



(A public company incorporated and registered in Zimbabwe under company registration number 46/35)
Directors: SS Mutasa (Non-executive Chairman), G Sainsbury*, Z Randeree, RN Gordon, J Vezey, BP Nyajeka*
*Executive Director
Address: 17th Floor, Joina City, Corner Julius Nyerere Way/Jason Moyo Avenue, P O Box 3546, Harare

ABRIDGED CIRCULAR TO TA SHAREHOLDERS

RELATING TO THE PROPOSED ACQUISITION OF ALL OF THE ISSUED SHARE CAPITAL OF TA HOLDINGS LIMITED
NOT ALREADY HELD BY MASAWARA HOLDINGS LIMITED ("MASAWARA")

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This abridged circular should be read in conjunction with the full Circular to the Shareholders of TA Holdings Limited ("TA Holdings") or the ("Company") dated 28 August 2014 and the definitions set out therein.

This abridged circular is neither a prospectus nor an invitation to the public to subscribe for shares in TA Holdings. A copy of the full Circular will be posted or can be downloaded at www.ta-holdings.com or a physical copy can be collected at the registered office of TA Holdings, 17th Floor, Joina City, Corner Julius Nyerere Way/Jason Moyo Avenue, Harare

Action Required

If you are in any doubt as to the action you should take in relation to this document please consult your Broker, banker, accountant, attorney or other professional advisor immediately.

Financial Advisor to TA Holdings



Corporate Finance

Independent Financial Expert



Lead Financial Advisor to Masawara



Legal Advisor to TA Holdings



Reporting Accountants to TA Holdings



Local Financial Advisor to Masawara



Transfer Secretaries to TA Holdings



Sponsoring Brokers and members of the ZSE



Securities

Legal Advisor to Masawara



IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretation provisions of this Circular shall apply to these important dates and times relating to the Scheme.

	2014
Publication of Court Order and Notice convening the Scheme Meeting	Monday, 25 August
Last Practicable Date	Tuesday, 26 August
Publication of explanatory statement	Thursday, 28 August
Last date on which TA Holdings Shareholders must be registered in order to vote at the Scheme Meeting	Tuesday, 9 September
Last day for receipt of Proxy Forms for the Scheme Meeting at 17:00 hours	Friday, 12 September
Scheme Meeting to be held at 09:00 hours	Tuesday, 16 September
Publication of the results of the Scheme Meeting	Thursday, 18 September
File application to Court for an Order sanctioning the Scheme	Thursday, 18 September
Expected date of Court hearing to sanction the Scheme	Wednesday, 24 September
Publication of Court Order	Monday, 29 September
Expected date of registration by the Registrar of Companies of the Order sanctioning the Scheme	Wednesday, 1 October
Finalisation date announcement expected to be published	Friday, 3 October
Suspension of listing of TA Holdings shares at commencement of trade	Monday, 6 October
Scheme record date for shareholders to be eligible to receive the Scheme Consideration	Friday, 10 October
Effective date of the Scheme at the commencement of trading	Friday, 10 October
Scheme Consideration posted to Scheme Participants (if Documents of Title are received on or prior to the record date) on or about or, failing receipt of Documents of Title on or before the record date, within five business days of receipt thereof by the Transfer Secretaries	Friday, 10 October
Termination of listing of the TA Holdings shares	Monday, 13 October

Notes:

1. The above dates and times are subject to change and any amendments will be published in the Zimbabwean Press.
2. If a Form of Proxy (pink) is not received by the time and date shown above, at the discretion of the Chairman the Scheme Meeting, Forms of Proxy (pink) may also be accepted by the Chairman no later than 30 minutes before the Scheme Meeting is due to commence.
3. If the Scheme Meeting is adjourned or postponed, Forms of Proxy (pink) submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the Scheme Meeting.
4. All times referred to in this abridged circular are referenced to Harare Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this abridged circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and the words in the singular shall include the plural and vice versa, words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other gender.

"AIM"	the Alternative Investment Market, a sub-board of the LSE;
"AIG Preference Shares"	27,005,771 non-redeemable, non-cumulative, participating, convertible preference shares in the issued share capital of TA Holdings;
"Atherstone & Cook"	Atherstone & Cook Legal Practitioners, the legal advisors to TA Holdings;
"Broker"	any person or company registered with the ZSE and authorised to buy and sell stocks and other securities on behalf of customers;
"Business Day"	a day other than a Saturday, Sunday or official Zimbabwean public holiday;
"Circular"	The full circular to TA Holdings Shareholders dated Thursday, 28 August 2014 and which includes the Notice, the Form of Proxy (pink) in relation to the Scheme Meeting, the form of Acceptance and Surrender (yellow);
"Companies Act"	the Companies Act [Chapter 24:03], of Zimbabwe as amended;
"Conditions Precedent" or "Scheme Conditions Precedent"	the Conditions Precedent to which the Scheme is subject as set out in paragraph 8 of the abridged circular;
"Corpserve" or "the Transfer Secretaries"	the Transfer Secretaries of TA Holdings being Corpserve (Private) Limited;
"the Court"	the High Court of Zimbabwe, Harare division, which is located at Mapondera Building, Samora Machel Avenue, Harare, Zimbabwe;
"Court Order"	depending on the context, either an order of the Court authorising the convening and holding of the Scheme Meeting made by the Court pursuant to Section 191(1) of the Companies Act or an order of the Court sanctioning the Scheme after approval of the Scheme at the Scheme Meeting made by the Court in terms of Section 191(1) of the Companies Act;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other physical documents of title to shares acceptable to the issuer of such shares;
"Exchange Control Regulations"	the Exchange Control Regulation established under the Exchange Control Act [Chapter 22:05] including in particular and without limitation, the Exchange Control Regulations, Statutory Instrument 109 of 1996, as amended;
"Finesse"	Finesse Advisory Services (Private) Limited (registration number 1827/2003) a company duly registered and incorporated in Zimbabwe, local financial advisor to Masawara;

