



2023 ANNUAL REPORT AND FINANCIAL STATEMENTS



CORPORATE INFORMATION

OVERVIEW

Board of Directors

Eng. Erastus Mwongera (Chairman)
 John Mugo
 Akif Butt
 Lydia Mbuthia
 Mary Ngatia
 Peter Gitonga
 Sameer Merali

OUR BUSINESS

Audit, Risk and Corporate Governance Committee

Lydia Mbuthia (Chairlady)
 Sameer Merali
 Mary Ngatia

OUR PERFORMANCE

Finance, Strategy and Investment Committee

Akif Butt (Chairman)
 Peter Gitonga
 Sameer Merali
 Lydia Mbuthia

GOVERNANCE

Nominations and Remuneration Committee

Mary Ngatia (Chairlady)
 Eng. Erastus Mwongera
 Peter Gitonga

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Registered Office & Principal Place of Business

Nairobi / Block 125 / 2370
 Mombasa Road
 P.O. Box 30429
 00100 Nairobi GPO.

SHAREHOLDERS INFORMATION

Company Secretary

Mercy Mbijiwe

OTHER INFORMATION

Listing

Nairobi Securities Exchange

Share Registrars

Custody & Registrars Services Limited
 Bruce House, 6th Floor,
 Standard Street,
 P.O. Box 8484,
 00100 Nairobi GPO

Principal Advocates

Kipkorir, Titoo & Kiara,
 Posta Sacco Plaza,
 P.O. Box 10176
 00100 Nairobi GPO.

Waruhiu K'Owade & Ng'ang'a Advocates
 Taj Towers, 4th floor, Wing B,
 Upperhill Road.
 P.O. Box 41722
 00100 Nairobi GPO

Principal Bankers

NCBA Bank (Kenya) PLC,
 NCBA House,
 P.O.Box 44599,
 00100 Nairobi GPO.

Standard Chartered Bank (Kenya) PLC,
 48, Westlands Road,
 P.O. Box, 30003,
 00100, Nairobi GPO.

Auditors

RSM Eastern Africa LLP
 Certified Public Accountants
 1st Floor, Pacis Centre
 Slip road, Off Waiyaki Way, Westlands
 P.O. Box 349-00606
 Nairobi

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WHO WE ARE

Sameer Africa PLC is a public limited company that is listed on the Nairobi Securities Exchange. The company's principal business is the letting of investment property and importation and sale of tyres and allied products and we operate primarily in Kenya.

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The Company has extended its property offering to more than 750,000 square feet of lettable industrial space with a mix of EPZ and non-EPZ facilities.

We have prioritized customer service and our clients trust us to provide their warehousing needs, serving over 40 tenants in various sectors including distribution, retail, manufacturing, agro-processing, business process outsourcing and energy, with over 90% occupancy and high retention rates.



Sameer EPZ, licensed as Kenya's first Export Processing Zone (EPZ) 32 years ago, is a prominent industrial zone dedicated to promoting export-oriented industries and economic growth in the country. Established in 1992, it has played a significant role in Kenya's economic development and international trade.

From its strategic location off Enterprise Road, Sameer EPZ offers various advantages to businesses looking to set up operations. It provides a range of infrastructure and facilities tailored to meet the needs of export-oriented industries. These include factory spaces, warehouses, utility services, and transportation networks, ensuring a conducive environment for production and trade.



WHAT WE DO

Our Property Business

The Group owns a large property holding part of which is built up and on which our investment property income is derived and other parcels earmarked for future development.

Our Tyre Business

We import and sell quality tyres engineered for the African terrain. Our tyre range includes tyres for various applications including passenger vehicles, light and medium truck, truck and bus and agricultural use.

We engage with our customers through our extensive partner network and directly to large fleets, government and other consumers.

Our Property Investments



Our fully owned subsidiaries, Sameer EPZ Limited and Sameer Industrial Park Limited let space for tenants licensed to operate in an EPZ.



Sameer Africa lets rented space in its Mombasa Road premises.



Sameer Business Park, owned through our associate company Sameer Business Park Limited, is a world-class rented facility that is located conveniently along Mombasa Road.



