



NOTICE TO MEMBERS

RESULTS OF THE ANNUAL GENERAL MEETING

The Sixty Ninth Annual General Meeting of the Company was held on 5 June 2020. All resolutions tabled at the meeting were passed unanimously. These included:

- Adoption of the Financial Statements, the Report of the Directors, the Chairman's Statement and the Group Managing Director's Report for the year ended 30 September 2019.
- Directors' Fees totalling ZWL 273 295 (Historical) for the year ended 30 September 2019.
- The re-election of directors Mr. P. Gowero, Mr. A. H. Howie, Mr. K. C. Katsande who retired by rotation. Mr. K. J. Langley, Mr. Q. Swart, and Mr. P. Crause, having been appointed during the year and since the last AGM, stood down as per the Company's Articles of Association, and were re-elected as directors.
- Mr. K. C. Katsande was re-appointed as Chairman of the Board. Membership of the Audit & Risk Committee and the Remuneration & Nominations Committee was also approved.
- Audit fees for the year ended 30 September 2019 were approved in the sum of ZWL 3,213, 000 (Historical). Deloitte & Touche were re-appointed as Auditors for the ensuing year.

At the conclusion of the formal business the Group Managing Director, Mr. John Van Gend, gave an update to shareholders. He advised that due to the delay in holding the AGM his review covered the half year to 31 March 2020, for which a Trading Update had already been published.

Mr. Van Gend noted that the socio-economic environment since the previous AGM had not undergone any material improvement and he did not foresee any significant uplift for the rest of 2020, especially in view of the COVID-19 pandemic which had impacted on economic activity. He advised that the Group, having been deemed as an essential service provider, had been able to operate during the lockdown restrictions, albeit with lower volumes. Sourcing sufficient foreign exchange to import raw materials, especially paper for conversion into boxes for the tobacco and commercial sectors, remained of paramount concern.

He confirmed the Company's efforts to re-establish its presence and control over its timber estates. Representations continued with Government and he hoped that title would be restored in line with the intention to honour the BIPPA agreement so that the business potential of the estates could be resuscitated.

Revenue for the period under review was 791% ahead of prior year on a historical cost basis as a result of inflation which had boosted prices. Most volumes had dropped and margins were under pressure in order to remain competitive. Nevertheless, all units were currently trading profitably due to rigid cost controls and focus on treasury and cash flow management. Demand remained firm across all portfolios. Capital expenditure projects had been curtailed due to the lack of foreign currency and net working capital had decreased in order to fund foreign trade payables.

Mr. Van Gend concluded with a summary of operations at Hunyani, Mega Pak and CMB, which highlighted the shrinkage in volumes both locally and for export. The tobacco sector remained vital to ongoing packaging operations, particularly export business. The economic situation remained serious with consumer demand reducing as incomes failed to keep pace with inflation. The impact of the corona virus infection remained uncertain. He hoped for an acceleration of much needed macro-economic and political reform in order to attract necessary direct foreign investment.

By Order of the Board

A. K. Nicholson
Company Secretary

68 Birmingham Road
Southerton
Harare

5 June 2020

DIRECTORS: K. C. Katsande (Chairman), J. P. Van Gend* (Group Managing Director), F. Dzingirai* (Group Finance Director), P. Crause, P. Gowero (M. M. Valela, Alt), A. H. Howie, K. J. Langley, Q. Swart
* Executive Directors