Date: 28 August 2014

“Foreign Shareholders”	TA Holdings Shareholders who are non-residents of Zimbabwe as defined in the Exchange Control Regulations;	“Substitute Offer Record Date”	the last day to be recorded in the Register in order to receive the Substitute Offer consideration, which is expected to be on Friday, 7 November 2014, subject to certain Conditions Precedent;
“Form of Proxy”	the Form of Proxy (pink) accompanying the abridged circular;	“TA Holdings” or “the Company”	TA Holdings Limited, a limited liability public company duly incorporated in Zimbabwe with the registration number 46/35 and listed on the ZSE and having its Registered office at 17th Floor, Joina City, Corner Julius Nyerere / Jason Moyo Avenue, Harare;
“Imara Corporate Finance”	Imara Corporate Finance Zimbabwe (Private) Limited, a company duly registered and incorporated in Zimbabwe, financial advisor to TA Holdings;	“TA Holdings Board”	the board of directors of TA Holdings, the names of which as at the Last Practicable Date are set out above the introduction in the Chairman’s letter and explanatory statement;
“Imara Edwards Securities”	Imara Edwards Securities (Private) Limited, a company duly registered and incorporated in Zimbabwe;	“TA Holdings Shareholders” or “Shareholders”	registered holders of TA Holdings Shares;
“Independent Financial Expert” or “KPMG”	KPMG Advisory (Private) Limited, a company duly registered and incorporated in Zimbabwe and financial advisor to the Independent Board;	“TA Holdings Shares” or “Shares”	ordinary shares of US\$0.01 each in the issued share capital of TA Holdings;
“Independent Board”	RN Gordon and S Randeree, both of whom are independent directors of TA Holdings;	“Tangible NAV”	ordinary Shareholders’ equity attributable to the TA Holdings Shareholders less goodwill;
“Independent Reporting Accountants” or “PricewaterhouseCoopers”	PricewaterhouseCoopers Chartered Accountants (Zimbabwe) the independent auditors and reporting accountants of the Company;	“Transaction”	the Transaction and/or the Substitute Offer as the case may be;
“Last Practicable Date”	Tuesday, 26 August 2014, being the Last Practicable Date prior to the finalisation of this abridged circular;	“US\$”	United States Dollar, the legal tender of the United States of America in which certain monetary amounts in this abridged circular are expressed;
“LDT”	last date to trade;	“Voting Record Date” or “Scheme Voting Record Date”	latest time and date for Shareholders to be recorded in the Register as such in order to vote at the Scheme Meeting, being at 17:00 hours on Friday, 12 September 2014;
“Listings Requirements”	the Listing Requirements of the ZSE in force as at the Last Practicable Date;	“VWAP”	volume weighted average price;
“LSE”	London Stock Exchange;	“Zimbabwe”	the Republic of Zimbabwe;
“Management”	executive management of TA Holdings;	“ZIMRA”	the Zimbabwe Revenue Authority; and
“Masawara”	Masawara Holdings Mauritius Limited, a company duly incorporated in Mauritius with the registration number 121038 C1/GBL, under the laws and regulation of that country having its registered office at c/o Axis Fiduciary Limited, 2nd Floor, The Axis, 26 Cybercity, Ebene, 72201, Mauritius, a wholly-owned subsidiary of Masawara plc, together with its affiliates;	“ZSE”	the Zimbabwe Stock Exchange constituted in terms of the Securities and Exchange Act [Chapter 24:25] of 2004
“Masawara Mauritius”	Masawara Mauritius Limited, a company duly incorporated in Mauritius with the registration number 096511 C1/GBL, under the laws and regulation of that country having its registered office at c/o Axis Fiduciary Limited, 2nd Floor, The Axis, 26 Cybercity, Ebene, 72201, Mauritius, a wholly-owned subsidiary of Masawara plc;		
“Masawara plc”	Masawara plc, a company duly incorporated in Jersey with the registration number 105991, listed on AIM and having its registered office at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, Channel Islands;		
“NAV”	net asset value;		
“Notice”	the notice of the Scheme Meeting which was published in terms of the Companies Act on Monday, 25 August 2014, advising TA Holdings Shareholders of the Scheme Meeting which forms part of this abridged circular;		
“Offer”	the Offer by Masawara to acquire all of the shares in TA Holdings that it does not already own;		
“Offer Letter”	the Offer Letter dated 3 June 2014, entered into by Masawara and TA Holdings in terms of which Masawara proposed to acquire all of the issued and to be issued ordinary shares of TA Holdings that it does not already beneficially own;		
“Offer Period”	the period commencing on the date of publication of the second cautionary announcement by TA Holdings, being Thursday, 17 July 2014, and ending on the Operative Date;		
“Offer Shares”	shares held by all Shareholders recorded in the Register, other than Masawara, on the Substitute Offer Record Date;		
“Offeror”	Masawara;		
“Operative Date”	the date on which the Scheme will become operative and Masawara will acquire the Scheme Shares, which is expected to be on or about Friday, 10 October 2014.		
“PricewaterhouseCoopers”	PricewaterhouseCoopers Chartered Accountants (Zimbabwe), the reporting accountants and auditors of TA Holdings;		
“Press” or “Publication”	publication by way of any relevant regulatory news service and in any national Zimbabwean newspaper as appropriate;		
“RBZ”	the Reserve Bank of Zimbabwe;		
“Register”	the register of Shareholders maintained by the Transfer Secretary and the sub-register of nominee Shareholders maintained by each Broker;		
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited (Registration Number 1929/001225/06);		
“Scheme” or “Scheme of Arrangement”	the Scheme of Arrangement in terms of Section 191 of the Companies Act [Chapter 24:03], proposed by Masawara between TA Holdings and the TA Holdings Shareholders, which Scheme of Arrangement is more fully described in paragraph 5 of this abridged circular, in terms of which Masawara will, if the Scheme becomes operative, acquire each of the Scheme Shares held by the Scheme Participants for the Scheme Consideration, subject to any modification or amendment to the Scheme agreed to in writing by Masawara and the Independent Board and, if necessary, the ZSE, which modification or amendment may not be detrimental to Scheme Participants;		
“Scheme Consideration” or “Offer Consideration”	the consideration payable to the Scheme Participants for their Scheme Shares in terms of the Scheme, being the cash consideration of US\$0.206 per TA Holdings Share;		
“Scheme Consideration Record Date”	17:00 hours on the fifth Business Day after the Scheme LDT, being the latest time and date for holders of TA Holdings Shares to be registered as such in the register in order to receive the Scheme Consideration, which date and time is expected to be 17:00 hours on Friday, 10 October 2014;		
“Scheme Meeting”	the extraordinary general meeting of the Scheme Participants convened in terms of Section 191(1) of the Companies Act, pursuant to the Court Order, to be held at 09:00 hours on Tuesday, 16 September 2014, at Sango Conference Centre, Cresta Lodge, Corner Samora Machel Avenue East/Robert Mugabe Road, Harare at which the Scheme Participants will vote on the Scheme;		
“Scheme Members”	Shareholders, recorded in the Register as such on the Voting Record Date, who are entitled to attend and vote at the Scheme Meeting, other than Masawara and any Masawara affiliate company;		
“Scheme Participants”	TA Holdings Shareholders recorded in the Register on the Scheme Consideration Record Date who are entitled to receive the Scheme Consideration, being holders of Scheme Shares;		
“Scheme Payment Date”	the date on which the Scheme Consideration will be posted to Scheme Participants;		
“Scheme Shares”	all TA Holdings Shares held by the Scheme Members on the Operative Date, being 97,196,650 TA Holdings Shares at the Last Practicable Date;		
“Substitute Offer”	the Offer by Masawara to TA Holdings Shareholders to acquire their Shares for the same consideration as that offered in terms of the Scheme, being US\$0.206 in cash, for every TA Holdings Share held;		

THE DIRECTORS' EXPLANATORY STATEMENT TO TA HOLDINGS SHAREHOLDERS

TA HOLDINGS LIMITED

A public company incorporated and registered in the Republic of Zimbabwe
Registration number: 46/35

("TA Holdings")

Directors of TA Holdings

SS Mutasa (Non-executive chairman)
G Sainsbury (Chief Executive Officer)*
F Daniels #
RN Gordon ^
BP Nyajeka *
Z. Randeree ^
J Vezey #

* Executive

^ Independent non-executive

Non-executive

MASAWARA HOLDINGS MAURITIUS LIMITED

A public company incorporated and registered in Mauritius
Registration number:121038 C1/GBL

("Masawara")

Directors of Masawara

A Abdullatiff ^
SS Mutasa #
JC Permal ^
J Vezey #

SCHEME OF ARRANGEMENT

In terms of Section 191 of the Companies Act, proposed by Masawara between TA Holdings and its Shareholders, other than the excluded parties

1 Introduction

In an announcement published on 17 July 2014, TA Holdings Shareholders were advised that Masawara had made an offer to acquire all the Shares of TA Holdings that it does not already own. The Offer will be implemented by way of a Scheme. If the Scheme is implemented, Scheme Participants will receive US\$0.206 in cash for every TA Holdings Share held, and TA Holdings will become a wholly-owned subsidiary of Masawara.

The Scheme will be subject to the fulfilment of the Conditions Precedent in their entirety and no payment will be made for any portion of the Scheme Consideration until such time as the last of the Conditions Precedent have been met, which include, *inter alia*, regulatory approval of the Transaction. Should the Scheme not become operative for any reason and subject to Conditions Precedent to making of the Substitute Offer set out in clause 10 of this Abridged Circular, Masawara will be deemed to have made the Substitute Offer.

The Independent Board and management are supportive of the Scheme and believe that it offers TA Holdings Shareholders the opportunity to realise their investment in TA Holdings at a significant premium to current trading levels. Masawara currently holds a consolidated indirect interest of 41% of the issued share capital of TA Holdings.

2 Rationale for the Scheme

Masawara plc is an AIM-listed investment company focused on acquiring interests in companies based in Zimbabwe and the Southern African region. Masawara plc currently has a portfolio of investments in telecommunications, real estate as well as a 41% interest in TA Holdings.

Masawara believes that TA Holdings requires a significant capital injection in order to increase the Group's insurance assets' underwriting capacity, address technological legacy challenges at Sable Chemicals and to refurbish the hotel assets and position them on a stronger footing to compete in a highly competitive and challenging environment. In light of the prevailing equity capital market conditions, it is the opinion of Masawara that the introduction of equity capital will result in unfair dilution to minority shareholders. In addition, the process of recapitalisation will be better achieved following a restructuring of the Group which will be more efficiently implemented in an unlisted environment. In order to mitigate the potential dilution of minority Shareholders, Masawara is therefore extending an offer to acquire the entire issued share capital of TA Holdings at a premium of 275% to the 30 day VWAP prior to 23 June 2014 in order for Shareholders to realise an attractive value for their investment. In light of the domestic capital market conditions and historical trading trends of TA Holdings Shares on the ZSE, Masawara believes that the Offer represents an attractive and compelling value proposition to TA Holdings Shareholders. The Offer represents a premium of:

	Before publication of the Cautionary Announcement (US cents)	Premium or (discount) (Percentage)
Market price on 23 June 2014 ⁽²⁾	6.3	227
30-day VWAP to 23 June 2014	5.5	275
60-day VWAP to 23 June 2014	5.6	268
90-day VWAP to 23 June 2014	5.8	255
Fully diluted Tangible NAV per share as at 31 December 2013 ⁽¹⁾	22.9	(10)