- 185/70R14 Monarch II
- 195/65R15 Monarch III
- 205R16 Moran
- 225/75R15 Moran
- 750 -16 14 Ply Pamoja



- 185/70R14 Hawk
- 185/70R13 Hawk
- 195R15 Tosha
- 9.5R17.5 Kifaru
- 315/80R22.5 Kifaru AP

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OUR CORPORATE STRATEGY

Our value creating business mode

Driven by our mission and guided by our values...

Our Mission

To create sustainable value from our real estate assets

Our values



Integrity

we do right, the right way



Collaboration

we work jointly with partners to achieve shared objectives



Agility

we respond and quickly adjust to market changes and client needs



Respect

we believe our partners and planet are important and should not be harmed



Excellence

we are the best at what we do

We have adopted an in-house managed integrated business model...

Our Business Model

Leasing management

- Credit-worthy clients
- Long-term tenancy agreements
- Built-in rent escalation
- Maximise revenue
- Reduce risk

Property management

- In-house management team
- Property maintenance & upkeep
- Timely response to clients' needs
- Cost-effective

Development management

- End-to-end development process
- Built-to-suit model
- Client collaboration
- Pre-construction lease agreement
- Optimal risk-adjusted return

Capital management

- Cash & liquidity management
- Low-risk investment income
- Accretive co-investment ventures
- Opportunistic asset dispositions
- Debt management

To build a growing and resilient business...

2023 Performance
Positive impact

94%

Occupancy rate
(2022 – 84%)

90%

Tenant retention
on expiring leases

+10%

Rental Income Growth
to Ksh. 360 million

Ksh.37 Million

Share of investee profit
(2022 – Ksh. 12 million)

Negative Impact

+ Ksh.77 Million

Increase in net foreign exchange losses

Value for clients

- Fit-for-purpose premises
- Strategic location for seamless logistics and market access
- Agile lease & property management

Value for shareholders

- Long-term lease agreements
- Diverse credit-worthy clients
- In-built rental income growth
- 10% growth in total equity of the Group

Value for government and regulators

- Ksh. 81 million income tax expense in 2023
- Rated in corporate governance leadership category by CMA
- Compliance with regulatory requirements

Value for employees

- Inclusive and healthy environment
- Learning and growth opportunities
- Private medical cover and pension scheme

That creates sustainable value for all our stakeholders

OUR CORPORATE STRATEGY (CONTINUED...)

Our Strategic Focus



Culture

The behaviors and attitudes that define us as a Company and Individuals

To strengthen the culture that will propel the business in our phase of growth, we have maintained continuous engagement with our human capital at all levels and provided avenues for communication and transparency in our collaboration.

Our core values are prominently on display across the organization including on every work station, we not only live our values, we make them visible at all times to ensure the core of the organizational culture is stable.

Our engagement with all stakeholders is anchored on our core values and any deviations can be communicated through our whistle blowing address.



Market Conditions

Proactively anticipating and responding to opportunities and risks

During the year we broke ground on a new 40,000 square feet Greenfields project, this was in response to market demand from our clients and an agile response to responding to opportunities that present themselves in the industrial property segment.

We continue to actively seek opportunities and analyze new and emerging risks, the impact of climate change in our industry is not only a real threat but one that requires incorporating building practices that mitigate against these risks and at the same time return value to our stakeholders.



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OUR CORPORATE STRATEGY (CONTINUED...)

OVERVIEW



Competitive return on Capital

Generate sustainable returns that exceed the cost of funding

As we set into the last year of our transition strategy, our focus on the industrial segment of our real estate strategy has reinforced our commitment to create value and deliver sustainable returns in line with our corporate mission.

Despite a 36% decline in our turnover we maintained our operating profit that declined marginally by only 6%, this was not only a testament that our strategy was sound but that our decision to entrench our position for higher returns in our growth phase was the right one.

OUR BUSINESS

OUR PERFORMANCE



Clarity on strategy

Where we choose to play and how we intend to win.

Our continuous engagement in the organization has been aimed at communicating strategy and clarifying objectives across all levels of the business and operations.

From celebrating success to enabling a feedback mechanism that improves processes has been the driver to aligning human capital capabilities and strategic goals.

GOVERNANCE

Our Human capital department has been instrumental in cascading goals across all departments, incorporating rewards into mid-term goals and organizing for frequent reviews to review effectiveness.

