

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations provisions set out on pages 9 to 13 shall apply to this Circular in its entirety, including this cover page.

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

Action required:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by TA Holdings Shareholders", which commences on page 5.
2. If you have disposed of all your TA Holdings Shares, please forward this Circular to the purchaser of such TA Holdings Shares or to the Broker, banker or other agent through whom the disposal was effected.
3. TA Holdings Shareholders are entitled to attend the Scheme Meeting for shareholders to vote on the Scheme which will be held at Sango Conference Centre, Cresta Lodge, Corner Samora Machel Avenue East/Robert Mugabe Road, Harare on Tuesday, 16 September 2014 at 09:00 hours. If you are unable to attend the Scheme Meeting or at any adjournment thereof, and wish to be represented there at, please complete and return the attached Form of Proxy (pink) in accordance with the instructions therein to the TA Holdings Transfer Secretary, Corpserve (Private) Limited, 2nd Floor ZB Centre, Corner Kwame Nkrumah Avenue/First Street, Harare.
4. If a Form of Proxy (pink) for the Scheme Meeting and the Scheme is not received by the Transfer Secretary by the appropriate time set out above, in exceptional circumstances and at the Chairman's discretion, it may be handed to the Chairman of the Meeting not less than 30 minutes before the commencement of the Meeting.
5. All TA Holdings Shareholders are entitled to attend or to be represented by Counsel at the Court hearing for the sanctioning of the Scheme on Wednesday, 24 September 2014 or as soon thereafter as Counsel may be heard in the High Court of Zimbabwe, Mapondera Building, Samora Machel Avenue, Harare.

TA Holdings and Masawara do not accept responsibility, and will not be held liable, for any action of, or omission by, any Broker including, without limitation, any failure on the part of the Broker of any beneficial owner of TA Holdings Shares to notify such beneficial owner of the Transaction set out in this Circular.



(A public company incorporated and registered in Zimbabwe under company registration number 46/35)

SCHEME DOCUMENT TO TA HOLDINGS SHAREHOLDERS

relating to:

a proposed Scheme of Arrangement in terms of Section 191 of the Companies Act [Chapter 24:03] as amended, in terms of which, if implemented, Masawara Holdings Mauritius Limited ("Masawara") will acquire all of the Scheme Shares from the Scheme Participants for a total cash consideration of US\$0.206 per TA Holdings Share;

and

an offer in terms of Section 194 of the Companies Act [Chapter 24:03] to take effect only if the Scheme does not become operative;

and incorporating

- a report prepared by the Independent Financial Expert;
- the terms of the conditional Substitute Offer;
- the Order of Court convening the Scheme Meeting;
- the notice convening the Scheme Meeting for TA Holdings Shareholders;
- a Form of Proxy in respect of the Scheme Meeting (pink); and
- a form of Acceptance and Surrender (yellow).

Financial Advisor to TA Holdings



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



Legal Advisor to Masawara



Date: 28 August 2014

IMPORTANT LEGAL NOTES

The definitions and interpretation provisions commencing on page 9 of this Circular apply to this section on Important Legal Notes.

FORWARD LOOKING STATEMENTS

This Circular contains statements about TA Holdings and Masawara that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the insurance, hospitality and agro-chemicals sectors; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

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

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. TA Holdings and Masawara caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which TA Holdings and Masawara operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

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

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

Responsibility

This Circular is published by, and is the joint responsibility of, Masawara and the Independent Board of TA Holdings (to the extent appropriate). The statements made by the Independent Board, in particular those in paragraph 28, constitute the offeree response Circular. Accordingly, the Independent Board will not be posting a separate offeree response Circular.

TA HOLDINGS CORPORATE INFORMATION AND ADVISORS

Registered office

17th Floor, Joina City
Corner Julius Nyerere / Jason Moyo Avenue
PO Box 3546
Harare
Zimbabwe

Transfer Secretary

Corpserve (Private) Limited
2nd Floor, ZB Centre
Corner First Street / Kwame Nkrumah Avenue
PO Box 2208
Harare
Zimbabwe

Company Secretary

TA Management Services (Private) Limited
17th Floor, Joina City
Corner Julius Nyerere / Jason Moyo Avenue
PO Box 3546
Harare
Zimbabwe

Legal Advisor

Atherstone & Cook
7th Floor, Mercury House
24 George Silundika Avenue
PO Box 2625
Harare
Zimbabwe

Reporting Accountants and Auditors

PricewaterhouseCoopers Chartered Accountants
(Zimbabwe)
Building No 4 Arundel Office Park
Norfolk Road, Mt Pleasant
PO Box 453
Harare
Zimbabwe

Independent Financial Advisor

KPMG Advisory (Private) Limited
Mutual Gardens
100 The Chase (West)
Emerald Hill
PO Box 6
Harare
Zimbabwe

Sponsoring Broker

Imara Edwards Securities (Private) Limited
Tendeseka Office Park
1st Floor Block 2
Samora Machel Avenue
Eastlea
PO Box 1475
Harare
Zimbabwe

Financial Advisors

Imara Corporate Finance Zimbabwe (Private) Limited
Tendeseka Office Park
1st Floor Block 2
Samora Machel Avenue
Eastlea
PO Box 1475
Harare
Zimbabwe

MASAWARA CORPORATE INFORMATION AND ADVISORS

Registered office

c/o Axis Fiduciary Limited
2nd Floor, The Axis
26 Cybercity
Ebene
72201
Mauritius

Legal Advisor

Norton Rose Fulbright South Africa
(Incorporated as Deneys Reitz Inc)
15 Alice Lane
Sandton, 2196
Johannesburg
South Africa

Lead Financial Advisor

Rand Merchant Bank
A division of FirstRand Bank Limited
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
PO Box 786273
Sandton, 2146
Johannesburg
South Africa

Local Financial Advisor

Finesse Advisory Services (Private) Limited
4th Floor, North West Wing, Beverley Court
100 Nelson Mandela Avenue
PO Box CH808
Chisipite
Harare
Zimbabwe

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ACTION REQUIRED BY TA HOLDINGS SHAREHOLDERS

The definitions and interpretations provisions commencing on page 9 of this Circular apply to this section on the action required by TA Holdings Shareholders.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, banker, accountant, attorney or any other professional advisor. If you have disposed of all of your TA Holdings Shares, this Circular should be handed to the purchaser of such TA Holdings Shares or to the Broker or other agent who disposed of your TA Holdings Shares for you.

Please take careful note of the following provisions regarding the action to be taken by TA Holdings Shareholders:

As regards the Scheme

1.1 Voting, attendance and representation at the Scheme Meeting

1.1.1 You may attend the Scheme Meeting in person and may vote at the Scheme Meeting.

1.1.2 Alternatively, you may appoint a proxy to represent you at the Scheme Meeting by completing the attached Form of Proxy (pink) in accordance with the instructions it contains and return it to the Transfer Secretaries 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 (pink) may also be handed to the Chairman no later than 30 minutes before the Scheme Meeting is due to commence.

1.2 Attendance at Court hearing

You are entitled to appear or be represented by counsel at the Court hearing for the sanctioning of the Scheme, which will take place at 10:00 hours, or as soon thereafter as Counsel may be heard on Wednesday, 24 September 2014 in Court. Should you elect to do so, with the objective of opposing the Scheme, then you will be obliged as pre-requisite thereto, to depose to an affidavit, which must be filed with the Court, setting forth the grounds for any objection you may have to the Scheme.

1.3 Surrender of Documents of Title

You are required to surrender your Documents of Title in respect of all your Scheme Shares in order to claim the Scheme Consideration by completing the attached form of Acceptance and Surrender (yellow), and returning it, together with the relevant Documents of Title, to the Transfer Secretaries.

1.4 Consideration

1.4.1 If the Scheme becomes operative and you have surrendered your Documents of Title on or before the Operative Date, the Scheme Consideration will be posted to you on the Operative Date.

1.4.2 If you have not surrendered your Documents of Title on or before the Operative Date, then the Scheme Consideration will only be posted to you within five business days after the receipt of your Documents of Title together with a duly completed form of Acceptance and Surrender (yellow).

In the event that the Substitute Offer is made

1.5 Acceptance of the Substitute Offer

- 1.5.1 By accepting the Scheme and returning to the Transfer Secretaries the Form of Proxy (pink) and form of Acceptance and Surrender (yellow), you will be deemed to have accepted the Substitute Offer in the event that the Scheme does not become operative for whatsoever reason.
- 1.5.2 If for any reason you have not accepted the Scheme and the Scheme does not become operative, you may accept the Substitute Offer in respect of all or part of your shares by completing the attached form of Acceptance and Surrender (yellow) in accordance with the instructions it contains and returning it to the Transfer Secretaries together with the Documents of Title in respect of your shares.
- 1.5.3 If the Substitute Offer is made and becomes unconditional and you have accepted the Offer in respect of some or all of your shares and surrendered your Documents of Title with a duly completed form of Acceptance and Surrender (yellow), the Substitute Offer Consideration will be posted to you or credited into your designated bank account, within five business days after the announcement that the Substitute Offer has been made or receipt of your Documents of Title by the Transfer Secretaries, whichever is the later.

Shareholders are advised to consult their professional advisors about their tax positions regarding the receipt of the Scheme Consideration. Nothing in this Circular is to be construed as tax, legal or financial advice.

SUMMARY

Masawara is proposing the Scheme between TA Holdings and the TA Holdings Shareholders. Should the Scheme become operative, Masawara will acquire 100% ownership of TA Holdings. As a consequence, TA Holdings will be required to be delisted from the ZSE. On implementation of the Scheme, TA Holdings Shareholders will receive US\$0.206 for every Scheme Share held by them.

Also contained in this document is:

- an explanatory statement to Shareholders;
- a statement of directors' interests;
- the notice of the Scheme Meeting;
- the Order of Court convening the Scheme Meeting;
- a Form of Proxy (pink) for the Scheme Meeting;
- a Form of Acceptance and Surrender (yellow) for use by Shareholders who wish to tender their Shares in anticipation of the Scheme being implemented.

Should the Scheme not become operative for any reason, Masawara will, subject to fulfillment of the Conditions Precedent set out in section 8 commencing on page 18, be deemed to have made a Substitute Offer to TA Holdings Shareholders.

This Circular also contains the terms and conditions of the Substitute Offer. The Substitute Offer is conditional and will only become effective if Masawara achieves a minimum shareholding of 75% in TA Holdings, following closure of the Substitute Offer. Should the Substitute Offer fail to achieve the target minimum acceptance level, 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.

A form of Acceptance and Surrender (yellow) is attached for use by Shareholders who tender their Shares in terms of the Scheme and/or the Substitute Offer.