Notes:

1. TA Holdings Tangible NAV per ordinary share has been presented on a fully diluted basis, taking into account the impact of conversion of the AIG Preference Shares
2. This is the date of publication of the first cautionary announcement to TA Holdings Shareholders

3 Procedure

The full details of the Scheme are set out below:

3.1 The Scheme Meeting

- 3.1.1 The Scheme will be put to a vote at the Scheme Meeting to be held at 09:00 hours on Tuesday, 16 September 2014 at Sango Conference Centre, Cresta Lodge, Corner Samora Machel Avenue East/Robert Mugabe Road, Harare.
- 3.1.2 In terms of Section 191(2) of the Companies Act, the Scheme must be approved by a majority representing not less than three-fourths in value of the votes exercisable by Scheme Members who are present and voting, either in person or by proxy, at the Scheme Meeting.
- 3.1.3 Each Scheme Member recorded on the Register on the Voting Record Date, can attend the Scheme Meeting in person or give a proxy to someone else (including the Chairman of the Scheme Meeting) to represent him at the Scheme Meeting.
- 3.1.4 The Transfer Secretaries must receive a duly completed Form of Proxy (pink) by no later than 17:00 hours on Friday, 12 September 2014. At the discretion of the Chairman of the Scheme Meeting, Forms of Proxy may also be accepted by the Chairman no later than 30 minutes before the Scheme Meeting is due to commence.
- 3.1.5 Scheme Members who hold their Shares through a nominee account must arrange with their Broker, to give such Scheme Member the authority to attend the Scheme Meeting or appoint a proxy. Alternatively, they must furnish their voting instructions to their Broker on or before the cut-off times as stipulated by their Broker.

3.2 Court hearing

- 3.2.1 Subject to the Scheme being approved by the requisite majority at the Scheme Meeting and subject further to all the Conditions Precedent having been fulfilled, an application will be made to the Court to sanction the Scheme at 10:00 hours, or as soon thereafter as Counsel may be heard in the High Court on Wednesday, 24 September 2014. Scheme Members are entitled to attend the Court in person, or to be represented by Counsel and to be heard concerning any objections that they may have to the Scheme. Should Scheme Members elect to do so, with the objective of opposing the Scheme, then they will be obliged as a pre-requisite thereto, to depose to an affidavit, which must be filed with the High Court setting forth the grounds for any objection to the Scheme.
- 3.2.2 If the Scheme is unconditionally sanctioned by the High Court, then such order of the High Court will be lodged with the Registrar for registration. When the order of the High Court sanctioning the Scheme is registered, (which is expected to be on Wednesday, 1 October 2014, subject to all Conditions Precedent having been fulfilled), the Scheme shall become binding on all Scheme Participants, even those who voted against it.

3.3 Surrender of Documents of Title

- 3.3.1 Scheme Participants must surrender their Documents of Title together with a duly completed form of Acceptance and Surrender (yellow) in order to claim the Scheme Consideration.
- 3.3.2 Scheme Participants who wish to anticipate the implementation of the Scheme and expedite receipt of the Scheme Consideration should complete the form of Acceptance and Surrender (yellow) available at the TA Holdings registered office or Corpserve (Private) Limited, 2nd Floor ZB Centre, Corner Kwame Nkrumah Avenue/First Street, Harare and return same as soon as possible to the Transfer Secretaries together with share certificates and/or other Documents of Title so as to be received by the Transfer Secretaries by no later than 12:00 hours on the Scheme Consideration Record Date, which is expected to be on Friday, 10 October 2014 subject to all Conditions Precedent having been met.
- 3.3.3 Alternatively, Scheme Participants may wait until the Scheme becomes operative, which is expected to be on Friday, 10 October 2014 subject to all Conditions Precedent having been met, and surrender their Documents of Title under cover of the completed form of Acceptance and Surrender (yellow) at the time.
- 3.3.4 The attention of Scheme Participants is drawn to the fact that if they surrender their Documents of Title in advance of the implementation of the Scheme, they will not be in a position to deal in their Scheme Shares on the ZSE or otherwise between the date of surrender and the Operative Date.
- 3.3.5 If the Scheme does not become operative for whatsoever reason, Scheme Participants who have surrendered their Documents of Title in advance of the implementation of the Scheme will be deemed to have accepted the Substitute Offer.
- 3.3.6 Documents of Title surrendered by Scheme Participants in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries. If the Conditions Precedent to the Scheme are not fulfilled and the Substitute Offer becomes operative, Scheme Participants having already surrendered their Documents of Title will be deemed to have accepted the Substitute Offer. If the Conditions Precedent to the Substitute Offer are not fulfilled, the Transfer Secretaries will, within five business days of the date upon which it becomes known that the Substitute Offer will not become operative, return the Documents of Title to the Scheme Participant concerned, by registered post, at the risk of such Scheme Participant.
- 3.3.7 No receipts will be issued for Documents of Title surrendered unless specifically requested.
- 3.3.8 If Documents of Title have been lost or destroyed, and the Scheme Participant produces evidence to this effect to both TA Holdings and Masawara, TA Holdings may dispense with the requirement of the surrender of Documents of Title against provision of an acceptable indemnity, the cost of which indemnity will be borne by the Scheme Participant concerned.

4 The object of the Scheme

The object of the Scheme is to ensure that Masawara acquires the Scheme Shares and it or its wholly-owned subsidiary becomes the owner of 100% of the issued share capital of TA Holdings. In this eventuality, the listing of TA Holdings on the ZSE will be terminated.

5 The Scheme

- 5.1 Subject to the Scheme becoming operative, with the effect from the Operative Date, Scheme Participants shall be deemed to have:
 - 5.1.1 disposed of their Scheme Shares to Masawara in exchange for the Scheme Consideration and Masawara will be deemed to have acquired ownership of the Scheme Shares from the Operative Date, in exchange for the delivery by Masawara of the Scheme Consideration to TA Holdings as stated in paragraph 5.1.2 and 5.1.3 below;
 - 5.1.2 authorised TA Holdings (as principal), on Masawara's instruction, to cause the Scheme Shares to be transferred and registered in the name of Masawara or its nominee on or at any time after the Operative Date; and
 - 5.1.3 instructed TA Holdings (as principal) but with the power to appoint agents, to collect from Masawara and set aside and pay the Scheme Consideration in respect of the Scheme Shares to Scheme Participants in accordance with the provisions of the Scheme.
- 5.2 Upon the Scheme becoming operative, Scheme Participants will be obliged to surrender their Documents of Title to the Transfer Secretaries, under cover of a duly completed form of Acceptance and Surrender (yellow) in order to receive the Scheme Consideration.
- 5.3 Should the Scheme become operative, Scheme Participants will be entitled to receive the Scheme Consideration, from TA Holdings only, in terms of paragraphs 6, 9 and 19 below. TA Holdings will administer and effect payment of the Scheme Consideration to the Scheme Participants. TA Holdings as principal, will be obliged to surrender to Masawara all the Scheme Shares in certificated form, provided that Masawara has complied with its obligations in terms of paragraph 5.4 below and TA Holdings will also be obliged, subject to paragraph 5.2 above, at the request of Masawara, to transfer and register, or procure the transfer and registration of, the Scheme Shares in the name of Masawara or its nominee.
- 5.4 Masawara will timeously provide TA Holdings with the requisite funding so as to enable TA Holdings to settle the Scheme Consideration payable to Scheme Participants in accordance with this Scheme, which will occur only once all Conditions Precedent have been met. The Independent Directors of TA Holdings have reviewed independent confirmation of the availability of funding and are satisfied that Masawara has sufficient funds to undertake this transaction and that funds have been specifically allocated and dedicated for the transaction.
- 5.5 Masawara will deliver the Scheme Consideration to TA Holdings or its nominated local bank, as principal, on or before the Operative Date, it being recorded that settlement of the Scheme Consideration due to the Scheme Participants will be effected by TA Holdings and the Transfer Secretaries. On completion of the envisaged payment process TA Holdings and the Transfer Secretaries will issue a joint statement confirming payment of the Scheme Consideration.
- 5.6 Delivery by Masawara to TA Holdings or its agent, as principal, of the Scheme Consideration shall be the sole and exclusive manner of discharge by Masawara of its obligations in respect of the Scheme and will occur only once all Conditions Precedent have been met.
- 5.7 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against TA Holdings only. Scheme Participants will, in turn, be entitled to require TA Holdings to enforce its rights in terms of the Scheme against Masawara.
- 5.8 TA Holdings undertakes in favour of the Scheme Participants to enforce all its rights in terms of the Scheme against Masawara.
- 5.9 With effect from the Operative Date, the Transfer Secretaries will irrevocably be deemed to be the attorney and agent *in rem suam* of all Scheme Participants to implement the transfer and registration referred to in paragraphs 5.1.2 and 5.3 above to sign any instrument of transfer in respect thereof or any documents required to implement the Scheme.