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Competence

Having the required skill, knowledge and experience to execute on strategy

We have provided and continue to provide training, mentoring and development opportunities to help employees understand the strategy better and align their skills and knowledge with the organization's goals.

We strongly believe that empowering employees to take advantage of opportunities and providing them with the skill set required to mitigate risk will in the long-term support in preserving value created by the business.

Our succession planning framework will also ensure a pipeline of great talent is always available and agile enough to take advantage of opportunities and at the same time provide employees with career advancement.

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Entrenching sustainability in our strategy

In all our operations we have purposed to entrench sustainability at the core of our business strategy and maintain our commitment to people and planet with our ESG targets.

Environmental



Aim on a Net zero position in our new premises.



Promote and facilitate generation of solar power within our properties.



Tree planting days.



Facilitate recycling by segregating waste in our properties.

Social



Health and safety for all our staff.



Support the communities in which we operate.



Apportion 10% of all procurement to marginalized groups and small businesses.



Promote gender parity in our human capital.

Governance



Promote Board diversity.



Compliance with all regulatory guidelines and code of ethics.



Organization structure that promotes accountability and transparency.

CHAIRMAN'S STATEMENT

“In line with our strategic focus to unlock more value from our investment properties, I am pleased to inform you that we commenced our first infill project at our Mombasa Road complex in November 2023. We have implemented the project under our built-to-suit model backed by a long-term, pre-construction lease agreement, offering our clients the advantage of a fit-for-purpose industrial space, while securing for the Company attractive and predictable rental income. The Company has already signed a 12-year lease agreement for 100% occupancy of the new space, to be completed in the third quarter of 2024.”

Eng. Erastus Mwangera
Chairman



It gives me great pleasure to present to you the Annual Report for the year ended 31 December 2023 on behalf of the Board and management of the Company.

OVERVIEW

The year under review presented us with a mixed bag of conditions. On the positive side, the Kenya's economic performance strengthened marginally, with GDP growth accelerating to 5.6% in 2023 compared to 4.9% in 2022. However, the economy continued to face several challenges in sustaining growth including global economic uncertainties, heightened public debt vulnerabilities, exchange rate pressures and cost-of-living crisis. In an effort to address these challenges, the Government of Kenya has sought to institute ambitious revenue mobilization measures, while seeking to tame inflationary pressures by raising the benchmark rate by 375 basis points in 2023 to 12.5% in December.

Despite the uncertainties in the environment, our Property segment continued to drive business performance, reporting a 10% increase in revenue on the back of increased occupancy and favourable tenancy renewals, and

a segment profit after tax of KShs 166 million. Our overall performance for the year was most impacted by the weakening of the Kenyan shilling against the United States Dollar, resulting in a 3-fold increase in unrealized foreign exchange losses on foreign-currency denominated liabilities, from KShs 43.5 million in 2022 to KShs 133.5 million in 2023. We reported a profit of KShs 46.3 million for the year, enabling us to reduce our accumulated losses.

STRATEGY IMPLEMENTATION

In line with our strategic focus to unlock more value from our investment properties, I am pleased to inform you that we commenced our first infill project at our Mombasa Road complex in November 2023. We have implemented the project under our built-to-suit model backed by a long-term, pre-construction lease agreement, offering our clients the advantage of a fit-for-purpose industrial space, while securing for the Company attractive and predictable rental income. The Company has already signed a 12-year lease agreement for 100% occupancy of the new space, to be completed in the third quarter of 2024.

As I reported to you last year, the Company entered into an agreement to sell a portion of undeveloped leasehold land in the fourth quarter of 2022, which we expected to complete in 2023. However, due to administrative and procedural delays at the Government land registry occasioned by the migration to the Ardisasa platform, we expect the process to conclude in 2024.

The net proceeds from the sale will retire debt, resulting in savings in finance costs, and significantly reducing our exposure to foreign exchange losses.

During the year, we further scaled down operations in the Tyre trading segment based on our evaluation of the systemic challenges in the industry. This resulted in an 89% reduction in the segment's revenues. However, despite this reduction, our operating profit reduced marginally by only 6.5%, highlighting the benefit of safe-guarding gains in the Property segment.

GOVERNANCE

Sound and effective governance is a key tenet of our Company. Good governance practices promote transparency and

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CHAIRMAN'S STATEMENT (...CONTINUED)

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accountability, giving our stakeholders assurance on the long-term sustainability of the Company.