The salient dates and times applicable to the Scheme are included in this Circular commencing on page 8.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretation provisions commencing on page 9 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	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 on the ZSE	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. The important dates and times pertaining to the Substitute Offer are set out on page 55.
3. If a Form of Proxy (pink) is not received by the time and date shown above, at the discretion of the Chairman of the Scheme Meeting, the Form of Proxy (pink) may also be accepted by the Chairman no later than 30 minutes before the Scheme Meeting is due to commence.
4. 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.
5. All times referred to in this Circular are referenced to Harare Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this Circular and its annexures, 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"	this bound document, dated 28 August 2014, addressed to TA Holdings Shareholders 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 on page 18 of the 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;
" EPS"	earnings per share;

" Exchange Control Regulations"	the Exchange Control Regulations 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;
" Foreign Shareholders"	a TA Holdings Shareholder who is a non-resident of Zimbabwe as defined in the Exchange Control Regulations;
" Form of Proxy"	the Form of Proxy (pink) accompanying this Circular;
" IAS"	International Accounting Standards;
" IFRS"	International Financial Reporting Standards;
" Imara Corporate Finance"	Imara Corporate Finance Zimbabwe (Private) Limited, a company duly registered and incorporated in Zimbabwe, financial advisor to TA Holdings;
" Imara Edwards Securities"	Imara Edwards Securities (Private) Limited, a company duly registered and incorporated in Zimbabwe;
" Independent Financial Expert" or " KPMG"	KPMG Advisory (Private) Limited, a company duly registered and incorporated in Zimbabwe and financial advisor to the Independent Board;
" Independent Board"	RN Gordon and S Randeree, both of whom are independent directors of TA Holdings;
" Independent Reporting Accountants" or " PricewaterhouseCoopers"	PricewaterhouseCoopers Chartered Accountants (Zimbabwe) the independent auditors and reporting accountants of the Company;
" Last Practicable Date"	Tuesday, 26 August 2014, being the Last Practicable Date prior to the finalisation of this Circular;
" LDT"	last date to trade;
" Listings Requirements"	the Listing Requirements of the ZSE in force as at the Last Practicable Date;
" LSE"	London Stock Exchange;
" Management"	executive management of TA Holdings;
" 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;

"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 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 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;
"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;
"Registrar"	the Registrar of Companies appointed in terms of the Companies Act;
"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	the Scheme of arrangement in terms of Section 191 of the Companies

" Scheme of Arrangement"	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 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;
" Subsidiary"	a subsidiary company as defined in the Companies Act, including any foreign companies that would have been a subsidiary if they were in Zimbabwe;
" 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;
" 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, as set out in paragraph 2.2 of Annexure 6 commencing on page 55 have been met;
" TA Holdings" or	TA Holdings Limited, a limited liability public company duly incorporated

" the Company"	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;
" TA Holdings Board"	the board of directors of TA Holdings, the names of which as at the Last Practicable Date are set out on page 14 of this Circular;
" TA Holdings Shareholders" or " Shareholders"	registered holders of TA Holdings Shares;
" TA Holdings Shares" or " Shares"	ordinary shares of US\$0.01 each in the issued share capital of TA Holdings;
" Tangible NAV"	ordinary Shareholders' equity attributable to the TA Holdings Shareholders less goodwill;
" Transaction"	the Transaction and/or the Substitute Offer as the case may be;
" US\$"	United States Dollar, the legal tender of the United States of America in which certain monetary amounts in this Circular are expressed;
" 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;
" VWAP"	volume weighted average price;
" Zimbabwe"	the Republic of Zimbabwe;
" ZIMRA"	the Zimbabwe Revenue Authority; and
" ZSE"	the Zimbabwe Stock Exchange constituted in terms of the Securities and Exchange Act [Chapter 24:25] of 2004.

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")

MASAWARA HOLDINGS MAURITIUS LIMITED

A public company incorporated and registered in Mauritius
Registration number: 121038 C1/GBL
("Masawara")

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

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 fulfillment 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 fulfillment of the Conditions Precedent to making of the Substitute Offer set out in clause 2.2 of Annexure 6, Masawara will be deemed to have made the Substitute Offer, full details of which are set out in Annexure 6 to this Circular.

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/(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 on page 17 of this Circular.

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 (pink) 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 attached form of Acceptance and Surrender (yellow) 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 18 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 fulfillment 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 attached 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 attached 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 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 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.

11 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.

12 Opinions and recommendations

- 12.1 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 details of the letter from KPMG in this regard are set out in Annexure 3 in this Circular.
- 12.2 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.
- 12.3 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.

13 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
Mnerva 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 company
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

Insurance

Zimnat Lion Insurance Company Limited ("Zimnat")

Zimnat is one of the leading short term insurers in Zimbabwe providing motor, domestic, commercial property, personal accident fidelity guarantee and travel insurance.

Zimnat Life Assurance Company Limited (“Zimnat Life”)

Zimnat Life is the fourth largest life assurance company in Zimbabwe. Zimnat Life has an asset management business, Zimnat Asset Management (Private) Limited which manages policyholders' funds, a portion of TA Holdings' investment portfolio and third party funds. Zimnat Life owns a 49% stake in Sovereign Health Company Limited, an administrator for medical aid societies, whose core activities involve health care financing and risk management. Zimnat Life also owns 100% of a microfinance company Zimnat Financial Services (Private) Limited.

Grand Reinsurance (Private) Limited (“Grand Re”)

Grand Re commenced operations in 2004 after TA Holdings acquired the reinsurance business of SwissRe in Zimbabwe. Grand Re currently offers treaty and facultative reinsurance products to a select group of clients in the Zimbabwean market.

Minerva Risk Advisors (Private) Limited (“Minerva”)

Minerva (formerly Aon Zimbabwe) is a leading provider of risk management services, insurance and reinsurance brokerage and employee benefits consulting in Zimbabwe.

Botswana Insurance Company (Proprietary) Limited (“Botswana Insurance Company”) and Lion Assurance Company Limited (“Lion Assurance Company”)

Botswana Insurance Company provides short term and life assurance products and is the largest short term insurance company in Botswana. TA Holdings holds an effective equity interest of 62.5% in the company. Lion Assurance Company is a subsidiary of Botswana Insurance Company Limited that provides short term insurance services for corporate, commercial and personal markets in Uganda.

Agro Chemicals**Sable Chemical Industries Limited (“Sable Chemicals”)**

Sable Chemicals is the sole producer of nitrogenous fertiliser in Zimbabwe. The company is involved in the manufacture of ammonium nitrate for fertiliser and mining purposes. At present the company operates an electrolysis plant that produces hydrogen required for the production of ammonia.

Zimbabwe Fertilizer Company Limited (“ZFC”)

ZFC is the largest manufacturer and distributor of compound, blends and speciality fertilisers in Zimbabwe. ZFC also produces a wide range of agricultural chemicals which include herbicides, fungicides and insecticides. The crop chemicals are manufactured under the ZFC brand or under international patents.

Hospitality**Cresta Hospitality Holdings Limited (“Cresta”)**

Cresta is the hospitality arm of TA Holdings and operates in Zimbabwe, Botswana and Zambia. Cresta currently operates fourteen three and four star hotels, resorts and lodges.

Cresta Hospitality (Private) Limited (“Cresta Zimbabwe”)

Cresta Zimbabwe has a portfolio of five hotels, three of which are located in Harare, one hotel in Bulawayo and one in the Victoria Falls. Cresta Zimbabwe principally focused on city and mid-market hotels that appeal to the business traveler. Cresta Zimbabwe is a wholly-owned subsidiary of TA Holdings.

Cresta Marakanelo (Proprietary) Limited (“Cresta Marakanelo”)

Cresta Marakanelo is the largest hotel chain in Botswana. Cresta Marakanelo operates ten hotels and the portfolio of hotels comprises seven mid-market hotels across Botswana suited for the business traveller, two Botswana resort hotels located in Maun (in the Okavango Delta) and Mbwana (in the Chobe region), and one business hotel in Lusaka, Zambia. TA Holdings has an effective equity interest of 35% in Cresta Marakanelo following the listing on the Botswana Stock Exchange in June 2010.

14 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.

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.

15 Special arrangements

Save as detailed in this Circular:

- 15.1 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 below:

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

- 15.2 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;
- 15.3 no arrangements have been made between TA Holdings and the directors of Masawara in connection with the Scheme; and
- 15.4 no arrangements have been made between TA Holdings and the directors of TA Holdings in connection with the Scheme.

16 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 30 of this Circular.

17 Directors' interests

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

17.2 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

- 17.3 On the Last Practicable Date, the executive directors of TA Holdings had no interest in TA Holdings Shares in the form of options.
- 17.4 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

- 17.5 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.

- 17.6 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.

18 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.

19 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.

20 Instructions and authorities

Each mandate, instruction or authority in regard to the Scheme Shares recorded with TA Holdings at the Scheme Consideration Record Date will be deemed, unless and until revoked, to be a mandate, instruction or authority to TA Holdings and Masawara in respect of any rights accruing in respect of the Scheme Consideration.

21 General

- 21.1 The Directors of Masawara confirm that Masawara meets the requirements of the Indigenisation and Economic Empowerment Act [Chapter 14:33]
- 21.2 Subject to obtaining the prior written consent of Masawara and the ZSE, the Independent Board may consent:
- 21.1.1 before or at the Scheme Meeting, at any time prior to the voting in respect of the Scheme, to any amendment, variation or modification of the Scheme; or
- 21.1.2 after the Scheme Meeting, to any amendment, variation or modification which the Court may deem fit to approve or impose, provided that no amendment, variation or modification made may have the effect of diminishing the rights which will accrue to a Scheme Participant in terms of the Scheme.
- 21.3 A certificate signed by a director of Masawara stating that all the Conditions Precedent have been fulfilled and/or waived and that the Scheme has become operative shall be binding on TA Holdings, Masawara, the Scheme Members and the Scheme Participants.

- 21.4 TA Holdings will pay all costs incurred relating to the preparation, signing and implementation of the Scheme and all matters incidental to it, including any relevant taxes and stamp duty on the transfer of the Scheme Shares. Masawara will indirectly bear these costs, given that post the Transaction, TA Holdings will be a wholly-owned subsidiary of Masawara.
- 21.5 TA Holdings will be entitled, and will have the authority, on behalf of itself and each Scheme Participant, to authorise any person nominated by TA Holdings to sign all documents required to carry the Scheme into effect, including but not limited to proxies, changes of address and cessions of rights to dividends and other entitlements from TA Holdings.
- 21.6 A copy of the order of court sanctioning the Scheme, to which copies of the Scheme are attached, will constitute the contract regarding the entitlement of each Scheme Participant to the Scheme Consideration, which contract is required to be filed with the Registrar in terms of the Companies Act.
- 21.7 All times and dates referred to in the Scheme are subject to change between TA Holdings and Masawara. Any such change will be published in the Zimbabwean Press.

22 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
FM 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 Fieler	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

23 Irrevocable undertakings

Masawara has received irrevocable undertakings from Shareholders representing 24.3% of the issued share capital of TA Holdings. Details on these irrevocable undertakings are set out in paragraph 15 on page 22 of this Circular.

24 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.

25 Material changes

Botswana Insurance Company (Proprietary) Limited, a subsidiary of TA Holdings, has made an additional investment of US\$1.8 million 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.

26 **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 Circular, material effect on the financial position of TA Holdings. TA Holdings is not aware of any such proceedings that are pending or threatened.

27 **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.

28 **Directors' responsibility statement**

28.1 **TA Holdings directors' responsibility statement**

The independent directors of TA Holdings, whose names are given on page 14 of this Circular, insofar as the information relates to TA Holdings:

28.1.1 have considered all statements of fact and opinion in this Circular;

28.1.2 accept, individually and collectively, full responsibility for such statements; and

28.1.3 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 Circular false or misleading and have made all reasonable enquiries in this regard and that this Circular contains all information required by law, the ZSE and the ZSE Listing Requirements.