- 5.10 Documents of Title held by Scheme Participants in respect of the Scheme Shares will cease to be of any value and shall not be good for delivery from the Operative Date, other than for surrender in terms of paragraph 3.3.
- 5.11 The effect of the Scheme will be that, from the Operative Date, Masawara will beneficially own the entire issued share capital of TA Holdings.
- 5.12 Should the Scheme not become operative for any reason, Masawara will be deemed to have made the Substitute Offer to TA Holdings Shareholders in terms of Section 194 of the Companies Act to acquire for a consideration of US\$0.206 per TA Holdings Share, subject to the terms and conditions of such an Offer.
- 5.13 The Substitute Offer is conditional and will only become effective if Masawara achieves a minimum of 75% of TA Holdings Shares following closure of the Substitute Offer. Should Masawara fail to reach the target minimum acceptance level in terms of the Substitute Offer, the Substitute Offer shall terminate and any Documents of Title that have been surrendered will be returned. Masawara may elect to waive this condition in its sole discretion, thereby accepting those TA Holdings Shares offered in terms of the Substitute Offer.
- 5.14 Should the Substitute Offer become binding on all TA Holdings Shareholders under Section 194 of the Companies Act, each TA Holdings Shareholder shall:
- 5.14.1 be deemed to have disposed of their TA Holdings Shares to Masawara and Masawara shall be deemed to have acquired ownership of the TA Holdings Shares upon meeting the conditions required;
 - 5.14.2 be deemed to have authorised TA Holdings to cause the Shares, deemed to have been disposed to Masawara to be registered in the name of Masawara or its nominees on, or at any time after; and
 - 5.14.3 be entitled to receive from Masawara, the Offer Consideration in return for their TA Holdings Shares deemed to have been disposed by that Shareholder to TA Holdings.
- 6 The Scheme Consideration**
- If the Scheme becomes operative, Scheme Participants will be entitled to receive the Scheme Consideration, being US\$0.206, in cash, for every Scheme Share held on the Scheme Consideration Record Date. Masawara will be using a combination of internal cash resources and third party debt to settle the Scheme Consideration.
- 7 Effects of the Scheme**
- If the Scheme becomes operative, each Scheme Participant (whether they voted in favour of the Scheme or not), will be deemed to have sold their Scheme Shares to Masawara and will no longer be a shareholder of TA Holdings. Masawara will own 100% of the issued share capital of TA Holdings and the listing of TA Holdings Shares on the ZSE will be terminated as a result.
- 8 Scheme Conditions Precedent**
- The Scheme is subject to and will only become operative upon the fulfilment of the last of the following Conditions Precedent, which is anticipated to be no later than Monday, 29 September 2014:
- 8.1 the Scheme being approved by a majority representing not less than three-fourths in value of the votes exercisable by the Scheme Members present and voting, either in person or by proxy, at the Scheme Meeting;
 - 8.2 the High Court sanctioning the Scheme in terms of Section 191(2) of the Companies Act;
 - 8.3 the obtaining of exchange control approval from the RBZ;
 - 8.4 a certified copy of the Order of the High Court sanctioning the Scheme being registered in terms of Section 191(2) of the Companies Act; and
 - 8.5 obtaining all such other necessary regulatory approvals as may be required.
- 9 Settlement of the Scheme Consideration**
- 9.1 The Scheme Consideration will, where the Documents of Title have been validly surrendered prior to the Scheme Consideration Record Date, be credited to the Scheme Participants' designated bank accounts on or about the Operative Date, or credited to the Scheme Participants' designated bank accounts within five business days of receipt of the form of Acceptance and Surrender (yellow) together with the relevant Documents of Title, where such documents are surrendered after the Operative Date.
- 9.2 The Scheme Consideration due to Scheme Participants will be posted to the addresses registered in the Register at the risk of such Scheme Participants, unless written instructions to the contrary are furnished in the form of Acceptance and Surrender (yellow).
- 9.3 Where on, or subsequent to the Operative Date, a person who was not a registered holder of Scheme Shares on the Scheme Consideration Record Date tenders to the Transfer Secretaries, Documents of Title together with the form of Acceptance and Surrender (yellow) purporting to have been executed by or on behalf of the registered holder of such Shares, and provided that the Scheme Consideration shall not already have been posted or delivered to the registered holder or deposited directly into the registered holder's account, such transfer shall be accepted by TA Holdings as if it were a valid transfer to such person of the Scheme Shares concerned. The Scheme Consideration will be posted to such person in accordance with the provisions of this paragraph 9 within five business days of such tender, subject to proof, satisfactory to TA Holdings, as to the payment of any taxes payable and provided that TA Holdings is, if so required, given an indemnity on terms acceptable to it in respect of such Scheme Consideration
- 9.4 If the Scheme Consideration is not sent to the Scheme Participants entitled thereto, or transferred directly into such Scheme Participants' accounts because the relevant Documents of Title, have not been validly surrendered; or the Scheme Consideration is returned undelivered to the Transfer Secretaries, unless otherwise agreed between Masawara, the Company and any of the Scheme Participants, then the relevant Scheme Consideration will be held in trust by TA Holdings (or any third party nominated by it for this purpose) for the benefit of the Scheme Participants concerned until claimed by such relevant Scheme Participant. No interest will accrue or be paid on any amount payable to Scheme Participants arising from the Scheme Consideration so held in trust.
- 9.5 Unless otherwise agreed between Masawara, the Company and any of the Scheme Participants, the Scheme Consideration will be paid in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which TA Holdings may be entitled.
- 9.6 Should the Scheme become operative and the transfer of funds from Masawara to TA Holdings for the purpose of the Scheme occur, and a minority Shareholder submit their documents of title as described in this abridged circular and fail to receive the Scheme Consideration, TA Holdings and its directors will accept liability for the amounts due to Scheme Participants which would have not been honoured.
- 10 Substitute Offer**
- The making of the Substitute Offer is conditional on the Scheme not becoming operative. Other conditions precedent include:-
- 10.1 The implementation of the Substitute Offer and payment of the Substitute Offer Consideration are conditional upon sufficient offerees accepting the Substitute Offer by the Closing Date, such that Masawara's resultant shareholding following the Substitute Offer will exceed 75% in TA Holdings, which condition Masawara may, in its discretion, waive, in which event it will acquire so many Shares as have been tendered in terms of the Substitute Offer.
- 10.2 The unconditional approval of the Transaction by any other regulatory authorities to the extent required. If the Conditions Precedent to the implementation of the Substitute Offer are not fulfilled or waived the Substitute Offer will not be implemented and the Transfer Secretaries will, within five business days of the date upon which it becomes known that the Substitute Offer will not become operative, return any Documents of Title submitted by TA Holdings Shareholders, by registered post, at the risk of such Scheme Participant.

11 Exchange Control Regulations

A Scheme Participant who is not resident in, or who has a registered address outside of Zimbabwe, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

12 Income tax implications for Scheme Participants

The tax treatment of Scheme Participants is dependent on their individual circumstances and on the tax jurisdiction applicable to such Scheme Participants. Scheme Participants are advised to consult their professional advisor or banker regarding their individual tax position in relation to their participation in the Offer. The Offer is made gross of tax, and where applicable Capital Gains Tax will be deducted at source prior to settlement of the Scheme Consideration.

13 Opinions and recommendations

13.1 KPMG has been appointed by the Independent Board to advise as to the fairness and reasonableness of the terms of the Scheme and the Scheme Consideration or, failing implementation thereof, the Substitute Offer. KPMG has considered the terms of both the Scheme and the Scheme Consideration and the Substitute Offer and is of the opinion that both the Scheme and the Substitute Offer are fair and reasonable to Scheme Participants. The letter from KPMG is included in the Circular and will be available for inspection at the registered office of the Company.

13.2 The Independent Board has considered the terms of the Scheme and has considered the opinion of the Independent Financial Expert, and is of the opinion that the terms of the Scheme and the Substitute Offer, if applicable, are fair and reasonable.

13.3 The directors intend to vote in favour of the Scheme in respect of their own shareholdings in TA Holdings and recommend that TA Holdings Shareholders vote in favour of the Transaction.