An independent governance audit carried out for the year under review confirmed that the Board has put in place effective, appropriate and adequate governance structures for the interest of stakeholders. The opinion of the independent auditor is included in this Annual Report. Furthermore, the Company has been rated in the leadership category on governance issues in the latest assessment by the Capital Markets Authority, with an overall score above 75%.

OUR BUSINESS

There were no changes in directors of the Board or the constitution of the various Board Committees in 2023.

OUR PERFORMANCE

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

At Sameer Africa, we have taken various initiatives to reduce our environmental footprint and promote energy efficiency across our properties. Working with our partners, over 700kW of roof-top solar capacity has been installed within our Mombasa Road Complex, with plans to scale up in the near future. In addition, we are incorporating green building practices in new projects, which not only contribute to environmental preservation but also offer long-term cost savings to our clients.

GOVERNANCE

ETHICS AND RISK MANAGEMENT

As the Board of Directors, we are responsible for setting up an appropriate risk management framework with clear policies and procedures to facilitate risk management across the organization. We are committed to continuously improving our risk management practices and we remain vigilant to identify and address emerging risks and opportunities. During the period under review, we undertook a detailed review of the risks and opportunities affecting our operations, resulting in a revised risk matrix that is responsive to the changing regulatory and business environment. I am happy to report that our risk management system has been

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effective throughout the year, and we have operated the business ethically and in full compliance with the relevant legal and regulatory frameworks.

OUTLOOK

The Kenyan economy is expected to continue facing persistent revenue shortfalls, resulting in higher appetite to borrow both locally and from international markets. Global capital market volatility coupled with currency depreciation presents headwinds in achieving debt sustainability, signaling a potential high interest-rate environment for 2024. In the short run, we expect a dampened business environment as the government implements revenue mobilization measures. However, we remain confident in the attractive fundamentals of the industrial real estate sector, with the Company expected to sustain its trajectory of growth in in-place rental income while capitalizing on emerging opportunities to develop new properties under the built-to-suit model.

As I conclude, I take this opportunity to thank all our employees who work tirelessly to deliver our strategy, and my colleagues on the Board, whose dedicated service has enabled us to exercise effective oversight over the Company. I also express my gratitude to our clients who daily interact with our products and services, inspiring us to improve our offerings to serve them better.

Finally, on behalf of the Board, I greatly appreciate our shareholders, who have expressed their confidence in the Board's ability to steer the Company to greater success, and we look forward to engaging with you at our upcoming AGM.

God bless Sameer Africa and God bless each one of you.

Eng. Erastus Kabutu Mwangera

FIEK, RCE, CBS

Chairman

Property Segment

Revenue Increase

10% ▲

Leadership Category

Overall Score

75% ▲



The Company has already signed a 12-year lease agreement for 100% occupancy of the new space, to be completed in the third quarter of 2024.



700 kW

Over 700kW of roof-top solar capacity has been installed within our Mombasa Road Complex, with plans to scale up in the near future.

KAULI YA MWENYEKITI

“Kulingana na lengo letu la kimkakati la kupata thamani zaidi kutoka kwa uwekezaji wetu katika mali isiyohamishika, nina furaha kuwafahamisha kwamba tulianza mradi wetu wa ujenzi katika jumba letu kwenye Barabara kuu ya Mombasa mnamo Novemba 2023. Tumetekeleza mradi huo chini ya muundo wetu ya kujenga kulingana na mahitaji ya wateja inayoungwa mkono na mkataba wa upangaji wa kudumu, wa kabla ya ujenzi, unaowapa wateja wetu faida ya eneo la viwanda linalofaa kwa kusudi, huku wakiihakikishia Kampuni mapato ya kukodisha ya kuvutia na yanayoweza kutabirika. Kampuni tayari imetia saini mkataba wa kukodisha wa miaka 12 kwa umiliki wa asilimia 100 wa nafasi hiyo mpya, utakaokamilika katika robo ya tatu ya 2024.”

Mhandisi. Erastus Kabutu Mwongera FIEK, RCE, CBS
Mwenyekiti

Inanipa furaha kubwa kuwasilisha kwenu Ripoti ya mwaka uliomalizika tarehe 31 Desemba 2023 kwa niaba ya Bodi na usimamizi wa Kampuni.