28.2 **Masawara directors' responsibility statement**

The directors of Masawara, whose names are given on page 14 of this Circular, insofar as the information relates to Masawara:

28.2.1 have considered all statements of fact and opinion in this Circular;

28.2.2 accept, individually and collectively, full responsibility for such statements; and

28.2.3 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 Circular false or misleading and have made all reasonable enquiries in this regard and that this Circular contains all information required by law, the ZSE and the ZSE Listing Requirements.

29 **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 Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this document.

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, Joina 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:

- 30.1 this Circular, incorporating, *inter alia*, the Scheme and the Explanatory Statement;
- 30.2 the Order of Court convening the Scheme Meeting;
- 30.3 Notice convening the Scheme Meeting;
- 30.4 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;
- 30.5 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;
- 30.6 the irrevocable undertakings to vote in favour of the Scheme referred to in paragraph 23;
- 30.7 the Memorandum and Articles of Association of TA Holdings;
- 30.8 the terms of the AIG Preference Shares;
- 30.9 the letter from KPMG, the Independent Financial Expert to the Independent Board, regarding the Transaction; and
- 30.10 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 Circular in the form and context in which they appear.

Signed on original for and on behalf of

TA Holdings Limited

R N Gordon
Independent director
Harare
26 August 2014

Signed on original for and on behalf of

Masawara Holdings Mauritius Limited

J C Permal
Non-executive director
Mauritius
26 August 2014

ANNEXURE 1

REPORT BY THE INDEPENDENT REPORTING ACCOUNTANTS



The Directors
TA Holdings Limited
17th Floor, Joina City
Corner Julius Nyerere and Jason Moyo Avenue
Harare

25 August 2014

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE AUDITED FINANCIAL INFORMATION OF TA HOLDINGS LIMITED

1. Introduction

Masawara Holdings Mauritius Limited ("Masawara"), is proposing a Scheme of arrangement in terms of section 191 of the Companies Act [Chapter 24:03] between TA Holdings ("TA Holdings" or "the Company") and the shareholders of TA Holdings. Should the Scheme become operative, Masawara will acquire all the TA Holdings shares and TA Holdings will be subsequently delisted from the ZSE. On implementation of the Scheme, TA Holdings shareholders will receive a cash consideration for every Scheme share they hold. Should the Scheme not become operative, Masawara will, subject to the fulfilment of the Conditions Precedent set out in the Circular, be deemed to have made a substitute offer to TA Holdings shareholders to acquire their shares for the same cash consideration as that offered in terms of the Scheme, for every TA Holdings share held.

We present our report on the audited historical cost United States of America dollar ("US\$") financial information of TA Holdings for the years ended, 31 December 2009, 31 December 2010, 31 December 2011, 31 December 2012, and 31 December 2013.

We have acted as the independent auditor of TA Holdings and its subsidiaries (together the "Group") and have reported on the annual financial statements of the Group for the financial years ended 31 December 2012 and 31 December 2013. Ernst & Young Chartered Accountants (Zimbabwe) ("EY") acted as independent auditor of the Group and reported on the financial statements of the Group for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011.

The annual reports for the years ended 31 December 2009, 31 December 2010, 31 December 2011, 31 December 2012 and 31 December 2013 are available for inspection at TA Holdings Limited 17th Floor, Joina City, Corner Julius Nyerere and Jason Moyo Avenue, Harare the registered office of the Company.

2. Responsibilities

The compilation, contents and presentation of the Circular are the responsibility of the Directors of TA Holdings. Our responsibility is to express an opinion on the financial information presented in the Circular.

3. Directors' responsibility for the financial statements

The Directors are responsible for the preparation, contents and presentation of the Circular and the

fair presentation of the report on the financial information in accordance with International Financial Reporting Standards ("IFRS"), the Zimbabwe Stock Exchange ("ZSE") Listing Requirements and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

4. Reporting accountant's responsibility

Our responsibility is to express an opinion on the audited historical cost US\$ financial information for the years ended 31 December 2009, 31 December 2010, 31 December 2011, 31 December 2012 and 31 December 2013 based on our work.

5. Scope of the audits

The audits conducted by EY, for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and by us, for the financial years ended 31 December 2012 and 31 December 2013, were conducted in accordance with International Standards on Auditing ("ISA"). Those standards require that the auditor complies with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinions.

6. Audit opinions

Year ended 31 December 2009 - AUDITED

Basis for adverse opinion on the Group's financial performance and cash flows for the year ended 31 December 2009.

The financial statements were prepared in accordance with IFRS, except for the following standards:

- International Accounting Standard ("IAS") IAS 1, Presentation of financial statements;
- IAS 21, The Effects of changes in foreign exchange rates; and
- IAS 29, Financial reporting in hyperinflationary economies.

Opinions

An unqualified opinion was issued on the statement of financial position of the Group for the year ended 31 December 2009.

An adverse opinion was issued on the statement of comprehensive income and the statement of cash flows of the Group for the year ended 31 December 2009.

The Group was not able to comply with the requirements of IAS 1, Presentation of financial statements, IAS 21, The Effects of changes in foreign exchange rates and IAS 29, Financial reporting in hyperinflationary economies and did not disclose comparative information.

Emphasis of matter

An emphasis of matter was issued on the financial statements based on the following:

- **Going concern assumption:** The ability of the Group to continue operating as a going concern was subject to continual assessment by management; and
- **Fair value determination of transactions, assets and liabilities:** The determination of fair values presented in the financial statements was affected by the prevailing economic environment and could therefore be distorted.

Year ended 31 December 2010 - AUDITED

Opinion

The financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2010, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS.

Report on other legal and regulatory requirements

The consolidated financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03), and the Statutory Instruments ("SI") SI 33/99 and SI 62/96.

Year ended 31 December 2011 - AUDITED

Opinion

The financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS.

Report on other legal and regulatory requirements

The consolidated financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96.

Year ended 31 December 2012 - AUDITED

Opinion

The financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2012, and the Group's consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96.

Year ended 31 December 2013 - AUDITED

Opinion

The financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2013, and the Group's consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96.

Yours faithfully

Signed on original

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)

Harare

ANNEXURE 2

HISTORICAL FINANCIAL INFORMATION OF TA HOLDINGS LIMITED

Financial information of TA Holdings Limited

The historical financial information of the Group for the last 5 years are presented below. The summarised consolidated financial information have been extracted from the 2013, 2012, 2011, 2010 and 2009 audited annual financial statements.

Consolidated Statement of Comprehensive Income

	Audited Year ended 31 December 2013 US\$'000	Audited Year ended 31 December 2012 US\$'000	Audited Year ended 31 December 2011 Restated US\$'000	Audited Year ended 31 December 2010 Restated US\$'000	Audited Year ended 31 December 2009 Restated US\$'000
Income from continuing operations					
Gross insurance premium revenue	71 340	75 931	68 196	49 877	50 320
Insurance premiums ceded to re-insurers on insurance contracts	(27 885)	(30 863)	(29 997)	(19 595)	(26 220)
Net insurance premium revenue	43 455	45 068	38 199	30 282	24 100
Fees and commission income	8 230	8 262	8 096	7 845	7 153
Realised investment income	3 500	2 676	2 539	1 395	1 440
Net realised gains/ (losses) on disposal of investments	590	(766)	(1 074)	569	(557)
Net fair value gains	4 456	1 732	4 551	(92)	1 646
Hotel revenue	15 304	14 785	13 537	11 043	7 141
Other operating income	1 294	747	1 604	1 108	866
Total income	76 829	72 504	67 452	52 150	41 789
Expenses					
Insurance claims and loss adjustment expenses	(31 149)	(28 590)	(24,181)	(35 114)	(24 981)
Insurance claims and loss adjustment expenses recovered from re-insurers	7 095	6 104	5,139	19 978	14 253
Net insurance claims	(24 054)	(22 486)	(19 042)	(15 136)	(10 728)
Expenses for the acquisition of insurance contracts	(9 647)	(10 476)	(10 162)	-	-
Finance costs	(797)	(641)	(601)	(451)	(275)
Hotel cost of sales	(4 443)	(4 554)	(4 585)	(4 841)	(4 285)
Operating and administrative expenses	(28 166)	(27 262)	(26 258)	(31 846)	(24 918)
Total expenses	(67 107)	(65 419)	(60 648)	(52 274)	(40 206)
Profit/(loss) before share of profit/(loss) of associates	9 722	7 085	6 804	(124)	1 583
Share of profits/ (losses) of associates	1 086	(1 520)	447	(4 432)	(2 083)
Impairment of investment in associate	(13 709)	-	-	-	-
(Loss)/profit before income tax	(2 901)	5 565	7 251	(4 556)	(500)
Income tax expense	(2 786)	(2 287)	(958)	(487)	(899)
(Loss)/profit for the year from continuing operations	(5 687)	3 278	6 293	(5 043)	(1 399)
Discontinued operations					
(Loss) for the year from discontinued operations	-	-	-	(77)	(12)
(Loss)/profit for the year	(5 687)	3 278	6 293	(5 120)	(1 411)
(Loss)/profit attributable to:					
Owners of the parent	(7 762)	1 320	4 635	(6 366)	(2 528)
Non-controlling interests	2 075	1 958	1,658	1 246	1 117
(Loss)/profit for the year	(5 687)	3 278	6 293	(5 120)	(1 411)
(Loss)/earnings per share for profits attributable to owners of the Company					
Basic (cents)	(4.71)	0.80	2.81	(0.04)	(0.02)
Diluted (cents)	(4.05)	0.69	2.42	(0.03)	(0.01)

Consolidated Statement of Comprehensive Income

Statement of Comprehensive Income

	Audited Year ended 31 December 2013 US\$'000	Audited Year ended 31 December 2012 US\$'000	Audited Year ended 31 December 2011 Restated US\$'000	Audited Year ended 31 December 2010 Restated US\$'000	Audited Year ended 31 December 2009 Restated US\$'000
(Loss)/profit for the year	(5 687)	3 278	6 293	(5 120)	(1 408)
Other comprehensive (loss)/income					
Items that will not be reclassified to profit or loss:					
Exchange differences on translating outside Zimbabwe operations	(3 224)	(1 375)	(3 470)	(175)	3 234
Gains on revaluation of property, plant and equipment	467	2 241	3 839	20	90
Shadow accounting for insurance contracts	(259)	(200)	(1 300)	250	6 975
Share of associated companies' other comprehensive income	-	493	453	(6 998)	(6 031)
Income tax relating to components of other comprehensive income	(24)	(98)	24	(50)	(3 557)
Items that may be subsequently reclassified to profit or loss:					
Net (loss)/gain on available-for-sale financial assets	(4)	121	(121)	-	-
Other comprehensive (loss)/income for the year	(3 044)	1 182	(575)	(6 953)	711
Total comprehensive (loss)/income for the year	(8 731)	4 460	5 718	(12 072)	(697)
Total comprehensive (loss)/income attributable to:					
Owners of the parent	(10 114)	2 882	3 594	(14 291)	(3 459)
Non-controlling interests	1 383	1 578	2 124	2 219	2 762
	(8 731)	4 460	5 718	(12 072)	(697)