14 Overview of the Company

TA Holdings was established in 1935 as Tobacco Auctions (Private) Limited. The Company was listed on the ZSE in 1964 and over the years diversified out of tobacco into an investment holding company. Today, TA Holdings invests in companies that are making or have the potential to make a positive difference to the future of Africa. At present the Company holds investments in companies operating in the hospitality, insurance, investment management and agrochemical sectors. The investments and principal activities of TA Holdings are as follows:

Name of Company	Effective Shareholding	Principal Activity
Zimbabwe Investments		
Cresta Hospitality (Private) Limited	100%	Hospitality and leisure
Grand Reinsurance (Private) Limited	100%	Reinsurance
Minerva Risk Advisors (Private) Limited	51%	Insurance brokers
Sable Chemical Industries Limited	51%	Manufacturer of nitrogenous fertiliser
Zimbabwe Fertiliser Company Limited	22%	Manufacturer, distributor of fertiliser and pesticides
Zimnat Asset Management Company (Private) Limited	100%	Asset management
Zimnat Life Assurance Company Limited	100%	Life insurers
Zimnat Lion Insurance Company Limited	100%	Short-term insurers
Freecor Limited	100%	Investment holding company
Sovereign Health (Private) Limited	49%	Medical insurance
Zimnat Financial Services (Private) Limited	100%	Micro-finance
Outside Zimbabwe Investments		
Botswana Insurance Company (Proprietary) Limited	62%	Short-term insurers
Cresta Hospitality Holdings Limited	100%	Hotel management
Cresta Hotels (Proprietary) Limited	100%	Hotel management
Cresta Marakanelo (Proprietary) Limited	35%	Hospitality and leisure
Lion Assurance Company Limited	54%	Short-term insurers
Metonic Investments Limited	100%	Investment holding company
Neural (Proprietary) Limited	100%	Insurance management
TA Investments and Consultants	100%	Investment holding company
Trans Industries (Proprietary) Limited	100%	Investment holding company
Quest Ventures (Proprietary) Limited	100%	Investment holding company

15 Future prospects

TA Holdings requires a significant capital injection in order to increase the Group's insurance assets' underwriting capacity, address technological legacy challenges at Sable Chemicals and to refurbish the hotel assets and position them to effectively compete in a highly competitive and challenging operating environment. It is believed that such recapitalisation will materially dilute non-participating minority Shareholders and will be better achieved following a corporate restructuring of TA Holdings in an unlisted environment.

Although economic conditions will likely remain subdued in the short to medium term, Management is optimistic about the recovery of the Zimbabwean economy and the inherent opportunities for the sector. As such, a recapitalisation of the insurance operations is required to increase underwriting capacity and capture market share by retaining that business currently being retroceded.

Sable Chemicals, has well-planned medium term and long-term strategies to address the national fertiliser objectives through implementing an alternative technology to produce ammonia, the feedstock in the manufacturing of ammonium nitrate. Sable Chemicals is currently engaging with the Government of Zimbabwe and all key stakeholders in this regard. This project will be highly capital intensive and a restructuring will be required to create the necessary platform for the mobilisation of the requisite funding.

In the hospitality businesses, current economic conditions and increased mid-tier room capacity in urban areas (particularly in Zimbabwe) have intensified competition. In order to balance the mix of hotel offerings and improve the level of service the Group is committed to refurbishing the portfolio and increasing room capacity. The critical mass of the Zimbabwe hotel operations is limited relative to peers. Accordingly, an expansion strategy based on a combination of organic growth and acquisitions will be pursued.

16 Special arrangements

Save as detailed in this abridged circular:

16.1 Irrevocable undertakings to vote in favour of the Scheme in respect of their holdings of Shares at the date of the Scheme Meeting, have been received from Shareholders constituting 41.1% of the issued share capital of TA Holdings subject to the Scheme, which in turn represents 24.3% of the issued share capital of TA Holdings. Details of TA Holdings Shareholders that have provided irrevocable undertakings are set out in the following table:

Shareholder	Number of TA Holdings Shares	Percentage of Scheme Shares held or controlled (directly and indirectly)
Capital Ventures Holdings Limited	18,915,553	19.5
Eastern Alliance Development	3,403,018	3.5
Arthur A Steier	2,881,049	3.0
Triedward Investments (Private) Limited	2,160,763	2.2
Remo Nominees	2,052,759	2.1
Tanvest (Private) Limited	1,624,028	1.7
J Soft (Private) Limited	1,380,475	1.4
Elm Capital Investments	1,250,000	1.3
RVC Fuels (Private) Limited	1,064,639	1.1
Billy George	702,640	0.7
Tanrange No 1	432,780	0.5
Other	4,127,867	4.2
TOTAL	39,995,571	41.1

16.2 no arrangements, undertakings or agreements have been made between Masawara and TA Holdings, or persons acting in concert with TA Holdings and Masawara, in relation to the Scheme Shares;

16.3 no arrangements have been made between TA Holdings and the directors of Masawara in connection with the Scheme; and

16.4 no arrangements have been made between TA Holdings and the directors of TA Holdings in connection with the Scheme.

17 Share capital of TA Holdings

The authorised share capital of TA Holdings on the Last Practicable Date is set out below:

	US\$
Authorised	
Ordinary shares	2,230,719
Non-redeemable, non-cumulative participating convertible preference shares	270,058
Cumulative convertible redeemable preference shares	1,947
Total	2,502,724
Issued	
Ordinary shares	1,648,459
Non-redeemable, non-cumulative participating convertible preference shares	270,058
Total	1,918,517

All of the issued ordinary shares of the Company are listed on the ZSE.

The non-redeemable, non-cumulative, participating, convertible preference shares are in respect of the AIG Preference Shares, which are not listed on the ZSE. In terms of the conversion terms applicable, the AIG Preference Shares may be converted into Ordinary Shares at any time on written notice to TA Holdings on the basis of a prescribed formula and the terms are available for inspection as stated in paragraph 28 of this abridged circular.

18 Directors' interests

18.1 On the Last Practicable Date, TA Holdings had no direct shareholding in Masawara.

18.2 On the Last Practicable Date, the directors of TA Holdings held the following interests in TA Holdings shares:

Name	Beneficial		Percentage of issued share capital
	Direct	Indirect	
Executive			
G Sainsbury	-	-	0.00
BP Nyajeka	31,046	-	0.02
Total 31,046		0.02	
Non-executive			
SS Mutasa	-	35,890,444	21.70
F Daniels	46,800	2,029,391	1.26
RN Gordon	-	-	0.00
Z. Randeree	-	-	0.00
J Vezey	-	45,535	0.03
Total	46,800	37,965,370	22.99
Total	77,846	37,965,370	23.01

18.3 On the Last Practicable Date, the executive directors of TA Holdings had no interest in TA Holdings Shares in the form of options.

18.4 On the Last Practicable Date, the directors of TA Holdings held the following interests in Masawara Shares:

Director	Masawara plc shares held
G Sainsbury	-
BP Nyajeka	-
SS Mutasa	61,682,130
F Daniels	3,666,667
RN Gordon	-
Z Randeree	-
J Vezey	82,836
Total	65,431,633

18.5 TA Holdings has entered into service agreements with its executive directors. The detail of these service agreements does not contain any particulars which are material to the Scheme. No contracts with the directors have been entered into or amended in the twelve months prior to the Last Practicable Date.

18.6 Save in respect of transaction previously disclosed, no director has had any interest, directly or indirectly, in any transaction which was affected by TA Holdings during the current financial year in respect of any previous financial year and which remains in any respect outstanding or unperformed.

19 The termination of the listing of TA Holdings Shares on the ZSE

Subject to the fulfilment of the Conditions Precedent set out in paragraph 8 above and the Scheme becoming operative, the termination of listing of TA Holdings Shares will be required in accordance with paragraph 1.10E of the ZSE Listing Requirements.

20 Undertakings

The directors of both Masawara and TA Holdings each agree that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme in so far as they relate to them and they will sign and procure the signing of all documents and carry out and procure the carrying out of all acts, which are necessary to give effect to the Scheme.

21 Major Shareholders

As at the Last Practicable Date, the top ten Shareholders of TA Holdings were as follows:

Shareholder	Number of shares	Percentage of issued share capital
FMI Investments (Private) Limited	52,453,773	31.8
Old Mutual Life Assurance	23,689,274	14.4
Masawara (Mauritius) Limited	15,195,487	9.2
Capital Ventures Holdings Limited	12,915,553	7.8
Old Mutual Zimbabwe Limited	6,380,809	3.9
Capital Ventures Holdings Limited	6,000,000	3.6
Sean Michael Fielier	3,494,045	2.1
Local Authorities Pension Fund	3,345,263	2.0
Eastern Alliance Development	3,175,000	1.9
Arthur A Steier	2,881,049	1.7
Total	129,530,253	78.4

22 Cost of the Scheme

All costs relating to the Independent Financial Expert, Imara Corporate Finance and PricewaterhouseCoopers will be borne by TA Holdings, which are not expected to exceed US\$120 000. All other costs relating to the Scheme will be borne by Masawara.

