

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE HOME AFRIKA GROUP
COMPANY HELD VIRTUALLY/ VIA ELECTRONIC MEANS ON THURSDAY, 30TH
JUNE 2022 AT 10.00AM.**

Present

- | | | |
|---|---|--------------------------|
| 1. Mr. Peter Mungai | - | Chairperson |
| 2. Ms. Jayne Nyokabi | - | Acting Managing Director |
| 3. Mr. Mbugua Gecaga | - | Director |
| 4. Mr. Luke Kinoti | - | Director |
| 5. Ms. Bertha Navuri Mvati | - | Director |
| 6. Ms. Frida Owinga | - | Director |
| 7. Mr. Nelson Ashitiva | - | Director |
| 8. Mr. Dan Awendo | - | Director |
| 9. Registered Shareholders joining electronically | - | |

In Attendance:

- | | | |
|----------------------|---|---|
| 1. Mr. Ben Munyasya | - | Company Secretary (Githogori & Harrison
Advocates) |
| 2. Mr. George Mwangi | - | External Auditor (GMK Accountants LLP) |
| - | | |

The chairperson called the meeting to order at 10.00am and requested all those present to stand up wherever they were for the National Anthem. The Chairperson then welcomed members and observers to the Annual General Meeting (AGM) and invited Ms. Frida Owinga to say a word of prayer.

The Chairperson introduced the Company Acting Managing Director, the new Company Secretary, the External Auditor and the Board of Directors.

The Chairman informed the members and the Shareholders that they would be able to access information pertaining to the Audited Financial Statements of the Company through the Company's website and vote electronically during the meeting.

Min. 01/2022 Constitution of the meeting

The Company Secretary noted at the commencement of the meeting that there were 629 shareholders attending electronically, in person and by proxy, representing 23% (93,208, 723 shares) of the total issued share capital of the company.

A quorum being present, the Chairperson then declared the meeting as duly convened and constituted.

The notice convening the meeting was taken as read by the Company Secretary and the agenda of the meeting was adopted.

Min. 02/2022 Confirmation of minutes of the previous AGM held on 30th September 2021

The Chairperson reported that the minutes of the AGM held on 30th September 2021 had been availed on the Company's website.

Upon a proposal by Misser Kingi and seconded by Misser Vedman, it was unanimously resolved that the minutes be taken as read and be adopted as a true record of the proceedings of the meeting.

Min. 03/2022 Chairperson's Opening Remarks

The Chairman observed that a lot of challenges resulting from the Covid-19 Pandemic continued to exist even as the Company strived to recover from its impacts. He noted that the Board experienced a number of changes including the retirement of Mr. Dan Awendo who had served the Company as its Managing Director for the past 6 years, the appointment of Ms. Jayne Nyokabi as an executive director and later as the acting Managing Director as well as the appointment of Mr. Nelson Ashitiva as a non-executive Director.

The Chairman informed members and the shareholders that despite the depressed share price, the book value of the group's sellable land and other inventory stood at Kshs. 3.6 billion in the year 2021. He added that the Company continued to invest in infrastructure of various projects especially Migaa Golf Estate, its main project and that would help improve the market value of the land bank as the land becomes more desirable.

He explained to the members and the Shareholders that the Board Turnaround Committee was constituted with a determination to turnaround the Company and bring it back to profitability and create value for the shareholders. In 2022, the Company intends to implement the Turnaround

Strategy aimed at focusing on the following main area: Debt Restructuring, Business Continuity, Organizational Restructuring and Check on the Operations Control Systems. The Board remains confident that the said strategy will greatly improve performance, thus 2022 will be a better year for all the stakeholders.

Min. 04/2022 Acting Managing Director's Report

The acting Managing Director reported that the year 2021 was a better year compared to 2020 as the group reported a 30% growth in revenue for the year ending 31st 2021 compared to the later year and the gross profit grew by 204% from Kshs. 52.4 million to Kshs. 159.5 million. The actual sales, not adjusted for percentage of completion for 2021 were Kshs. 570 million. This particular growth resulted from reported sales by the group of registration of more leases and increase in the percentage of completion of the Migaa project which increased from 56% in 2020 to 58% in 2021.

She added that the group reported a 17% decrease in loss before tax of Kshs. 281.5 million from the Kshs. 340.2 million posted in 2020. The sale proceeds of the project were carried in the balance sheet as current liabilities both as deferred income and as deposits from sales of plots both closing at Kshs. 3.2 billion compared to the Kshs. 3.1 billion from 2020. The said amount would convert to gross revenues in the Company's profitability statement as the percentage of completion of the project continues to improve from the current 58% in the medium-term prospects. The book value of the group's sellable land and other inventory stood at Kshs. 3.6 billion in the year 2021.