MUHTASARI

Mwaka unaoangaziwa ulikuwa na changamoto tofauti. Habari njema ni kuwa, utendaji wa uchumi wa Kenya uliimarika kidogo, huku ukuaji wa Pato la Taifa ukiongezeka hadi asilimia 5.6 mwaka wa 2023 ikilinganishwa na asilimia 4.9 mwaka wa 2022. Hata hivyo, uchumi uliendelea kukabiliwa na changamoto kadhaa katika kuendeleza ukuaji ikiwa ni pamoja na kudorora kwa uchumi wa kimataifa, kuongezeka kwa udhaifu wa deni la umma. shinikizo la viwango vya ubadilishaji na mfumuko wa bei za bidhaa muhimu. Katika juhudi za kukabiliana na changamoto hizi, Serikali ya Kenya imejaribu kuweka mikakati kabambe za kukusanya mapato, huku ikitaka kudhibiti shinikizo la mfumuko wa bei kwa kuongeza kiwango cha msingi kwa pointi 375 mwaka wa 2023 hadi asilimia 12.5 mnamo Desemba.

Licha ya kutokuwa na uhakika katika mazingira ya kiuchumi, sehemu yetu ya Mali iliendelea kuendesha biashara, ikiripoti ongezeko la asilimia 10 la mapato kutokana na kuongezeka kwa umiliki na uboreshaji wa upangaji, na kuleta faida baada ya ushuru ya shilingi milioni 166. Utendaji wetu wa jumla wa mwaka huu uliathiriwa zaidi na kudhoofika kwa shilingi ya Kenya dhidi ya Dola ya Marekani, na kusababisha ongezeko la

mara 3 la upotevu wa fedha za kigeni kwa madeni yanayotokana na fedha za kigeni, Shilingi milioni 43.5 mwaka wa 2022 hadi shilingi milioni 133.5 mwaka wa 2023. Tuliripoti faida ya shilingi milioni 46.3 kwa mwaka, na hii ilituwezesha kupunguza hasara tuliyokusanya.

UTEKELEZAJI WA MKAKATI

Kulingana na lengo letu la kimkakati la kupata thamani zaidi kutoka kwa uwekezaji wetu katika mali isiyohamishika, nina furaha kuwafahamisha kwamba tulianza mradi wetu wa ujenzi katika jumba letu kwenye Barabara kuu ya Mombasa mnamo Novemba 2023. Tumetekeleza mradi huo chini ya muundo wetu ya kujenga kulingana na mahitaji ya wateja inayoungwa mkono na mkataba wa upangaji wa kudumu, wa kabla ya ujenzi, unaowapa wateja wetu faida ya eneo la viwanda linalofaa kwa kusudi, huku wakiihakikishia Kampuni mapato ya kukodisha ya kuvutia na yanayoweza kutabirika. Kampuni tayari imetia saini mkataba wa kukodisha wa miaka 12 kwa umiliki wa asilimia 100 wa nafasi hiyo mpya, utakaokamilika katika robo ya tatu ya 2024.

Kama nilivyoripoti kwenu mwaka jana, Kampuni iliingia katika makubaliano ya kuuza sehemu ya ardhi ambayo haijaandelezwa katika robo ya nne ya 2022, ambayo tulitarajia kukamilisha mwaka wa 2023. Hata hivyo, kutokana na ucheleweshaji wa kiutawala na kiutaratibu katika rejista ya ardhi ya Serikali. kutokana na uhamishaji hadi jukwaa la

Ardhisasa, tunatarajia mchakato huo kukamilika mwaka wa 2024. Mapato yote kutokana na mauzo yatapunguza deni, na kusababisha uokoaji wa gharama za kifedha, na kupunguza kwa kiasi kikubwa uwezekano wowote wa hasara za fedha za kigeni.

Katika mwaka huo, tulipunguza zaidi shughuli katika sehemu ya biashara ya magurudumu kulingana na tathmini yetu ya changamoto za kimfumo katika tasnia. Hii ilisababisha kupunguzwa kwa asilimia 89 kwa mapato ya sehemu hiyo. Hata hivyo, licha ya punguzo hili, faida yetu ya uendeshaji ilipungua kidogo kwa asilimia 6.5 tu, ikiangazia manufaa ya faida za katika sehemu ya Mali.