23 Material changes

Botswana Insurance Company (Propriety) Limited, a subsidiary of TA Holdings, has made an additional investment of US\$1.8million in its new associate, Continental Reinsurance Botswana (Proprietary) Limited, a greenfield reinsurance business that is due to commence operations in September 2014. Continental Reinsurance Botswana (Proprietary) Limited is majority owned by Continental Reinsurance plc, who will assume management responsibility.

Sable Chemical Industries Limited is currently negotiating a US\$11 million capital expenditure debt facility that will require TA Holdings to provide a pro-rata shareholders' guarantee.

There have been no other material changes in the financial or trading position of TA Holdings since the publication of the financial results for the year ended 31 December 2013.

24 Litigation statement

There are no legal or arbitration proceedings that may have, or have had, during the 12-month period preceding the date of this abridged circular, material effect on the financial position of TA Holdings. TA Holdings is not aware of any such proceedings that are pending or threatened.

25 Material contracts

TA Holdings has not entered into any significant material contracts, either verbally or in writing, during the two years immediately preceding the Last Practicable Date, or at any other time that contains an outstanding material obligation or settlement, other than in the ordinary course of business.

26 Directors' responsibility statement

26.1 TA Holdings directors' responsibility statement

The independent directors of TA Holdings, insofar as the information relates to TA Holdings

- 26.1.1 have considered all statements of fact and opinion in this abridged circular;
- 26.1.2 accept, individually and collectively, full responsibility for such statements; and
- 26.1.3 certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statements of fact or opinion contained in this abridged circular false or misleading and have made all reasonable enquiries in this regard and that this abridged circular contains all information required by law, the ZSE and the ZSE Listing Requirements.

26.2 Masawara directors' responsibility statement

The directors of Masawara, insofar as the information relates to Masawara:-

- 26.2.1 confirm that Masawara meets the requirements of the Indigenisation and Economic Empowerment Act [Chapter 14:33]
- 26.2.2 have considered all statements of fact and opinion in this abridged circular;
- 26.2.3 accept, individually and collectively, full responsibility for such statements; and
- 26.2.4 certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statements of fact or opinion contained in this abridged circular false or misleading and have made all reasonable enquiries in this regard and that this abridged circular contains all information required by law, the ZSE and the ZSE Listing Requirements.

27 Expert consents

RMB, Finesse Advisory Services, Norton Rose Fulbright, Imara Corporate Finance, Imara Edwards Securities, KPMG, PricewaterhouseCoopers, Atherstone & Cook and Corpserve have consented in writing to the inclusion of their names and reports in this abridged circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this document.

28 Documents available for inspection

The following documents, or copies of such documents, will be available for inspection at the registered office of TA Holdings situated at the 17th Floor, Joia City, Corner Julius Nyerere/Jason Moyo Avenue, Harare, the office of Imara Edwards Securities, the Transfer Secretaries and Finesse Advisory Services during normal office hours from Thursday, 28 August 2014 up to and including the date on which the Scheme is sanctioned:

- 28.1 this abridged circular, incorporating, *inter alia*, the Scheme and the Explanatory Statement;
- 28.2 the Order of Court convening the Scheme Meeting;
- 28.3 Notice convening the Scheme Meeting;
- 28.4 the audited financial statements of TA Holdings for the financial years ended 31 December 2013, 31 December 2012, 31 December 2011, 31 December 2010 and 31 December 2009;
- 28.5 the unaudited interim financial statements of TA Holdings for the six months ended 30 June 2014 will be available on or before 29 August 2014;
- 28.6 the irrevocable undertakings to vote in favour of the Scheme referred to in paragraph 16 above;
- 28.7 the Memorandum and Articles of Association of TA Holdings;
- 28.8 the terms of the AIG Preference Shares;
- 28.9 the letter from KPMG, to the Independent Board, regarding the Transaction; and
- 28.10 written consents from RMB, Finesse Advisory Services, Norton Rose Fulbright, Imara Corporate Finance, Imara Edwards Securities, KPMG, PricewaterhouseCoopers, Atherstone & Cook and Corpserve for the inclusion of their names and reports in this Abridged Circular in the form and context in which they appear.

Signed on original for and on behalf of

Signed on original for and on behalf of

TA Holdings Limited

Masawara Holdings Mauritius Limited

R N Gordon
Independent director
Harare

J C Permal
Non-executive director
Mauritius

26 August 2014

26 August 2014

FINANCIAL INFORMATION OF TA HOLDINGS

The TA Holdings 2014 interim financial results are expected to be published on or before Friday, 29 August 2014 and will be made available for inspection before and on the Scheme date.

STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 31 December 2013 USD'000	Audited Year ended 31 December 2012 USD'000
Net earned premium	43,455	45,068
Investment income	8,546	3,642
Hotel revenues	15,304	14,785
Fees, commission and other income	9,524	9,009
Total revenues	76,829	72,504
Net claims	(24,054)	(22,486)
Hotel cost of sales	(4,443)	(4,554)
Expenses for acquisition of insurance contracts	(9,647)	(10,476)
Operating and administrative expenses	(28,166)	(27,262)
Total expenses	(66,310)	(64,778)
Profit before interest and income tax	10,519	7,726
Finance cost	(797)	(641)
Share of associate company (losses)/profits	1,086	(1,520)
Impairment of associate	(13,709)	-
Profit/(loss) before tax	(2,901)	5,565
Income tax expense	(2,786)	(2,287)
Profit/(loss) for the year	(5,687)	3,278
Profit/(loss) attributable to:		
Equity holders of the parent	(7,762)	1,320
Non-controlling interests	2,075	1,958
	(5,687)	3,278
Earnings/(loss) per share attributable to ordinary equity holders of the parent		
Basic (cents)	(4.71)	0.80
Diluted (cents)	(4.05)	0.69

STATEMENT OF FINANCIAL POSITION

	Audited As at 31 December 2013 USD'000	Audited As at 31 December 2012 USD'000
ASSETS		
Property, plant and equipment	28,543	26,279
Intangible assets	1,750	1,917
Investment properties	16,218	14,302
Investment in associates	13,490	27,581
Financial instruments	36,375	30,612
Deferred tax asset	-	3
Inventory	186	264
Reinsurance receivables	19,320	18,012
Deferred acquisition expenses	2,376	3,262
Insurance receivables	10,658	11,263
Accounts receivables	10,461	6,256
Taxation receivable	36	618
Bank and cash	16,800	13,528
Life assurance policyholders' current assets	-	-
Total assets	156,213	153,897
CAPITAL AND RESERVES		
Issued share capital	1,919	1,919
Non-distributable reserve	49,728	50,128
Retained earnings/(accumulated losses)	(3,879)	4,959
Equity attributable to equity holders of the parent	47,768	57,006
Non-controlling interests	13,134	12,298
Total Equity	60,902	69,304
LIABILITIES		
Borrowings	8,031	6,380
Deferred income tax liabilities	4,282	4,008
Investment contracts with Discretionary	-	-
Participation Features	16,850	13,550
Investment contracts	10,651	7,750
Insurance contract liabilities	41,832	41,879
Deferred revenue	1,233	1,603
Insurance payables	3,959	1,575
Provisions	1,303	1,293
Trade and other payables	7,170	6,555
Total Liabilities	95,311	84,593
Total equity and liabilities	156,213	153,897

CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Year ended 31 December 2013 USD'000	Audited Year ended 31 December 2012 USD'000
Cash generated from operating activities	7,094	7,020
Tax paid	(823)	(1,230)
Net cash generated from operating activities	6,271	5,790
Investing activities		
Increase in investment in associate companies	-	-
Capitalised cost for intangible asset	-	-
Rental income on investment properties	1,048	546
Dividend received	807	962
Interest income from investments	1,645	1,168
Purchase of property, plant and equipment	(3,578)	(4,550)
Proceeds from sale of property, plant and equipment	191	704
Purchase of intangible assets	(251)	(58)
Purchase of financial instruments	(28,033)	(28,707)
Proceeds from the disposal of financial instruments	26,066	22,216
Purchase of investment properties	(451)	(105)
Proceeds from sale of investment properties	295	30
Proceeds from disposal of investments	-	-
Net cash (used in) / generated by investing activities	(2,261)	(7,794)
Financing activities		
Purchase of treasury shares	-	-
Repayments of borrowings	(1,363)	-
Proceeds from borrowings	3,014	3,481
Finance costs paid	(797)	(641)
Dividends paid to non-controlling interests	(547)	(727)
Net cash generated by financing activities	307	2,113
Net(decrease) /increase in cash and cash equivalents	4,317	109
Cash, cash equivalents and at the beginning of the year	13,528	14,328
Net effect of exchange rate movement on cash and cash equivalents	(1,045)	(909)
Cash and cash equivalents at the end of the year	16,800	13,528

QUERIES

If you have any questions on any aspect of this abridged circular, please contact your Broker, accountant, banker, lawyer, or other professional advisor. Alternatively please contact Imara Corporate Finance on +263 4 790211 or Finesse Advisory Services (Private) Limited on +263 864 407 0184.