It was reported that the Company seeks to invest in projects that will generate highest returns and create value for the shareholders. This will be by ensuring that it has the right products in the market and adequate skills to meet its objectives. The Company's core activities include Origination, Product development and Commercial/ sales and the products include but not limited to Smart plots Developments, Migaa Products, Property letting services, Short stay rentals, Property Management Division and Land Survey Division.

The acting Managing Director reported that as the current government continues to fast track the completion of key projects before August 2022, the Company looks forward to growth in the real

estate industry. It was however noted that due to the upcoming elections, the investors needed to remain conservative in their investments as they await the outcome of the election.

The acting Managing Director expressed her gratitude to the employees for their commitment and dedication towards the Company despite the unpredictable adversities, the Board of Directors and the Company Management for their support and directions and the Shareholders for their investment and support.

Min. 05/2022 External Auditor's Report for the year ended 31st December 2021

Mr George Mwangi, an external auditor from GMK Accounts LLP presented the External Auditor's Report for the year ended 31st December 2021.

He informed the members that GMK Accounts LLP had not expressed an audit opinion on the accompanying consolidated financial statements because of the significance of the matters described in the Basis for Disclaimer of Opinion section of their report.

The statement of financial position indicated that the Company incurred a net loss of Kshs. 281, 527, 190 for the year ended December 2021. As of that date, the net current liabilities of the group amounted to Kshs. 2, 562,955,815 and there was a deficiency in shareholders fund of Kshs. 2,050,187,287. The conditions indicated that there existed a material uncertainty as to whether the company was able to continue as a going concern.

The directors prepared the financial statements on a going concern basis. However, the Auditors were unable to determine whether the use of going concern assumption was appropriate or not since they had not obtained sufficient appropriate audit evidence in respect of the basis and assumption used by the directors to prepare the financial statements on a going concern basis.

Included within trade and other receivables was an amount due from a related party amounting to Kshs. 343,520,531 which arose as a result of sale of certain inventory to the related party. The Auditors had not obtained sufficient appropriate audit evidence in respect of the measurement and recoverability of these transactions and balances. There was also an unreconciled variance of Kshs.

9,094,964 and as a result, the Auditors were unable to obtain sufficient appropriate audit evidence as to the validity of the balances and transactions.

Two properties were included within work in progress; the sports facility and club house with a cumulative cost of Kshs. 28,285,376 for which the title was not in the name of the company. No impairment for the properties had been made in the financial statements.

Additionally, balances reflected as receivable from plot buyers amounting to Kshs. 57,272,454 were included within deposit from plot buyers. The Auditors had however not obtained sufficient appropriate audit evidence on the recoverability of the transactions and balances in the absence of supporting documentation.

Residential apartment blocks that are currently under construction with a carrying value of Kshs. 570 million that are subject to foreclosure by the bank for non-payment of the borrowing were included in the inventory. The Auditors were unable to obtain sufficient appropriate audit evidence as to the adequacy of provision impairment given the uncertainties in completion of the project as reflected in Note 15.

It was noted that the Auditors had not reported on the key audit matters due to the significance of the matters described in the Basis for the Disclaimer of Opinion section and the auditor's consequential Disclaimer Opinion.

In conclusion, the Auditor reported that the company and the group had kept adequate accounting records and the company's financial statements were in agreement with the accounting records. In the Auditor's opinion, the information given in the report of the Directors was consistent with the financial statements and the auditable part of the Directors' remuneration report had been properly prepared in accordance with the Kenyan Companies Act, 2015.

The Chairman informed the shareholders that they had the opportunity to ask questions and seek clarifications with regard to the financial statements and the resolutions contained in the notice and the agenda of the meeting. He explained that voting on all resolutions put forward to the meeting would be conducted by poll using short code by sending an SMS with the word “REG” TO 23071. The resolutions were shared on the screen for voting one at a time and the results would be published on the Company’s website within 24hours of the conclusion of the meeting.

Questions were received from the shareholders who dialled into the meeting and the Chairman together with the Managing Director responded to all of them. The shareholders were encouraged to continue sending in their questions using the Q& A button displayed on their dashboard or by sending SMSs on 0716802070. The Chairman then moved to the next order of business.