Consolidated Statement of Financial Position

	Audited Year ended 31 December 2013 US\$'000	Audited Year ended 31 December 2012 US\$'000	Audited Year ended 31 December 2011 Restated US\$'000	Audited Year ended 31 December 2010 Restated US\$'000	Audited Year ended 31 December 2009 Restated US\$'000
Assets					
Property, plant and equipment	28 543	26 279	21 607	18 027	15 422
Intangible assets	1 750	1 917	2 038	1 226	181
Investment properties	16 218	14 302	13 665	10 025	12 052
Investment in associates	13 490	27 581	29 197	30 981	37 652
Goodwill	-	-	-	-	1 314
Financial instruments	36 375	30 612	24 381	19 720	24 484
Deferred tax asset	-	3	45	111	-
Inventory	186	264	259	321	220
Reinsurance receivables	19 320	18 012	18 440	15 270	46 609
Deferred acquisition expenses	2 376	3 262	3 509	3 900	2 494
Insurance receivables	10 658	11 263	10 366	7 840	1 386
Accounts receivables	10 461	6 256	3 874	2 848	16 417
Taxation	36	618	930	976	-
Cash and cash equivalents	16 800	13 528	14 328	18 112	13 356
Total assets	156 213	153 897	142 639	129 357	171 587
Equity					
Issued share capital	1 919	1 919	1 919	1 919	-
Non-distributable reserve	22 122	22 861	22 581	22 046	22 531
Available for-sale financial assets reserve	-	17	(29)	26	85
Foreign currency translation reserve	(5 989)	(3 469)	(2 643)	986	1 957
Revaluation reserve	33 613	30 737	28 579	25 936	30 021
Treasury shares	(18)	(18)	(18)	(16)	(13)
Retained earnings/(accumulated losses)	(3 879)	4 959	3 735	(365)	8 010
Equity attributable to the owners of the parent	47 768	57 006	54 124	50 532	62 591
Non-controlling interests	13 134	12 298	11 447	10 134	8 702
Total equity	60 902	69 304	65 571	60 666	71 293
Liabilities					
Borrowings	8 031	6 380	2 899	2 439	3 253
Deferred income tax liabilities	4 282	4 008	3 155	3 990	4 738
Deferred income	1 233	1 603	1 834	2 147	1 148
Investment contracts with discretionary participation features	16 850	13 550	10 214	7 590	6 499
Investment contracts without discretionary participation features	10 651	7 750	5 912	5 019	6 620
Insurance contract liabilities	41 832	41 879	43 729	40 142	65 256
Insurance payables	3 959	1 575	3 171	1 230	6 325
Provisions	1 303	1 293	1 799	1 668	-
Trade and other payables	7 170	6 555	4 355	4 466	6 455
Total liabilities	95 311	84 593	77 068	68 691	100 294
Total equity and liabilities	156 213	153 897	142 639	129 357	171 587

Consolidated Statement of Changes in Equity

	Issued share capital US\$'000	Non-distributable reserve US\$'000	Revaluation reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total US\$'000
Year ended 31 December 2009								
Balance at 1 January 2009	-	17 872	34 749	-	10 779	63 400	7 705	71 105
Restatement of opening balances	-	3 256	(1 752)	-	498	2 002	(399)	1 603
Balance at 1 January 2009	-	21 128	32 997	-	11 277	65 402	7 306	72 708
(Loss)/profit for the year	-	-	-	-	(2 525)	(2 526)	1 117	(1 409)
Other comprehensive income	-	-	(2 976)	2 042	-	(934)	1 644	711
Total comprehensive income for the year	-	-	(2 976)	2 042	(2 525)	(3 459)	2 761	(698)
Transactions with owners								
Shares issued during the period	-	541	-	-	-	541	-	541
Shares purchased during the period	-	-	-	(13)	(218)	(231)	(341)	(572)
Dividends declared and paid during the year	-	-	-	-	-	-	(778)	(778)
Comprehensive income								
Transfer to reserves	-	862	-	-	(862)	-	-	-
Prior year adjustment	-	-	-	-	338	338	(247)	91
Balance as at 31 December 2009	-	22 531	30 021	2 029	8 010	62 591	8 702	71 293
(Loss)/profit for the year	-	-	-	-	(6 366)	(6 366)	1 246	(5 120)
Other comprehensive income	-	-	(6 895)	(1 030)	-	(7 925)	973	(6 952)
Total comprehensive income for the year	-	-	(6 895)	(1 030)	(6 366)	(14 291)	2 219	(12 071)
Transactions with owners								
Redenomination of share capital	1 919	(1 919)	-	-	-	-	-	-
Shares purchased during the period	-	-	-	(3)	-	(3)	-	(3)
Dividends declared and paid during the year	-	-	-	-	-	-	(824)	(824)
Comprehensive income								
Discontinued operations	-	(180)	-	92	88	-	-	-
Transfer to reserves	-	1 434	-	-	(1 434)	-	-	-
Sale of shares in subsidiary	-	-	-	-	(238)	(238)	36	(202)
Balance at 31 December 2010	1 919	21 866	23 126	1 088	60	48 059	10 134	58 192
Year ended 31 December 2011								
(Loss)/profit for the year	-	-	-	-	4 635	4 635	1 658	6 293
Other comprehensive income	-	-	2 190	(3 684)	-	(1 494)	466	(1 028)
Total comprehensive income for the year	-	-	2 190	(3 684)	4 635	3 141	2 124	5 266
Transactions with owners								
Shares purchased during the period	-	-	-	(2)	-	(2)	-	-
Dividends declared and paid during the year	-	-	-	-	-	-	(811)	(811)
Comprehensive income								
Discontinued operations	-	180	-	(92)	(88)	-	-	-
Transfer to reserves	-	535	-	-	(535)	-	-	-
Balance at 31 December 2011	1 919	22 581	25 316	(2 689)	4 072	51 199	11 447	63 458

Consolidated Statement of Changes in Equity (continued)

	Issued share capital US\$'000	Non- distributable reserve US\$'000	Revaluation reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000	Non- controlling Interests US\$'000	Total US\$'000
Balance as at 1 January 2011 previously stated	1 919	22 046	23 126	996	(28)	48 059	10 134	58 192
Prior year adjustment	-	-	2 810	-	(337)	2 473	-	2 473
Balance as at 1 January 2011 restated	1 919	22 046	25 936	996	(365)	50 532	10 134	60 665
Profit for the year	-	-	-	-	4 635	4 635	1 658	6 293
Other comprehensive (loss)/income	-	-	2 643	(3 684)	-	(1 041)	466	(575)
Total comprehensive income for the year	-	-	2 643	(3 684)	4 635	3 594	2 124	5 718
Other comprehensive income/(loss)								
Transfer to reserves	-	535	-	-	(535)	-	-	-
Shares purchased during the period	-	-	-	(2)	-	(2)	-	(2)
Dividends declared and paid during the year	-	-	-	-	-	-	(811)	(811)
Closing balance restated (31.12.2011)	1 919	22 581	28 579	(2 690)	3 735	54 124	11 447	65 570
Profit for the year	-	-	-	-	1 320	1 320	1 958	3 278
Other comprehensive (loss)/income	-	-	2 342	(780)	-	1 562	(380)	1 182
Total comprehensive income	-	-	2 342	(780)	1 320	2 882	1 578	4 460
Transactions with owners								
Transfer on disposal of property	-	(216)	(184)	-	400	-	-	-
Transfer to reserves	-	496	-	-	(496)	-	-	-
Dividends paid during the year	-	-	-	-	-	-	(727)	(727)
Balance at 31 December 2012	1 919	22 861	30 737	(3 470)	4 959	57 006	12 298	69 303
Comprehensive income								
Profit for the year	-	-	-	-	(7 762)	(7 762)	2 075	(5 687)
Other comprehensive (loss)/income	-	-	185	(2 537)	-	(2 352)	(692)	(3 044)
Total comprehensive income for the year	-	-	185	(2 537)	(7 762)	(10 114)	1 383	(8 731)
Transactions with owners								
Transfer to reserves	-	(739)	2 691	-	(1 076)	876	-	876
Dividends paid during the year	-	-	-	-	-	-	(547)	(547)
Balance at 31 December 2013	1 919	22 122	33 613	(6 007)	(3 879)	47 768	13 134	60 902

Consolidated Statement of Cash Flows

	Audited Year ended 31 December 2013 US\$'000	Audited Year ended 31 December 2012 US\$'000	Audited Year ended 31 December 2011 Restated US\$'000	Audited Year ended 31 December 2010 Restated US\$'000	Audited Year ended 31 December 2009 Restated US\$'000
Cash generated from operating activities	7 094	7 020	5 409	1 405	4 193
Income tax paid	(823)	(1 230)	(1 080)	(2 088)	(2 479)
Net cash generated from operating activities	6 271	5 790	4 329	(683)	1 714
Investing activities					
Increase in investment in associate companies	-	-	-	(3 027)	-
Rental income on investment properties	1 048	546	960	6 833	220
Dividend received	807	962	467	1 420	1 206
Interest income from investments	1 645	1 168	1 112	711	1 220
Purchase of property, plant and equipment	(3 578)	(4 550)	(1 484)	(641)	(238)
Proceeds from sale of property, plant and equipment	191	704	498	81	105
Purchase of intangible assets	(251)	(58)	(1 026)	(22)	-
Purchase of financial instruments	(28 033)	(28 707)	(39 202)	(14 544)	(9 132)
Proceeds from the disposal of financial instruments	26 066	22 216	31 724	16 606	15 566
Purchase of investment properties	(451)	(105)	(420)	-	(327)
Proceeds from sale of investment properties	295	30	1 814	473	-
Proceeds from disposal of investments	-	-	92	56	2 552
Net cash (used in)/generated by investing activities	(2 261)	(7 794)	(5 465)	7 947	11 172
Financing activities					
Purchase of treasury shares	-	-	(2)	(3)	(13)
Repayments of borrowings	(1 363)	-	-	(2 055)	-
Proceeds from borrowings	3 014	3 481	460	-	320
Finance costs paid	(797)	(641)	(601)	(451)	(275)
Dividends paid to non-controlling interests	(547)	(727)	(811)	(824)	(778)
Net cash generated by/(used in) financing activities	307	2 113	(954)	(3 333)	(746)
Net increase/(decrease) in cash and cash equivalents	4 317	109	(2 090)	3 931	12 140
Cash, cash equivalents and at the beginning of the year	13 528	14 328	18 112	13 356	5 168
Net effect of exchange rate movements on cash and cash equivalents	(1 045)	(909)	(1 694)	825	(3 953)
Cash and cash equivalents at the end of the year	16 800	13 528	14 328	18 112	13 356

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

TA Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange (ZSE). TA Holdings Limited (the "Company") and its subsidiaries (together the "Group") have operations in the hospitality, agrochemicals and insurance industry sectors. The Group's insurance subsidiaries underwrite life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The Group has operations in Zimbabwe, Uganda, Botswana, South Africa and Zambia.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the IFRS Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, financial assets at fair value through profit or loss and long-term policyholder insurance contract liabilities that are measured based on actuarial valuations performed at the reporting date.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the annual reports of the group. The consolidated financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

2.2 Basis of consolidation

The financial statements include those of the Company, its subsidiaries, discretionary trust investments and the Group's interest in associates (together referred to as the "Group").

2.2.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 Financial Instruments: Recognition and Measurement either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement as a gain on bargain purchase.