NOTICE OF SCHEME MEETING

IN THE HIGH COURT OF ZIMBABWE

Before the Honourable Justice Hungwe
On Thursday, 20 August 2014, Harare

Case Number: HC6772/14

In the ex parte application of:

Applicant

in the ex parte application of:

TA Holdings Limited

(Incorporated in the Republic of Zimbabwe)

(Registration number 46/35)

Ap

NOTICE OF A SCHEME MEETING

August 2014, the High Court of Zimbabwe in terms of Section 191(1) of the Companies Act [Chapter 24:03], of the ordinary shareholders, other than excluded parties of the Applicant, being Masawara Mauritius Limited and FMI Investments (Private) Limited in respect of the shares held by them ("the excluded members") Registered as such at 17:00 hours Friday 12 September 2014 ("the Scheme Members"), be held under the chairmanship of Mr. Justice Moses Chinhengo, or failing him any other suitably qualified person, at Sango Conference Centre, Cresta Lodge, Corner Samora Machel Avenue East/Robert Mugabe Road, Harare at 09:00 hours on Tuesday, 16 September 2014 (or any adjourned date as determined by the chairperson ("adjourned meeting") for the purpose of considering and, if deemed fit, of approving, with or without modification, a Scheme of arrangement ("the Scheme") proposed by Masawara Holdings Mauritius Limited ("Masawara"), a wholly owned subsidiary of Masawara Mauritius Limited, which in turn is wholly owned by Masawara Plc, between the Applicant and its ordinary shareholders excluding the excluded members ("Scheme Participants"), provided that the Scheme Meeting shall not be entitled to agree to any modification of the Scheme which has the effect of diminishing the rights that are to accrue in terms thereof to Scheme Participants.

Precedent stated therein provided that if at the date of the Scheme Meeting, any relevant regulatory approvals have not been obtained, then either the Scheme shall be conditionally sanctioned by the Honourable Court pending such regulatory approval or the return

NOTICE IS HEREBY GIVEN THAT, in terms of an order of court dated 20 August 2014, the High Court of Zimbabwe ("the Court") has ordered that a meeting ("the Scheme Meeting") of the ordinary shareholders, other than excluded parties of the Applicant, being Masawara Mauritius Limited and FMI Investments (Private) Limited in respect of the shares held by them ("the excluded members") Registered as such at 17:00 hours Friday 12 September 2014 ("the Scheme Members"), be held under the chairmanship of Mr. Justice Moses Chinhengo, or failing him any other suitably qualified person, at Sango Conference Centre, Cresta Lodge, Corner Samora Machel Avenue East/Robert Mugabe Road, Harare at 09:00 hours on Tuesday, 16 September 2014 (or any adjourned date as determined by the chairperson ("adjourned meeting") for the purpose of considering and, if deemed fit, of approving, with or without modification, a Scheme of arrangement ("the Scheme") proposed by Masawara Holdings Mauritius Limited ("Masawara"), a wholly owned subsidiary of Masawara Mauritius Limited, which in turn is wholly owned by Masawara Plc, between the Applicant and its ordinary shareholders excluding the excluded members ("Scheme Participants"), provided that the Scheme Meeting shall not be entitled to agree to any modification of the Scheme which has the effect of diminishing the rights that are to accrue in terms thereof to Scheme Participants.

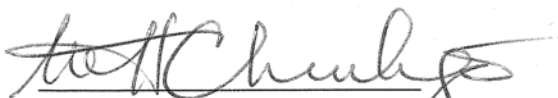
The implementation of the Scheme is subject to fulfillment of the Conditions of the Scheme, including, but not limited to, the sanction of the above Honourable Court provided at the Scheme Meeting, any relevant regulatory approvals have not been obtained, then either the Scheme shall be conditionally sanctioned by the Honourable Court pending such regulatory approval or the return

thereof and may be inspected or obtained, free of charge, during normal business hours, at any time prior to the Scheme Meeting, at the Registered office of the Applicant, being 17th Floor, Joina City, Corner Julius Nyerere / Jason Moyo Avenue, Harare and the office of the Transfer Secretaries Corpserve (Private) Ltd, 2nd Floor, ZB Centre, Corner First Street / Kwame Nkrumah Avenue, Harare, PO Box 2208, Harare, Zimbabwe.

Scheme Members who hold ordinary shares in the Applicant through a nominee should timeously inform their nominees, brokers, as the case may be, to issue them with the necessary authorisation to attend the Scheme Meeting or should they not wish to attend the Scheme Meeting in person, to timeously provide their nominees, brokers, as the case may be, with their voting instructions in order for their votes to be represented at the Scheme Meeting.

Where there are joint holders of the Applicant's ordinary shares, any one of such persons may vote at the Scheme Meeting in respect of such ordinary shares as if such joint holder was solely entitled thereto, but if more than one such joint holders be present or represented at the Scheme Meeting, that one of the said persons whose name appears first in the Applicant's share Register or their proxy, as the case may be, will alone be entitled to vote in respect thereof.

In terms of the aforementioned Order of Court, the chairperson must report the results of the Scheme Meeting to the above Honourable Court on within 21 days of the Scheme Meeting having been held on a date fixed by him and Messrs. Atherstone & Cook, such date being expected to be 24 September 2014 at 10:00 hours. A copy of the chairperson's report to the Court will be available on request to any Scheme member, free of charge, at the Registered Office of the Applicant during normal business hours at least five calendar days prior to the date fixed by the Court for the chairperson to report back to it.


Chairperson of the Scheme Meeting

Attorneys to the Scheme
Attorneys to the Applicant
Atherstone & Cook
7th Floor, Mercury House
24 George Silundika Avenue
Harare
PO Box 2625
Harare



TA Holdings Limited
Incorporated in the Republic of Zimbabwe
Registration number: 46/35
("TA Holdings" or "the Company")

FORM OF PROXY

For use by Shareholders of the Company, registered as such at the close of business on Friday, 12 September 2014 ("the Scheme Members") at a meeting convened in terms of an Order of the High Court of the Republic of Zimbabwe, to be held at Sango Conference Centre, Cresta Lodge, Corner Samora Machel Avenue East/Robert Mugabe Road, Harare at 09:00 hours on Tuesday, 16 September 2014 ("the Scheme Meeting").

I/We [Full names in block letters please]

of (address) [Block letters please]

Telephone number: (work)(area code)

Telephone number: (home)(area code)

Cellphone number:

E-mail address:

being the holder/s of TA Holdings ordinary shares, hereby appoint

1. _____ or failing him/her/it,

2. _____ or failing him/her/it,

3. the Chairman of the Scheme Meeting as my/our proxy to attend and speak on my/our behalf at the Scheme Meeting and vote if deemed fit, approving

With modification †

Without modification

(delete whichever is not applicable)

a Scheme of Arrangement ("the Scheme") to be proposed by Masawara Holdings Mauritius Limited between the Company and its Shareholders, and at any adjournment of the Scheme Meeting to vote for or against the Scheme or abstain from voting in respect of the Shares registered with the following instruction (see note 2)

For the Scheme	Number of votes*
Against the Scheme	Number of votes*
Abstain from voting	Number of votes*

* One vote per Share held by Scheme Members

Signed at _____ on _____ 2014

Signature _____

Assisted by me (where applicable)

† If a Scheme Member agrees that the Scheme may be modified, the Scheme Member may, if s/he so desires, indicate the manner and extent of any such modification to which the proxy may agree on a separate form which must be lodged at or posted to the address stipulated in note 4, together with this Form of Proxy (pink). In addition, please refer to the conditions stipulated in note 4.