Min. 07/2022 Audited Consolidated Financial Statements for the year ended 31st
December 2021

The Audited Consolidated Financial Statements for the year ended December 31st 2021 were made available to the Shareholders and the Shareholders were allowed to raise questions concerning the Financial Statements.

Upon a proposal by Mr. Thomas Ndolo Mulwa and seconded by Mr. Onesmus Mulandi Munyithya, it was unanimously resolved that the Audited Consolidated Financial Statements for the year ended 31st December 2021, together with the Director’s and the Auditor’s report thereon be and were thereby approved.

Min. 08/2022 Dividends

It was noted that the Directors did not recommend the payment of a dividend for the year ended 31st December 2021.

Upon a proposal by Mr. Fredrick Warui Kinyanjui and seconded by Mr. Erastus Walumoli Haslan, it was unanimously resolved that the recommendation by the Directors for the non-payment of Dividends for the year ended 31st December 2021 be and were thereby ratified.

Min 09/2022 Election of Directors

- a.) In accordance with Articles 92 and 93 of the Company Articles of Association, the following Directors were due for retirement by rotation and being eligible, individually offered themselves for re-election:

i. Ms. Frida Owinga

It was proposed by Mr. Thomas Ndolo Mulwa and seconded by Mr. Fredrick Warui Kinyanjui and unanimously resolved that Ms. Frida Owinga, a Director due for retirement by rotation and being eligible, be and was thereby re-elected as a Director of the Company.

ii. Ms. Bertha Mvati

It was proposed by Ms. Elizabeth Maina and seconded by Mr. Kigoci Amos Cerere and unanimously resolved that Ms. Bertha Mvati, a Director due for retirement by rotation and being eligible, be and was thereby re-elected as a Director of the Company.

- b.) The Acting Managing Director stated that in accordance with the provisions of Section 769 of the Kenyan Companies Act 2015, the following Directors, who serve as Members of the Board's Audit, Risk and Compliance Committee, be elected to continue serving as members of the said Committee:

i. Mr. Luke Kinoti

ii. Ms. Frida Owinga

iii. Mr. Nelson Ashitiva

It was proposed by Mr. Kevin Kipkurui and seconded by Ms. Elizabeth Maina and unanimously resolved that in accordance with Section 769 of the Kenyan Companies Act 2015, Mr. Luke Kinoti, Ms Frida Owinga and Mr. Nelson Ashitiva be and were thereby elected to serve as members of the Board's Audit, Risk and Compliance Committee.

Min 10/2022 Approval of Directors' Remuneration

Upon a proposal by Mr. Jonathan Chomba Munyi and seconded by Mr. Kevin Kipkurui, it was unanimously resolved that the Directors' Remuneration Report for the year ended 31st December 2021 be and was thereby approved and that the Board be authorized to fix the Remuneration of the Directors for the ensuing year.

Min 11/2022 Appointment and Remuneration of Company Secretary

The Chairperson stated that in accordance with the Company's Articles of Association and Section 244 of the Companies Act 2015 Messrs. Githogori & Harrison Associates Advocates LLP, had expressed their willingness to be appointed as the Company Secretary of the Company.

It was proposed by Mr. Erastus Walumoli and seconded by Mr. Kevin Kipkurui and unanimously resolved that Messrs. Githogori & Harrison Associates Advocates LLP, having expressed their willingness in accordance with Section 244 of the Companies Act 2015 and to authorize the Board to fix the remuneration for the ensuing financial year be and was thereby appointed as the Company Secretary of the Company.

Min 12/2022 Appointment and Remuneration of Auditors

The Chairperson stated that in accordance with the Company's Articles of Association and Sections 721 (2) and 724 of the Kenyan Companies Act 2015 Messrs GMK Accountants LLP, had expressed their willingness to be appointed as the Independent Auditors of the Company.

It was proposed by Mr. Jackson Mwaniki Wangai and seconded by Ms. Elizabeth Maina and unanimously resolved that Messrs. GMK Accountants LLP, having expressed their willingness in accordance with Sections 721 (2) and 724 of the Kenyan Companies Act 2015 and to authorize the Board to fix the remuneration for the ensuing financial year be and was thereby appointed as the Company's Auditor.

Min 13/2022 Any Other Business

The Chairperson thereafter thanked all the Shareholders and participants for attending the meeting and wished them well.

There being no other business, the Chairperson declared the meeting closed at 01:48pm

Confirmed as a true record of the proceedings at the meeting:

Chairman:.....

Date:.....