UTAWALA

Utawala bora na mzuri ni kanuni kuu ya Kampuni yetu. Misimamo ya utawala bora inakuza uwazi na uwajibikaji, na kuwapa washikadau wetu hakikisho juu ya uendeleu wa kudumu wa Kampuni.

Ukaguzi huru wa utawala uliofanywa kwa mwaka unaoangaziwa ulithibitisha kwamba Bodi imeweka muundo wa utawala bora, unaofaa na wa kutosha kwa maslahi ya washikadau. Maoni ya mkaguzi huru yamejumuishwa katika Ripoti hii ya Mwaka. Zaidi ya hayo, Kampuni imepewa alama katika kitengo cha uongozi kuhusu masuala ya utawala katika tathmini ya hivi punde ya Mamlaka ya Masoko ya Mtaji, ikiwa na alama ya jumla zaidi ya asilimia 75.

KAULI YA MWENYEKITI (...CONTINUED)

Hakukuwa na mabadiliko katika wakurugenzi wa Bodi au katiba ya Kamati mbalimbali za Bodi mnamo mwaka wa 2023.

UENDELEU NA WAJIBU WA KIJAMII WA KAMPUNI

Sameer Africa, tumechukua hatua mbalimbali ili kupunguza nyayo zetu za mazingira na kukuza ufanisi wa nishati katika miradi yetu yote. Kwa kufanya kazi na washirika wetu, Paneli za nishati ya jua, zilizo na nguvu ya zaidi ya 700kW zimewekwa kwenye makao yetu makuu ya barabara kuu ya Mombasa, na mipango inaendelea ili kuongeza utumiaji wa teknolojia hii katika siku za usoni. Zaidi ya hayo, tunajumuisha mikakati ya ujenzi wa kuzingatia mabadiliko ya tabianchi katika miradi mipya, ambayo sio tu inachangia uhifadhi wa mazingira lakini pia hutoa uokoaji wa gharama kwa wateja wetu katika siku za usoni.

MAADILI NA USIMAMIZI WA HATARI

Kama Bodi ya Wakurugenzi, tunawajibika kuweka mfumo ufaao wa usimamizi wa hatari wenye sera na taratibu zilizo wazi ili kuwezesha usimamizi wa hatari kote katika shirika. Tumejitolea kuendelea kuboresha mbinu zetu za udhibiti wa hatari na tunaendelea kuwa macho ili kutambua na kushughulikia hatari na fursa zinazojitokeza. Katika kipindi kinachoangaziwa, tulifanya uhakiki wa kina wa hatari na fursa zinazoathiri shughuli zetu, na kusababisha marekebisho ya matriki ya hatari ambayo inakidhi mabadiliko ya utendakazi na mazingira ya biashara. Nina furaha kuripotiti kwamba mfumo wetu wa kudhibiti hatari umekuwa ukifanya kazi kwa mwaka mzima, na tumeendesha biashara kwa maadili na kwa kufuata kikamilifu mifumo husika ya kisheria na udhibiti.

MTAZAMO

Uchumi wa Kenya unatarajiwa kuendelea kukabiliwa na upungufu wa mapato unaoendelea, na hivyo kusababisha hamu kubwa ya kukopa ndani na nje ya nchi. Kuyumba kwa

soko la mitaji duniani pamoja na kushuka kwa thamani ya sarafu kunaleta changamoto katika kufikia uhimilivu wa deni, kuashiria uwezekano wa mazingira ya viwango vya juu vya riba kwa mwaka wa 2024. Kwa muda mfupi, tunatarajia mazingira duni ya biashara wakati serikali inapotekeleza hatua za kukusanya mapato. Hata hivyo, tunasalia na imani katika misingi ya kuvutia ya sekta ya mali isiyohamishika ya viwanda, huku Kampuni ikitarajiwa kuendelea msururu wake wa ukuaji wa mapato ya ndani ya kukodisha huku ikitumia fursa zinazoibuka za kukuza mali mpya chini ya muundo wa kujenga kulingana na mhitaji ya wateja.