Inter-company transactions, balances, income and expenses on transactions between group companies

are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.2.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint arrangement or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

2.2.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights and are neither subsidiaries nor joint arrangements. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition where appropriate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement; its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States of America dollars ("US\$"), which is the functional currency of the Company and the Group's presentation currency.

2.3.2 Transactions and balances

Foreign currency transactions are translated into the Group's functional currency at exchange rates prevailing at the date of the Transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement (except when recognised in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges).

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'other operating income'. All other foreign exchange gains and losses are presented in the income statement within 'other operating revenue' or 'other operating expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement; other changes in carrying amount are recognised in 'other comprehensive income'.

Translation differences on financial assets and liabilities held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in 'other comprehensive income'.

2.3.3 Group companies

The results and financial position of all the Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions);
- And all resulting exchange differences are recognised in 'other comprehensive income'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

On the partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of cumulative amount of exchange differences are re-attributed to non-controlling interests in that foreign operation and are not recognised in the income statement. In any other partial disposals, the proportionate share of the cumulative amount of the exchange differences is reclassified to the income statement.

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

2.4 Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

2.4.1 Critical accounting judgements and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

b) Assessment of control over investees

The Group follows the guidance of IFRS 10, Consolidated Financial Statements to determine when control exists over an investee. This determination requires significant judgement. In making this judgement, the Group evaluates, whether it has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Group's returns.

c) Impairment of investments in associates

Although the Group holds 51% of the equity shares of Sable Chemical Industries Limited ("Sable"), it has no control over the relevant activities of Sable. The Group exercises significant influence by virtue of its contractual right to appoint two directors to the board of directors of that company. The Sable board of directors has 9 directors. The investment in Sable is therefore accounted for as an associate using the equity method.

During the 2013 financial year the Group recorded an impairment charge of \$13,709 million for its investment in Sable Chemical Industries Limited ("Sable") due to uncertainty over its future returns. Sable is currently in negotiations with the Government of Zimbabwe with regard to the continuation of a viable electricity tariff for 2013 and beyond. At 31 December 2013 the results of these negotiations were uncertain. In the absence of a viable electricity tariff, doubt is cast over the going concern status of Sable. The investment has therefore been fully impaired. The investment in Sable is part of the Zimbabwe Investments reportable segment. The impairment loss has been included in profit or loss. The carrying value of the investment in Sable will be reassessed once the tariff negotiations have been finalised. A favourable outcome on the electricity tariff could result in a reversal of the impairment, in part or in full.

2.4.2 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Valuation of insurance contract liabilities

(i) Non-life insurance (which comprises general insurance) contract liabilities

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date ("IBNR"). Insurance risks are unpredictable and the Group recognises that it is not always possible to forecast with absolute precision, future claims payable under existing insurance contracts. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. Overtime, the Group has developed a

methodology that is aimed at establishing insurance provisions that have an above-average likelihood of being adequate to settle its insurance obligations.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

(ii) Life insurance contract liabilities

The liability for life insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style, could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation if appropriate.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure. The assumptions used for the actuarial valuation of the insurance contracts are as follows:

Economic rates

The economic rates were set as follows:

Variable	Rate 2013	Rate 2012	Rate 2011
Inflation	5%	5%	5%
Expense	8%	8%	6%
Valuation interest rate	10%	10%	5%
Discount rate	12%	12%	10%
Discount rate annuitants	5%	5%	Not disclosed

Mortality - the tables used for mortality were:

- A24/29 table of assured lives experience in the UK in the years 1924 to 1929. This has been found to match reasonably closely to the experience of assured lives in Zimbabwe.
- HIV/AIDS – as the HIV/AIDS pandemic develops in Zimbabwe, the assumption concerning deaths from the pandemic is of increasing importance. As such, a standard AIDS loading was allowed on the mortality rates. However the HIV/AIDS transmission rate has been decreasing due to the increased awareness, use of protection methods and the use of Anti-retroviral drugs, (“ARVs”). This means that the mortality may reach a stable state system.
- A(55), a table of annuitant experience in the UK thought to be appropriate for annuities purchased in 1955. For female policyholders, spouses were assumed to be 3 years older, whilst for male policyholders, spouses were assumed to be 3 years younger.

Expenses

The allowance for expenses in the valuation should be sufficient to ensure that expenses can be covered not only in the next year but also in all future years. The following were the assumptions used to project the present value of future expenses and these were based on expense analysis figures for the year 2013.

- For New Cashpal policies, the base year (2013) expense per policy was set at US\$ 12 per annum.
- For Whole Life policies, the base year (2013) expense per policy was set at US\$ 65 per annum.
- For Individual Life Funeral, the base year (2013) expense per member was set at US\$ 10 per annum for all of the future years.
- For New Individual Life Funeral, expense per member was set at US\$ 38 per annum for all of the future years.

Expense per policy assumption needs to be reviewed continuously in line with expense inflation.

Commission was allowed for as per pricing basis.

Unit growth rate – This was assumed to be 10%p.a. after the valuation date.

Bonuses – Bonuses were awarded to Investment Contracts with DPF, Conventional Annuities, Individual Life Old Conventional Fund and Whole Life as at 31 December 2013.

Transfer to Shareholders – There was no transfer of profits from the Policyholder Fund to Shareholders as at 31 December 2013.

(b) Planned Margins

The intention of the compulsory margins (to be added to the best estimate assumptions) is to introduce a degree of prudence to allow for possible adverse deviations in experience during the expected future lifetime of the business. These compulsory margins will at the same time serve to an extent to defer profits and thus reduce the risk that profits are recognised prematurely. The margins added to the best estimate assumptions were as follows:

Assumption	Margin 2013	Margin 2012
Mortality	7.5%	7.5%
Lapse	25%	25%
Surrender	10%	10%
Expense inflation	10%	10%
Renewal expense	10%	10%

Lapse rates – We have set expected future lapse rates and these are given below:

Duration	Funeral	Whole Life	Cashpal
Within Year 1	25%	20%	20%
Year 1 to 2	22%	12%	12%
Year 2	5%	5%	5%

The expected funeral lapse rates have been based on the lapse experience investigation done as at 30 September 2013.

(c) Deferred tax assets and liabilities

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of regional business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes liabilities, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such liabilities is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective subsidiary's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

(d) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of Botswana Insurance Company has been determined based on value-in-use calculations. These calculations require the use of estimates.

(e) Fair value of investment property and property, plant and equipment

Investment property and freehold land and buildings were valued by independent professional valuers, based on:

- comparable market evidence;
- complete transactions as well as transactions where offers had been made but the transactions had not been finalized; and/or
- returns on potential rentals in respect of properties.

In light of the above, the professional valuers used professional judgment to adjust the market evidence to take cognizance of the fact that properties in the transactions may not have been comparable in size, quality and location to properties owned by the Group.

(f) Impairment of investments in associates

The Group follows the guidance of IAS 39, Financial instruments: recognition and measurement to determine when an associate is impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the future cash flows expected to be generated by the associate, expected proceeds from ultimate disposal, expected future dividends, financial health of the associate and industry and sector performance. See note 2.4.1(c) for the impairment of the investment in Sable Chemical Industries Limited.

2.5 Profit allocation in the Life Assurance subsidiary company

The Board of Zimnat Life Assurance Company Limited (Life Assurance Company), the Group's life assurance subsidiary, in consultation with an independent actuary, have set the profit participation rules between Shareholders and policyholders in that company. In terms of these rules shareholder assets and life assurance noncurrent assets ("policyholder assets") in the Life Assurance Company are managed separately, and net investment returns from such assets are credited to shareholder funds and policyholder funds respectively.

Shareholder funds are also credited with administration, investment and service charges for managing policyholder funds at rates set out in the Profit Participation Rules. These rates are reviewed annually by the Life Assurance Company Board, in consultation with the independent actuary.

At statement of financial position date, an independent valuation of policy holder liabilities is carried out. The value of policy holder liabilities is then deducted from the total value of policy holder assets. Any actuarial surplus (i.e. excess of assets over liabilities) is split between policy holders and Shareholders as per recommendations from the independent actuary. The surplus allocated to Shareholders is debited to the life assurance fund and credited to the Shareholders' funds. If there is a deficit (policyholder liabilities in excess of policyholder assets) the total amount is debited against the Shareholders' funds.

3 Financial risk management

3.1 Risk management objectives and policies

The primary objective of the Group's risk management framework is to protect the Group's Shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group is exposed to financial risk through its financial assets and financial liabilities. The Group's principal financial liabilities comprise bank loans and overdrafts, trade payable, other loans and insurance contract liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as shares in listed and unlisted entities, trade receivables and cash and short-term deposits, which arise directly from its operations. The Group's policy is to manage financial risk separately through its operations subject to monitoring by the Board Investment Committee. The risks arising from policyholder and shareholder financial instruments are similar in nature, as such no distinction has been made in assessing the quantitative effects of the financial risks emanating from these financial instruments.

The policies for managing each of these risks are summarised below.

3.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

Group market risk policy sets out the assessment and determination of what constitutes market risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group Risk Committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

The Group has set an asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the Group's profitability.

3.3 Foreign currency risk

As a result of significant investment operations in Botswana, Uganda and South Africa, the Group's statement of financial position can be affected significantly by movements in the US\$ to the other currencies exchange rate. The Group also has transactional currency exposures. Such exposure arises from normal trading activities as well as investments by an operational unit in currencies other than the unit's functional currency.

The Group mitigates foreign currency risk by ensuring financial assets are primarily denominated in the same currencies as its insurance contract liabilities. And ensuring that there is a balance between total assets attributable to group companies whose functional currency is the same as the holding company's and group companies whose functional currency is different from the holding company's. Approximately 47% (2013) 56%(2012, 2011 and 2010), 75%(2009) of the Group's total assets are denominated in currencies other than the functional currency of the holding company.

4 Changes in accounting policy and disclosures

(i) Statement of financial position presentation

As at 31 December 2012, the Group changed the presentation of its statement of financial position from current/non-current presentation to presentation based on liquidity. The Group believes that presentation based on liquidity reflects more relevant information on the financial position of the Group.

In accordance with IAS 8, Accounting policies, changes in accounting estimates and errors, the change has been made retrospectively and comparatives have been restated accordingly. The change resulted in the consolidation of items that were previously split into their current and non-current components, specifically borrowings and insurance contract liabilities. The change did not give rise to any adjustments in previously reported numbers.

(ii) Shadow accounting

The Group adopted shadow accounting as allowed in IFRS 4 – Insurance contracts for the first time in 2012. Shadow accounting is applied to the allocation of changes to policyholder liabilities arising from fair value gains or losses on owner-occupied properties held to match obligations under insurance contracts. Without shadow accounting, an accounting mismatch would be created as the change to the asset re-measurement would be reflected in other comprehensive income as required by IAS 16 property, plant and equipment whilst the corresponding change in insurance contract liabilities would be reflected in profit or loss. The adoption of shadow accounting will allow the change in insurance

contract liabilities arising from gains or losses recognised in other comprehensive income to also be reflected in other comprehensive income, thereby eliminating the mismatch in presentation.

