trust exercises its options to subscribe for such shares."

SPECIAL RESOLUTION 2 - WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST

To resolve as a special resolution, with or without amendment, in terms of Section 5.82 of the Zimbabwe Stock Exchange Listings Requirements requiring an 85% majority: -

"To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Management Share Ownership Trust referred to in Special Resolution 1."

SPECIAL RESOLUTION 3 - RESERVATION OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST

To resolve as a special resolution, with or without amendment: -

"That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Employee Trust upon subscription in terms of the Padenga Employee Trust Share Purchase and Option Agreement (as detailed in the Circular) at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Employee Trust exercises its options to subscribe for such shares."

SPECIAL RESOLUTION 4 - WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST

To resolve as a special resolution, with or without amendment in terms of Section 5.82 of the Zimbabwe Stock Exchange Listings Requirements requiring an 85% majority: -

"To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Employee Share Ownership Trust referred to in Special Resolution 3."

In terms of the Companies Act (Chapter 24:03), a member entitled to attend and vote at a meeting may appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

BY ORDER OF THE BOARD

A.D. LORIMER
GROUP COMPANY SECRETARY
121 BORROWDALE ROAD
GUN HILL
HARARE

27 April 2017

FORM OF PROXY

I/We (block letters) _____ of _____

Being a member of Padenga Holdings Limited hereby appoint _____

of _____ or failing him/her _____

of _____ or failing him/her the Chairman of the EGM;

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Thursday 18 May 2017 at 0900 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
ORDINARY RESOLUTION 1 - APPROVAL OF 2017 PADENGA SHARE OPTION SCHEME "That the Directors of the Company be and are hereby authorised to establish a Share Option Scheme, to be called the "2017 Padenga Share Option Scheme", for options in the aggregate not exceeding 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares, being 10% of the 541,593,440 (Five Hundred and Forty-One Million, Five Hundred and Ninety-Three Thousand, Four Hundred and Forty) ordinary shares in issue on 27 April 2017, being the date of this EGM Notice."			
SPECIAL RESOLUTION 1 - RESERVATION OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST "That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Management Share Ownership Trust upon subscription in terms of the Padenga Management Trust Share Purchase and Option Agreement (as detailed in the Circular), at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Management Trust exercises its options to subscribe for such shares."			
SPECIAL RESOLUTION 2 - WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST "To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Management Share Ownership Trust referred to in Special Resolution 1."			
SPECIAL RESOLUTION 3 - RESERVATION OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST "That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Employee Trust upon subscription in terms of the Padenga Employee Trust Share Purchase and Option Agreement (as detailed in the Circular) at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Employee Trust exercises its options to subscribe for such shares."			
SPECIAL RESOLUTION 4 - WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST "To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Employee Share Ownership Trust referred to in Special Resolution 3."			

Signed this _____ day of _____ 2017 Signature(s) of member _____

NOTE

- In terms of Section 129 of the Zimbabwe Companies Act (Chapter 24:03) members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
- Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.

FOR OFFICIAL USE
NUMBER OF SHARES HELD