Ninapofikta tamati, nachukua fursa hii kuwashukuru wafanyikazi wetu wote wanaofanya kazi bila kuchoka ili kufanikisha mkakati wetu, na wenzangu kwenye Bodi, ambao huduma yao ya kujitolea imetuwezesha kusimamia vyema Kampuni. Pia ninatoa shukrani zangu kwa wateja wetu ambao kila siku hutumia bidhaa na huduma zetu, wakitutia moyo kuboresha utendakazi yetu ili kuwahudumia vyema zaidi.

Hatimaye, kwa niaba ya Bodi, ninawashukuru sana wenyehisa wetu, ambao wameelezea imani yao katika uwezo wa Bodi wa kuiongoza Kampuni kufikia mafanikio makubwa zaidi, na tunatazamia kushirikiana nanyi katika Mkutano Mkuu wa Mwaka ujao.

Mungu aibariki Sameer Africa na Mungu awabariki kila mmoja wenu.

Mhandisi. Erastus Kabutu Mwongera
FIEK, RCE, CBS

Mwenyekiti

Sehemu ya rasilimali

10% ▲

Ongezeko la asilimia

Kitengo cha Utawala

75% ▲

Ikiwa na alama ya jumla zaidi ya asilimia 75



Kampuni tayari imetia saina mkataba wa kukodisha wa miaka 12 kwa umiliki wa asilimia 100 wa jengo hilo jipya, utakaokamilika katika robo ya tatu ya mwaka wa 2024.



700 kW

Paneli za nishati ya jua, zilizo na nguvu ya zaidi ya 700kW zimewekwa kwenye makao yetu makuu ya barabara kuu ya Mombasa, na mipango inaendelea ili kuongeza utumiaji wa teknolojia hii katika siku za usoni.

MANAGING DIRECTOR'S STATEMENT

“Despite the macro-economic challenges experienced in 2023, we reported growth in occupancy and rental income, while managing our costs despite the high inflationary environment. We believe that the continued disciplined execution of our business model will enable the Company to remain resilient in 2024 and emerge from the slump in a stronger position.”

John Mugo
Managing Director



Dear Shareholders,

It gives me great pleasure to update you on the Company's performance in 2023. My comments this year will focus on highlighting how we create value in our Property division, and give you a snapshot of the key figures.

We are committed to the mission of creating sustainable value from our real estate assets. For us, one element of sustainability deals with ensuring that our processes and properties have a positive impact on the environment and the community we operate in. In the year under review, we have incorporated sustainability measures in the new development we are undertaking, ensuring we attain savings in electricity and water usage. However, beyond our operations, we also seek to ensure that our premises meet the sustainability ambitions of our clients. To this end, we have incorporated client-specific modifications in the new development under our built-to-suit model, which in-turn enables our client to operate efficiently, saving costs and creating a positive impact on the environment.

WHAT WE DO

Our business model involves four inter-related aspects managed internally, namely: leasing management, property management, development management, and capital management.

Leasing management involves administering our agreements with our

clients, who occupy our premises as tenants, with an aim of ensuring the interests of both parties are met and the Company optimizes rental revenue. We focus on signing long-term lease agreements with credit-worthy clients, incorporating annual or bi-annual rent escalation provisions. Occupancy increased from 84% at the beginning of the year to 94% in December 2023, with rental income increasing 10% to KShs 360 million. We achieved 90% tenant retention rate, and we expect performance to be stable into the future.

Our property management activities are critical in ensuring our properties meet the requirements of our clients, thereby supporting our leasing objectives. Property management is handled by our in-house team which enables us to maintain the premises in excellent condition, and to respond to clients' needs in a timely and cost-effective manner.

Development management is a holistic process that involves the coordination of all aspects of new property developments to ensure the Company achieves the optimal return on capital invested. We develop new properties through a built-to-suit model incorporating a firm commitment or signed pre-construction lease agreement with a client. We work in collaboration with the client to conceptualize, design and construct fit-for-purpose spaces that are suited for the client's operations, enabling the client to achieve process efficiencies

and avoid expensive post-construction retrofits. In return, the Company de-risks new projects by avoiding speculative developments, and secures attractive and predictable long-term rental income. In the year under review, we commenced the first phase of our infill project, to construct 45,000 square feet of new industrial space backed by a 12-year lease agreement. Once completed in Q3 of 2024, the project will result in an annualized increase of 8% in rental income with minimal increase in management costs.