Notes:

- 1 Each Scheme Member is entitled to appoint one or more proxies (none of whom need be a Member of the Company) to attend, speak and vote in place of that Scheme Member at the Scheme Meeting.
- 2 A Scheme Member may insert the name of a proxy or the names of two alternative proxies of the Scheme Member's choice in the space/s provided, with or without deleting "the Chairman of the Scheme Meeting" but the Scheme Member must initial any such deletion. The person whose name stands first on the Form of Proxy (pink) and who is present at the Scheme Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- 3 A Scheme Member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Scheme Member in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the Chairman of the Scheme Meeting, if the Chairman is the authorised proxy, to vote in favour of the Scheme, or any proxy to vote or abstain from voting at the Scheme Meeting as s/he deems fit, in respect of all the Scheme Member's votes exercisable at the meeting.
- 4 If a Scheme Member agrees that the Scheme may be modified, the Scheme Member may indicate the manner and the extent of such modification to which the proxy may agree on a separate sheet of paper which must be lodged with or posted to Corpserve (Private) Limited, 2nd Floor, ZB Centre, Corner First Street / Kwame Nkrumah Avenue, Harare, PO Box 2208, Harare to be received by no later than 17:00 hours on Friday, 12 September 2014. At the discretion of the Chairman of the Scheme Meeting, Forms of Proxy may also be accepted by the Chairman no later than 30 minutes before the Scheme Meeting is due to commence.

It should be noted that, notwithstanding that a Scheme Member indicates that the Scheme may not be modified, the Chairman (if the Chairman is the authorised proxy) or any other proxy shall nevertheless be entitled to agree to a modification of the Scheme in terms of which the Scheme Consideration is increased.

If a Scheme Member fails to indicate whether the Scheme may be approved with or without modification, or fails to indicate the manner and the extent of any modification to which the proxy may agree, such failure shall be deemed to authorise the Chairman of the Scheme Meeting or any other proxy, if the Chairman deems fit, to agree to the Scheme with or without modification as he/she deems fit, in respect of all the Scheme Member's votes exercisable at the meeting.

- 5 Forms of Proxy (pink) must be lodged with or posted to Corpserve (Private) Ltd, 2nd Floor, ZB Centre, Corner First Street / Kwame Nkrumah Avenue, Harare, PO Box 2208, Harare to be received by no later than 17:00 hours on Friday, 12 September 2014. Alternatively, Forms of Proxy (pink) may be handed to the Chairman of the Scheme Meeting by no later than 30 minutes before the Scheme Meeting is due to commence.
- 6 The completion and lodging of this Form of Proxy (pink) will not preclude the relevant Scheme Member from attending the Scheme Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such Scheme Member wish to do so.
- 7 The Chairman of the Scheme Meeting may reject or accept any Form of Proxy (pink) which is completed and/or received other than in accordance with these notes, provided that the Chairman is satisfied as to the manner in which the Scheme Member concerned wishes to vote.
- 8 Any alteration or correction made to this Form of Proxy (pink) must be initialed by the signatory/ies.
- 9 Documentary evidence establishing the authority of a person signing this Form of Proxy (pink) in a representative capacity (e.g. for a company, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy (pink) unless previously recorded by the Company or its Transfer Secretaries or waived by the Chairman of the Scheme Meeting.
- 10 Where this Form of Proxy (pink) is signed under power of attorney, such power of attorney must accompany this Form of Proxy (pink) , unless it has previously been registered with TA Holdings or the Transfer Secretaries.
- 11 Where Shares are held jointly, all joint holders are required to sign.
- 12 A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries of TA Holdings.



TA Holdings Limited
Incorporated in the Republic of Zimbabwe
Registration number: 46/35
("TA Holdings")

FORM OF ACCEPTANCE AND SURRENDER

This form should be read in conjunction with the document sent to Shareholders dated 28 August 2014.

INSTRUCTIONS:

A separate form of Substitute Offer acceptance and surrender is required for each Scheme Member and Shareholder.

1. **Part A** must be completed by all Shareholders who return this form.
2. **Part B** must be completed by Shareholders who are emigrants or non-residents of the Republic of Zimbabwe.
3. Forms together with the relevant Documents of Title must be lodged at or posted to Corpserve Transfer Secretaries (Private) Limited, 2nd Floor ZB Centre, Corner First Street/Kwame Nkrumah Avenue, PO Box 2208, Harare. To be valid, duly completed forms must be accompanied by the relevant Documents of Title.
4. A separate surrender form is required for each TA Holdings Shareholder with joint Shareholders being regarded as a single holder.
5. Subject to the Scheme becoming operative, where this form together with Documents of Title are received by the Transfer Secretary prior to the Scheme Consideration Record Date, payment to the Scheme Participants designated bank account on or about the Operative Date and within five business days of that date.

If the Conditions Precedent to the Scheme are not fulfilled and the Substitute Offer becomes operative, Scheme Participants having already surrendered their Documents of Title will be deemed to have accepted the Substitute Offer. If the Conditions Precedent to the Substitute Offer are not fulfilled, the Transfer Secretaries will, within five business days of the date upon which it becomes known that the Substitute Offer will not become operative, return the Documents of Title to the Scheme Participant concerned, by registered post, at the risk of such Scheme Participant.

BY TENDERING THEIR SHARES FOR THE SCHEME, SHAREHOLDERS WILL BE DEEMED TO HAVE ALSO TENDERED THEIR SHARES IN TERMS OF THE SUBSTITUTE OFFER IN THE CASE OF THE SCHEME NOT BECOMING OPERATIVE.

PART A - To be completed by ALL TA Holdings Shareholders who return this form

I/We being the registered holders of the number of TA Holdings Shares specified below which are free of encumbrances hereby surrender and enclose the undermentioned share certificates and other Documents of Title.

Surname or Name of corporate body

First names (in full)

Account number

Branch

Swift Code

Bank Address

Share certificates and/or other Documents of Title surrendered

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of shares covered by each certificate
Total		

Signature of TA Holdings ordinary shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date 2014	
Telephone number (Home)	
Telephone number (Work)	
Cellphone number	

**PART B - To be completed by ALL TA Holdings Shareholders who are non-residents of Zimbabwe
(see note 1 below)**

Name of authorised dealer

Account number

Branch

Swift Code

Bank Address

If no nomination is made above, the Scheme Consideration will be held in trust by the Transfer Secretaries.

Notes:

- 1 Emigrants and non-residents of Zimbabwe must complete Section 1 of Part B (if they wish the Scheme Consideration to be sent to an authorised dealer in Zimbabwe).
- 2 If Part B is not properly complete, the Scheme Consideration will be held in trust by the Transfer Secretaries pending receipts of the necessary nomination or instruction.
- 3 If this Form of Acceptance And Surrender (yellow) is returned with the relevant Documents of Title, it will be treated as a conditional surrender which is made subject to the Scheme of Arrangement between TA Holdings and the Scheme Members becoming effective. Documents of Title surrendered by TA Holdings Shareholders in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries.

If the Conditions Precedent to the Scheme are not fulfilled and the Substitute Offer becomes operative, TA Holdings Shareholders having already surrendered their Documents of Title will be deemed to have accepted the Substitute Offer. If the Conditions Precedent to the Substitute Offer are not fulfilled, the Transfer Secretaries will, within five business days of the date upon which it becomes known that the Substitute Offer will not become operative, return the Documents of Title to the TA Holdings Shareholder concerned, by registered post, at the risk of such TA Holdings Shareholder.

- 4 The Scheme Consideration will not be sent to Scheme Members unless and until the Documents of Title in respect of the relevant Scheme Shares have been surrendered to the Transfer Secretaries.
- 5 If a Shareholder produces evidence to the satisfaction of TA Holdings that Documents of Title in respect of TA Holdings Shares have been lost or destroyed, TA Holdings may waive the surrender of such Documents of Title against delivery of an indemnity in a form and on terms and conditions approved by it, or may in its discretion waive such indemnity.
- 6 All valid acceptances of the Substitute Offer received the Transfer Secretaries shall be irrevocable and may not be withdrawn once made.
- 7 Masawara Holdings Mauritius Limited (“Masawara”) is bound in terms of the Offer to accept only those Shares surrendered in terms of the Offer. However, Masawara reserves the right, without prejudice to its other rights, to condone the non-observance by any Offeree of any of the terms of the Offer.
- 8 Persons who have acquired shares in TA Holdings after 28 August 2014, the date of posting of this Circular to which this Form of Acceptance and Surrender (yellow) is attached, can obtain copies of the Form of Acceptance and Surrender (yellow) and the document from the Transfer Secretaries.
- 9 No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the ZSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
- 10 Any alteration to this Form of Acceptance and Surrender (yellow) must be signed in full and not initialled.
- 11 If this Form of Acceptance and Surrender (yellow) is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by TA holdings or its Transfer Secretaries).
- 12 Where the Shareholder is a company, unless it has already registered with TA Holdings or its Transfer Secretaries, a certified copy of the directors’ resolution authorising the signing of this Form of Acceptance and Surrender (yellow) must be submitted if so requested by TA Holdings.
- 13 Note 11 above does not apply in the event of this form bears the stamp of a broking member of the ZSE.
- 14 Where there are joint holders of any Shares, any holder whose name is in the Register of such Shares can sign this Form of Acceptance and Surrender (yellow).