5 Prior year restatement

In order to comply with the requirements of IAS 27 – Consolidated and separate financial statements and IFRS 4 – Insurance contracts, the Group has consolidated life assurance policyholder assets, liabilities, income and expenses on a line by line basis with effect from financial year ended 31 December 2012. Accordingly, the comparative financial information has been restated; however there is no effect on total assets, total liabilities and profit for the year. Previously life assurance policyholder total assets and total liabilities were shown as separate line items on the statement of financial position and income and expenses were netted off in the income statement.

This change was applied to the 2009 financial information disclosed in this Circular in order to achieve consistent treatment and disclosure of similar items and resulted in the reclassification of the following balances in the 31 December 2009 financial statements:

Reclassification of life fund current assets of US\$ 370,722 and non-current assets of \$12,747,789

	US\$'000
Investment properties	6,458
Financial assets at fair value through profit or loss	6,020
Held-to-maturity financial assets	270
Accounts receivable - trade	51
Bank and cash	320
Total	13,119

Reclassification of life assurance fund current liabilities of US\$54,000 and non-current liabilities of US\$13,064,511

	US\$'000
Investment contracts with discretionary participation features	6,499
Investment contracts without discretionary participation features	6,620
Total	13,119

ANNEXURE 3

REPORT OF THE INDEPENDENT FINANCIAL EXPERT



The Directors
TA Holdings Limited
17th Floor, Joina City
Julius Nyerere Way
Harare

25 August 2014

Dear Sirs

Independent adviser's report on the proposed offer by Masawara Group to acquire the remaining shares in TA Holdings Limited

Introduction

In accordance with our appointment as independent financial advisers to the Directors of TA Holdings Limited ("TA" or "the Company"), as outlined in our engagement letter dated 16 June 2014, we have reviewed the terms and conditions of the proposed cash offer by the Masawara Group ("Masawara") to acquire the remaining shares in TA that Masawara does not already own through a Scheme of Arrangement in terms of Section 191 of the Companies Act [Chapter 24:03] (hereinafter referred to as "the Scheme") so as to provide our opinion on the fairness and reasonableness of the Scheme Consideration to the shareholders of TA.

We understand that as at 30 April 2014, Masawara owned about 41.04% of TA's issued share capital and hereby proposes to acquire the remaining 58.96% of TA's issued shares currently held by minority shareholders through a cash offer of US\$20.60 ("Scheme Consideration"). The proposed Scheme, if successful will subsequently result in the delisting of TA from the Zimbabwe Stock Exchange ("ZSE").

Scope

A 'fair and reasonable statement' is required to be obtained by the Directors of TA from a competent independent adviser in terms of Section 9 of the ZSE Listing Requirements for the sole purpose of assisting the Directors of TA in forming and expressing an opinion for the benefit of the Company's shareholders.

In light of the above, KPMG Advisory (Private) Limited ("KPMG") has been appointed by the board of directors of TA ("the TA Board") as the independent adviser to report on whether the Scheme Consideration is fair and reasonable to the shareholders of TA. The TA Board has been advised accordingly and a copy of the KPMG opinion in this regard is attached as Annexure 3 to this Circular.

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

Responsibility

The compliance with the ZSE Listing Requirements is the responsibility of the TA Board. Our responsibility

is to report on the fairness and reasonableness of the Scheme Consideration. We confirm that our independent adviser's report has been provided to the TA Board for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of TA shareholders.

Definition of the terms “fair” and “reasonable”

A scheme will generally be considered fair to a company's shareholders if the benefits received by the shareholders, as a result of the scheme, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. The Scheme may be considered fair if the consideration received per share by TA shareholders, being the Scheme Consideration, is considered to be equal to or greater than the value surrendered by TA shareholders, being TA shares, in terms of the Scheme.

The assessment of reasonableness is generally based on qualitative considerations surrounding the Scheme. Hence, even though the consideration received by TA shareholders may be less than the value surrendered by TA shareholders, the entire Scheme may still be reasonable in certain circumstances after considering other significant qualitative factors.

Information utilised and procedures performed

Key qualitative considerations

In arriving at our opinion, we have undertaken the following procedures in evaluating the fairness of the Scheme Consideration:

- considered, inter alia, the current market conditions on the ZSE and the current and past trading conditions of TA.
- considered the rationale for the Scheme, based on discussions with the management and directors of TA and its advisors.
- obtained an understanding of the structure, terms and conditions of the Scheme.
- considered the historical performance of TA with reference to its audited financial statements for the financial years ended 31 December 2011 to 2013 and the operations review report for the 1st quarter of 2014.
- considered the following documents:
 - embedded value report for Zimnat Life Assurance Company Limited as at 31 December 2013;
 - various independent property valuation reports for properties owned by the TA Group;
 - lease agreements for leased properties;
 - various management agreements signed within the group;
 - share purchase agreement between Mnerva Holdings (Private) Limited and TA;
 - loan agreement between FM Zimbabwe (Private) Limited and TA; and
 - credit facility letters between various banking institutions and TA (and or its subsidiaries).
- based on the above, performed a desktop valuation of TA to determine whether the Scheme Consideration represents a fair value to TA shareholders.

Key quantitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Scheme Consideration:

- considered the circumstances under which the transaction is being proposed and the present macro-economic environment in Zimbabwe.
- TA's share price and dividend history. We have considered that:
- the Scheme Consideration is at a premium to the traded price of TA shares as well as the 30-day, 60-day and 90-day volume weighted average price to 23 June 2014; and
- the fact that TA has not declared a dividend over the past 5 years.

Opinion

Based on the above considerations, along with the information made available to us by the TA Board, for which they are solely responsible, and after due consideration of the terms and conditions of the

Scheme, we report that, nothing has come to our attention that would cause us to believe that the Scheme Consideration is not fair and reasonable to the shareholders of TA.

Our opinion is necessarily based upon the information available to us up to 17 July 2014, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Scheme have been or will be timeously fulfilled and/or obtained.

Subsequent developments may arise that could affect our view. We are under no obligation to update, revise or reaffirm our view for any events occurring after issuing our report. We have not undertaken to update this report for events and circumstances occurring subsequent to the date of its issuance.

Limiting conditions

Our responsibility is to express an opinion on the fairness and reasonableness of the Scheme Consideration from a TA shareholder's perspective. We have not performed an audit or due diligence of TA or Masawara and accordingly express no view on the accuracy and completeness of the information on which we have relied as supplied by the TA Board.

This opinion is provided to the TA Board in connection with and for the purposes of the Scheme. This opinion is prepared solely for the TA Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of TA shareholders. Should a TA shareholder be in doubt as to what action to take, he or she should consult an independent adviser. An individual TA shareholder's decision as to whether to vote in favour of any scheme may be influenced by his particular circumstances. The assessment as to whether or not the TA Board decides to recommend the Scheme is a decision that can only be taken by the TA Board.

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

Independence

In terms of schedule 5.1 (a) of the ZSE Listing Requirements, we confirm that we have no material direct or indirect interest in the shares of both TA and Masawara or the Scheme, save for our professional fees for services rendered in connection with this fair and reasonable statement.

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

Consent

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

Yours faithfully

Signed on original
KPMG Advisory (Private) Limited

ANNEXURE 4

TRADING HISTORY OF TA HOLDINGS ORDINARY SHARES

Set out in the table below are the aggregate volumes, value of shares traded and closing prices traded for TA Holdings Shares for the period reflected.

Month of	Closing price US Cents	Volume traded	Value of Shares traded US\$
July 2013	7.8	350,146	39,037
August 2013	5.1	304,023	22,350
September 2013	8.0	47,721	3,762
October 2013	7.0	87,205	6,098
November 2013	6.0	79,950	6,364
December 2013	6.1	163,151	10,016
January 2014	6.5	83,822	5,266
February 2014	8.5	306,827	23,724
March 2014	6.5	242,150	17,095
April 2014	6.5	75,724	4,964
May 2014	8.0	189,611	10,774
June 2014	8.0	574,554	31,629

Daily Share Prices	Closing price US Cents	Volume traded	Value of Shares traded US\$
13 June 2014	5.5	-	-
16 June 2014	6.3	-	-
17 June 2014	6.3	1,464	92
18 June 2014	6.3	-	-
19 June 2014	6.3	-	-
20 June 2014	6.3	-	-
23 June 2014	6.3	-	-

Source: Imara Edwards Securities

ANNEXURE 5

EXTRACTS OF RELEVANT SECTIONS OF THE COMPANIES ACT

Section 191 of the Companies Act [Chapter 24:03]

Power to compromise with creditors and members

- (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the Company and its members or any class of them, the court may, on the application of the Company or of any creditor or member of the Company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors or of the members of the Company or class of members, as the case may be, to be summoned in such manner as the court directs.
- (2) If a majority in number representing three-fourths in value of the creditors or class of creditors or members or class of members, as the case may be, present and voting either in person or by duly authorized agent or proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the court, be binding on all the creditors or class of creditors or on the members or class of members, as the case may be, and also on the Company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the Company.
- (3) An order made under subsection (2) shall have no effect until a copy of the order certified by the registrar of the court, together with a copy of the deed of compromise or arrangement, as the case may be, has been delivered to the Registrar for registration and a copy of every such order shall be annexed to every copy of the memorandum of the Company issued after the order has been made.
- (4) If a company makes default in complying with subsection (3) the Company and every officer of the Company who is in default shall be guilty of an offence and liable to a fine not exceeding level one for each copy in respect of which default is made.
- (5) In this section the expression "company" means any company or foreign company liable to be wound up under this Act and the expression "arrangement" includes a reorganization of the share capital of the Company by the consolidation of shares of different classes or by the division of shares into shares of different classes or by both those methods.

Section 192 of the Companies Act [Chapter 24:03]

Information as to compromise with creditors and members

- (1) Where a meeting of creditors or any class of creditors or of members or any class of members is summoned under section one hundred and ninety-one, there shall-
 - (a) with every notice summoning the meeting which is sent to a creditor or member, be sent also a statement explaining the effect of the compromise or arrangement and in particular stating any material interests of the directors of the Company, whether as directors or as members or as creditors of the Company or otherwise, and the effect thereon of the compromise or arrangement, in so far as it is different from the effect on the like interests of other persons; and
 - (b) in every notice summoning the meeting which is given by advertisement, be included either such a statement as aforesaid or a notification of the place at which and the manner in which creditors or members entitled to attend the meeting may obtain 1 copy each of such a statement as aforesaid.
- (2) Where the compromise or arrangement affects the rights of debenture holders of the Company, the said statement shall give the like explanation as respects the trustees of any deed for securing the issue of the debentures as it is required to give as respects the Company's directors.
- (3) Where a notice given by advertisement includes a notification that copies of a statement

explaining the effect of the compromise or arrangement proposed can be obtained by creditors or members entitled to attend the meeting, every such creditor or member shall, on making application in the manner indicated by the notice, be furnished by the Company free of charge with a copy of the statement.

- (4) Where a company makes default in complying with any requirement of this section every officer of the Company who is in default shall be guilty of an offence and liable to a fine not exceeding level six or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment, and for the purpose of this subsection any liquidator of the Company and any trustee of a deed for securing the issue of debentures of the Company shall be deemed to be an officer of the Company:

Provided that a person shall not be liable under this subsection if that person shows that the default was due to the refusal of any other person, being a director or trustee for debenture holders, to supply the necessary particulars as to his interests.

- (5) It shall be the duty of any director of the Company and of any trustee for debenture holders of the Company to give notice to the Company of such matters relating to himself as may be necessary for the purposes of this section and any person who makes default in complying with this subsection shall be guilty of an offence and liable to a fine not exceeding level six or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment.

Section 194 of the Companies Act [Chapter 24:03]

Power to acquire shares of members dissenting from Scheme or contract approved by majority

- (1) Where a Scheme or contract involving the transfer of shares or any class of shares in a company, in this section referred to as "the transferor company", to another company, whether a company within the meaning of this Act or not, in this section referred to as "the transferee company", has, within 4 months after the making of the Offer in that behalf by the transferee company, been approved by the holders of not less than nine-tenths in value of the shares whose transfer is involved, other than shares already held at the date of the Offer by, or by a nominee for, the transferee company or its subsidiary, the transferee company may, at any time within 2 months after the expiration of the said 4 months, give notice in the prescribed manner to any dissenting member that it desires to acquire his shares, and when such notice is given the transferee company shall, unless on an application made by the dissenting member within 1 month from the date on which the notice was given, the court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which, under the Scheme or contract, the shares of the approving members are to be transferred to the transferee company:

Provided that where shares in the transferor company of the same class or classes as the shares whose transfer is involved are already held as aforesaid to a value greater than one-tenth of the aggregate of their value and that of the shares, other than those already held as aforesaid, whose transfer is involved, the foregoing provisions of this subsection shall not apply unless-

- (a) the transferee company offers the same terms to all holders of the shares, other than those already held as aforesaid, whose transfer is involved or, where those shares include shares of different classes, of each class of them; and
- (b) the holders who approve the Scheme or contract, besides holding not less than nine-tenths in value of the shares, other than those already held as aforesaid, whose transfer is involved, are not less than three-fourths in number of the holders of those shares.
- (2) Where, in pursuance of any such Scheme or contract as aforesaid, shares in a company are transferred to another company or its nominee, and those shares together with any other shares in the first-mentioned company held by, or by a nominee for, the transferee company or its subsidiary at the date of the transfer comprise or include nine-tenths in value of the shares in the first-mentioned company or of any class of those shares, then-
- (a) the transferee company shall within 1 month from the date of the transfer, unless on a previous transfer in pursuance of the Scheme or contract it has already complied with this requirement, give notice of that fact in the prescribed manner to the holders of the remaining shares or of the remaining shares of that class, as the case may be, who have not assented to the Scheme or contract; and
- (b) any such holder may within 3 months from the giving of the notice to him require the transferee

company to acquire the shares in question;
and where a member gives notice under paragraph (b) with respect to any shares, the transferee company shall be entitled and bound to acquire those shares on the terms on which under the Scheme or contract the shares of the approving members were transferred to it, or on such other terms as may be agreed or as the court on the application of either the transferee company or the member thinks fit to order.

- (3) Where a notice has been given by the transferee company under subsection (1) and the court has not, on an application made by the dissenting member, ordered to the contrary, the transferee company shall, on the expiration of 1 month from the date on which the notice has been given or, if an application to the court by the dissenting member is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company together with an instrument of transfer executed on behalf of the member by any person appointed by the transferee company and on its own behalf by the transferee company, and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.
- (4) Any sums received by the transferor company under this section shall be paid into a separate bank account and any such sums and any other consideration so received shall be held by that company in trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.
- (5) In this section the expression "dissenting member" includes a member who has not assented to the Scheme or contract and any member who has failed or refused to transfer his shares to the transferee company in accordance with the Scheme or contract.

ANNEXURE 6

THE SUBSTITUTE OFFER

1. Definitions

Except as set out below and unless indicated otherwise by the context, the definitions and interpretations set out on pages 9 to 13 of this Circular, shall apply *mutatis mutandis*, to this Annexure, and the following words and phrases shall have the meaning stated opposite them.

" Closing Date"	if the Substitute Offer becomes effective it is expected that it will close at 12:00 hours on Friday, 31 October 2014, which date Masawara may extend from time to time and is subject to certain Conditions Precedent, as set forth in paragraph 2.2 of this Annexure, having been met;
" Excluded Parties"	collectively the Masawara Mauritius Limited and any Masawara affiliate company in respect of the shares that it holds;
" Offer Shares"	Shares held by the Offerees;
" Offerees"	Shareholders recorded in the Register on the Substitute Offer Record Date other than the excluded parties, being Shareholders to whom the Substitute Offer is made;
" Opening Date"	09:00 hours on the first business day following on the day it is established that the Scheme has failed, for any reason, which in such eventuality is expected to be on Wednesday, 1 October 2014;
" Substitute Offer"	the Offer by Masawara to the Offerees to acquire their Offer Shares for the Substitute Offer Consideration, which Substitute Offer will be deemed to have been made (i) subject to fulfilment of certain Conditions Precedent set out in paragraph 8 of the Chairman's letter and explanatory statement and (ii) only if the Scheme fails for any reason;
" Substitute Offer Consideration"	the consideration payable to each offeree, being US\$0.206 in cash for every Share held;
" Substitute Offer Payment Date"	the date on which: <ul style="list-style-type: none">• the Substitute Offer consideration is posted to Shareholders; and• in respect of those offerees who have accepted the Substitute Offer by its closing date, expected to be on Friday, 31 October 2014 subject to certain Conditions Precedent, as set out in paragraph 2.2 of this Annexure, have been met; and
" 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, as set out in paragraph 2.2 of this Annexure, having been met.

IMPORTANT DATES AND TIMES RELATING TO THE SUBSTITUTE OFFER

2014

Press announcement that the Substitute Offer has been made published	Wednesday, 1 October
Substitute Offer opens at 09:00 hours on	Wednesday, 1 October
Last date to trade for Shareholders wishing to accept the Substitute Offer	Friday, 24 October
Substitute Offer closes at 12:00 hours (assuming no extension of the Substitute Offer)	Friday, 31 October
Confirmation of fulfilment of Conditions Precedent and results of the Substitute Offer published	Tuesday, 4 November
Substitute Offer Consideration posted to Shareholders (if Documents of Title are received on or prior to the Substitute Offer Record Date) in or about or, failing receipt of Documents of Title on or before the closing date of the Substitute Offer, within five business days of receipt thereof by the Transfer Secretaries	Friday, 7 November
Compulsory acquisition of the Shares becomes effective (if applicable and assuming no extension of the Substitute Offer) on or about	Friday, 7 November

Notes:

The above dates and times are subject to such changes as may be agreed to by the Independent Board and Masawara and approved by the ZSE, if required. Any such change will be released and published in the Zimbabwean Press.

2. The Substitute Offer

In the event that the Scheme fails for any reason and subject to fulfilment of the Conditions Precedent set out in paragraph 2.2. below, Masawara will be deemed to have made an irrevocable offer to purchase the Offer Shares for US\$0.206 in cash for every Share held on the Substitute Offer Record Date on the terms and conditions set out in this Annexure.

2.1 Substitute Offer Period

Unless the dates of the Substitute Offer are changed by notice in the Press, the Substitute Offer will open for acceptance at 09:00 hours on Wednesday, 1 October 2014 and will close at 12:00 hours on Friday, 31 October 2014. Masawara may extend the period during which the Substitute Offer is open for acceptance by further notification in the Press, and which cannot remain unconditional as to acceptance for more than 60 days, without the prior consent of the ZSE. In the event that Masawara elects to extend the period of acceptance of the Substitute Offer it may waive the Conditions Precedent set out in paragraph 2.2.2 below

2.2 Conditions Precedent

2.2.1 The making of the Substitute Offer is conditional on the Scheme not becoming operative.

2.2.2 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.

2.2.3 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.

2.3 **Compulsory acquisition in terms of the Companies Act**

The provisions hereof shall be subject to the fulfillment of the Conditions Precedent in paragraph 2.2 above.

Should the Substitute Offer be accepted by the Offerees in respect of nine tenths or more of the Offer Shares, Masawara will invoke the provisions of Section 194 of the Companies Act (the provisions are set out in Annexure 5) to compulsorily acquire all of the Offer Shares in respect of which the Substitute Offer was not accepted. In such event, application will be required to be made to the ZSE for the immediate suspension and subsequent termination of the listing of the TA Holdings Shares on the ZSE.

Should the Substitute Offer be accepted by Offerees resulting in Masawara holding less than 75% of TA Holdings, the Substitute Offer will fail for want of fulfillment of the Conditions Precedent set out in paragraph 2.2.2, unless Masawara waives fulfillment of that condition in which event it will acquire those shares tendered.

3 **Acceptance of the Substitute Offer**

3.1 Acceptance of the Substitute Offer by Shareholders must be made on:

3.1.1 the relevant attached form of Acceptance and Surrender (yellow) attached to this Circular; or

3.1.2 the relevant form of Acceptance and Surrender (yellow), which will be sent to shareholders, upon request prior to the Closing Date.

The nominee or Broker of Shareholders holding their Shares in a nominee account will request the Shareholder concerned to indicate if they wish to accept the Substitute Offer.

Shareholders that tendered their Documents of Title in terms of the Scheme, and voted in favour of the Scheme, will be deemed to have accepted the Substitute Offer.

4 **Settlement of the Substitute Offer Consideration**

The provisions of this paragraph shall be subject to the fulfillment of the Conditions Precedent in paragraph 2.2.3 above and no payment will be effected prior thereto.

4.1 The provisions of the Scheme in relation to the settlement of the Scheme Consideration and surrender of Documents of Title by Scheme Participants, will apply *mutatis mutandis* in relation to the discharge of the Substitute Offer consideration with the "Closing Date" being substituted for the "Consideration Record Date". The same shall apply to any surrender in respect of any acceptance of the Substitute Offer, save that TA Holdings will undertake no obligations of any nature whatsoever in terms of administering the Substitute Offer. The Transfer Secretaries will be appointed by Masawara to act on its behalf for purposes of the Substitute Offer.

It is specifically provided, however, that the Substitute Offer Consideration arising out of any acceptance of the Substitute Offer will, unless previous arrangements have been made for collection, be posted, by the Transfer Secretaries on behalf of Masawara at the risk of the Offerees who accepted the Substitute Offer and submitted a duly completed form of Acceptance and Surrender (yellow) together, where appropriate, with the Documents of Title prior to the Closing Date.

4.2 Settlement of the Substitute Offer Consideration will be implemented in full in accordance with the terms of the Substitute Offer without regard to any lien, right of set-off,

counterclaim, deduction, withholding or other analogous right to which Masawara may otherwise be entitled.

5 Opinions and recommendations

- 5.1 KPMG has been appointed by the Independent Board as an independent advisor to advise the Independent Board as to the fairness and reasonableness of the Substitute Offer Consideration. KPMG has considered the terms of the Substitute Offer and the Substitute Offer Consideration and is of the opinion that the Substitute Offer is fair and reasonable to the Offerees. The text of the letter from KPMG in this regard is set out in Annexure 3 in this Circular.
- 5.2 The directors of TA Holdings whose interests are disclosed on page 23 of this Circular, have considered the terms of the Substitute Offer and have considered the opinion of the Independent Financial Expert, and are of the opinion that the terms of the Substitute Offer are fair and reasonable.

6 Amendment or variation of the Substitute Offer

No amendment or variation of the Substitute Offer shall be valid unless it is agreed to by TA Holdings and Masawara in writing and approved by the ZSE, provided that TA Holdings and Masawara shall not agree to any amendment or variation that has the effect of reducing the Substitute Offer Consideration.

7 Applicable law

The Substitute Offer is made in compliance with the requirements of the Listings Requirements, and is governed by and subject to the provisions of the laws of Zimbabwe and each Offeree will be deemed by his acceptance, to have consented and submitted to the jurisdiction of the Courts of Zimbabwe in relation to all matters arising out of or in connection with the Substitute Offer and acceptance thereof.

8 Undertakings

Undertakings to accept the Substitute Offer in respect of their holdings of Shares at the opening date have been received from 41.1% of Shareholders. The names and holdings of these Shareholdings are set out on page 22 of this Circular.

9 Mandates

Each mandate or instruction from Offerees in force on the date which the Substitute Offer becomes effective will be deemed to be a mandate to Masawara in relation to the Substitute Offer Consideration to be received by that Offeree.

10 Applicable provisions

The provisions of paragraphs 9, 3.3 and 10 of the Explanatory Statement and paragraph 18 of the Scheme of Arrangement Circular, shall apply, *mutatis mutandis*, to the Substitute Offer.

No payment will be made until such time as the Substitute Offer is implemented and the Conditions Precedent in clause 2.2.3 are fulfilled.



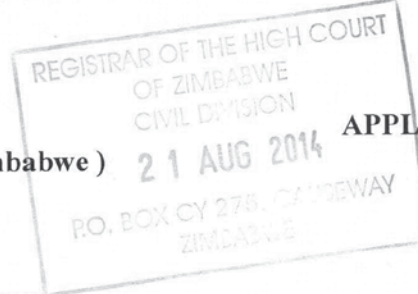
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**IN THE HIGH COURT OF ZIMBABWE
HELD AT HARARE**

Case No. HC 6772/14

In the ex parte application of:-

**TA HOLDINGS LIMITED
(Incorporated in the Republic of Zimbabwe)
(Registration number 46/35)**

**APPLICANT**

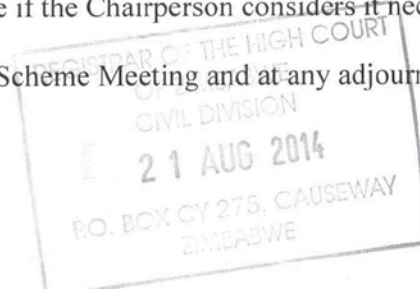
Harare the 20th day of August 2014
Before the Honourable Mr. Justice Hungwe

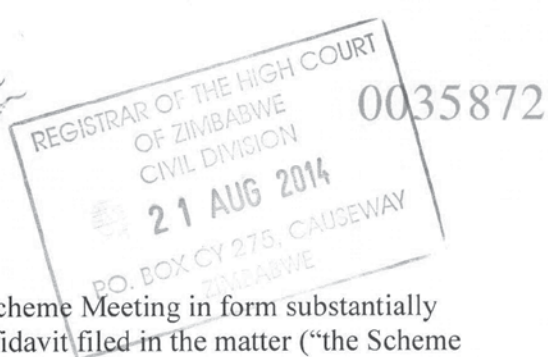
Mr. T. Nyamasoka for the applicant

WHEREUPON, after reading documents filed of record and hearing counsel.

IT IS ORDERED THAT:

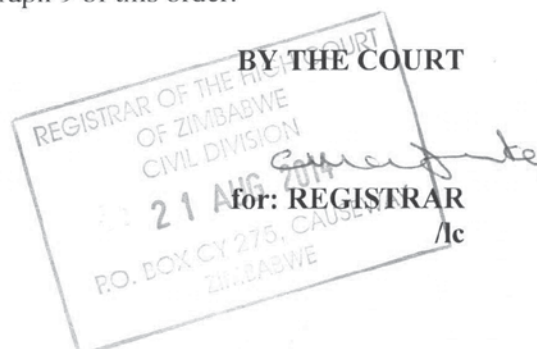
1. A meeting ("the Scheme Meeting") in terms of Section 191 of the Companies Act (Chapter 24:03), of the ordinary shareholders of the applicant recorded as such in the applicant's register of ordinary members ("Share Register") as at 17:00 hours on Wednesday, 20 August 2014 ("the Scheme Members") be convened by the chairperson referred to in paragraph 2 of this Order of Court ("this Order") 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, for the purpose of considering and, if deemed fit, agreeing, with or without modification, to the scheme of arrangement ("the scheme") proposed by Masawara Holdings Mauritius Limited ("Masawara") between the applicant and the Scheme members, substantially in the form contained in Annexure "D" to the founding affidavit in this matter, provided that if at the date of the Scheme Meeting, the Transaction giving rise to the Scheme has not been approved (by the relevant regulatory authorities, then either the Scheme shall be conditionally sanctioned by this Honourable Court pending such regulatory approval being obtained or the return date therefore being extended from time to time by this Court.
2. Mr. Justice Moses Chinhengo, or failing him any other suitably qualified legal practitioner as may be nominated by him and approved by the applicant's legal practitioners of record, be and is hereby appointed as chairperson of the Scheme Meeting ("the Chairperson").
3. The Chairperson is authorized and empowered to:-
 - 3.1. Convene the Scheme Meeting
 - 3.2. Appoint scrutineers for the purpose of the Scheme Meeting.
 - 3.3. Determine the validity and acceptability of any form of proxy submitted for use at the Scheme Meeting and / or any adjournment thereof.
 - 3.4. Adjourn the Scheme Meeting from time to time if the Chairperson considers it necessary to do so, and
 - 3.5. Determine the procedure to be followed at the Scheme Meeting and at any adjournment thereof.





4. The applicant shall cause a notice convening the Scheme Meeting in form substantially similar to Annexure F attached to the Founding Affidavit filed in the matter ("the Scheme Notice") to be published once in any daily newspaper circulating within Zimbabwe at least 14 (fourteen) calendar days before the Scheme Meeting.
5. Copies of:-
 - 5.1. The explanatory statement substantially in the form of Annexure D attached to the founding affidavit in this matter ("the Explanatory Statement")
 - 5.2. The Scheme Notice
 - 5.3. The form of Proxy to be used at the Scheme Meeting substantially in the form of Annexure G attached to the founding affidavit filed in this matter ("the Form of Proxy")
 - 5.4. This order of Court and shall be sent by the applicant at least 14 (fourteen) calendar days before the date of the Scheme Meeting to each of the ordinary shareholders of the applicant at their addresses as reflected in the Share Register at the close of business on a date not more than 4 (four) business days before the date of such sending.
6. Copies of:-
 - 6.1. The Explanatory Statement
 - 6.2. The Scheme Notice
 - 6.3. The Form of Proxy
 - 6.4. This Order of Court

Shall lie for inspection at, and copies of these documents may be obtained free of charge, by applicant's registered shareholders, from the registered office of the applicant during the normal business hours for at least 14 (fourteen) calendar days prior to the date of the Scheme Meeting.
7. Applicant shall publish its financial statements for the six months ended 30 June 2014 ("the Interim Accounts") in at least one daily newspaper circulating within Zimbabwe by 31 August 2014, and shall further make available for inspection at its registered office, and also avail copies of the Interim Accounts free of charge to applicant's registered shareholders, during the normal business hours for at least 14 (fourteen) calendar days prior to the date of the Scheme Meeting.
8. The Chairperson shall report by way of affidavit the results of the Scheme Meeting to this Court on a date fixed by the applicant's legal practitioners of record, which date shall be within 21 calendar days of the date of the Scheme Meeting.
9. The applicant shall arrange to make available at its registered office a copy of the Chairperson's report to this Court, free of charge, to any Scheme member on request, for at least five (5) days before the return referred to in paragraph 9 of this order.



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] has ordered that a meeting ("the Scheme Meeting") of the ordinary shareholders, other than excluded parties of the Applicant, being Masawara Mauritius 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 on Tuesday, 16 September 2014 (or any adjourned date as determined by the chairperson ("the Scheme 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 Holdings Mauritius Limited, which in turn is wholly owned by Masawara Holdings Mauritius Limited, between the Applicant and its ordinary shareholders excluding the excluded members ("Scheme Participants"), provided that the Applicant shall not be entitled to vote at the Scheme Meeting shall not be entitled to vote at the Scheme Meeting and shall not be entitled to vote at the Scheme Meeting in terms thereof to Scheme Participants.

subject to fulfillment of the Conditions Precedent stated therein of the above Honourable Court provided that if at the date of the Scheme Meeting any relevant regulatory approvals have not been obtained, then either the Scheme Meeting shall be conditionally sanctioned by the Honourable Court pending such regulatory approval or the return of the Scheme Meeting shall be extended from time to time, as may be appropriate.

to consider, and if deemed fit, to agree to the Scheme. The basic characteristic of the Scheme is that, upon implementation, Masawara Holdings Mauritius Limited, will become the owner of 100% of the Applicant's ordinary shares held by Scheme Participants and the Scheme Participants will receive a cash consideration of US\$0.206 for each ordinary share in the Applicant disposed of to Masawara pursuant to the Scheme.

to be used at the Scheme Meeting or any adjourned Scheme Meeting, the Scheme, the explanatory statement explaining the Scheme and the order of Court in the document to which this notice is attached and form part

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 on Tuesday, 16 September 2014 (or any adjourned date as determined by the chairperson ("the Scheme 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 Holdings Mauritius Limited, which in turn is wholly owned by Masawara Holdings Mauritius Limited, between the Applicant and its ordinary shareholders excluding the excluded members ("Scheme Participants"), provided that the Applicant shall not be entitled to vote at the Scheme Meeting shall not be entitled to vote at the Scheme Meeting and shall not be entitled to vote at the Scheme Meeting in terms thereof to Scheme Participants.

its ordinary shareholders excluding the excluded members ("Scheme Participants"), provided that the Applicant shall not be entitled to vote at the Scheme Meeting shall not be entitled to vote at the Scheme Meeting and shall not be entitled to vote at the Scheme Meeting in terms thereof to Scheme Participants.

The implementation of the Scheme is subject to the fulfilment of the Conditions Precedent stated therein of the above Honourable Court provided that if at the date of the Scheme Meeting any relevant regulatory approvals have not been obtained, then either the Scheme Meeting shall be conditionally sanctioned by the Honourable Court pending such regulatory approval or the return of the Scheme Meeting shall be extended from time to time, as may be appropriate.

The purpose of the Scheme Meeting is to consider, and if deemed fit, to agree to the Scheme. The basic characteristic of the Scheme is that, upon implementation, Masawara Holdings Mauritius Limited, will become the owner of 100% of the Applicant's ordinary shares held by Scheme Participants and the Scheme Participants will receive a cash consideration of US\$0.206 for each ordinary share in the Applicant disposed of to Masawara pursuant to the Scheme.

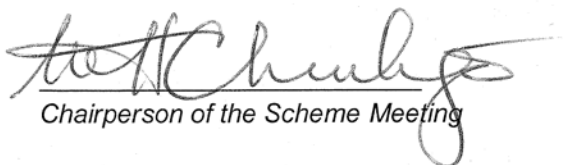
Copies of this notice, the Form of Proxy, the explanatory statement explaining the Scheme and the order of Court in the document to which this notice is attached and form part

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 10:00hours. 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 (pink) 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 (yellow) 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).