Capital management encompasses the processes and initiatives aimed at optimizing our capital assets and includes management of our co-investment venture and opportunistic asset dispositions. During the year, the share of profit in our equity-accounted associate was KShs 37 million, an increase from KShs 12 million reported in 2022.

The Company earned KShs 9 million in interest income on cash balances and fixed deposits, up from KShs 2 million in the prior year. As noted in the Chairman's statement, we are in the process of selling a portion of undeveloped leasehold land with the proceeds earmarked at retiring the existing debt obligations, strengthening our balance sheet, and boosting our ability to undertake accretive development and investment initiatives.

PERFORMANCE SNAPSHOT

Profit after tax decreased to KShs 46.3 million in 2023, compared to KShs 100.3

MANAGING DIRECTOR'S STATEMENT (...CONTINUED)

million in 2022. The main contributor of lower performance was unrealized foreign exchange losses on translation of foreign denominated liabilities, key of which is the USD 2.8 million loan which increased by KShs 95 million (+28%) on account of the Kenya Shilling depreciation against the United States Dollar. The share of profit from Sameer Business Park Limited, where the Company holds a 25% stake, increased by KShs 25 million, partly offsetting the impact of foreign exchange losses. Despite an 89% reduction in revenue from the tyre trading segment, gross profit decreased by KShs 14.1 million, a 3.8% decrease.

The Company successfully mitigated the negative impact of the tyre trading segment on the overall performance, reducing the loss before tax from the segment to KShs 43 million, excluding the impact of foreign exchange losses, compared to KShs 81 million in 2022. Prudent management of cash resources led to an increase of KShs 7 million in interest income.

OUTLOOK

As noted in the Chairman's remarks, our analysis points to a dampened business environment in Kenya in the short run.

Despite the macro-economic challenges experienced in 2023, we reported growth


in occupancy and rental income, while managing our costs despite the high inflationary environment.

We believe that the continued disciplined execution of our business model will enable the Company to remain resilient in 2024 and emerge from the slump in a stronger position.

Our mix of over thirty (30) credit-worthy tenants with a weighted average lease term of 50 months, together with in-house leasing and property management, secures for us a stable base of in-place rental income. We expect to deliver the first phase of the infill project in 2024, increasing our rental income further and cementing our position as the go-to partner to meet the industrial real estate needs of businesses who require fit-for-purpose spaces.

The projected completion of the sale of undeveloped land will enable us to retire the outstanding debt obligations, significantly reducing our exposure to foreign exchange fluctuations and stabilizing the Company from external shocks.

We are committed to building a resilient, sustainable and profitable business, and we are confident that we will deliver on



45,000

SQUARE FT OF INDUSTRIAL SPACE

We commenced the first phase of our infill project, to construct 45,000 square feet of new industrial space backed by a 12-year lease agreement.



90%

Tenant Retention

our mission to create sustainable value from our real estate assets for all our stakeholders.

I take this opportunity to thank the Board of Directors for their unwavering support, our clients who make our service to them a delight, and to my colleagues, who spare no effort to ensure we succeed. Thank you for your support.

John Mugo
Managing Director



TAARIFA YA MKURUGENZI MTENDAJI

“Licha ya changamoto za kiuchumi zilizojitokeza mwaka wa 2023, tuliripoti kukua kwa makazi na mapato ya kukodisha, huku tukisimamia gharama zetu licha ya hali ya juu ya mfumuko wa bei. Tunaamini kwamba kuendelea kwa nidhamu kwa mtindo wetu wa biashara kutawezesha Kampuni kusalia na uthabiti 2024 na kuibuka kutoka kwa mdororo katika hali bora zaidi.”

John Mugo

Mkurugenzi Mtendaji

Ndugu Wanahisa, Inanipa furaha kubwa kuwaarifu kuhusu utendakazi wa Kampuni katika 2023. Maoni yangu mwaka huu yatalenga kuangazia jinsi tunavyounda thamani katika kitengo chetu cha Mali, na kukupa picha ya takwimu kuu.

Tumejitolea kwa rajua ya kuunda thamani endelevu kutoka kwa mali yetu ya nyumba. Kwetu sisi, kipengele kimoja cha uendeleu kinahusika na kuhakikisha kwamba michakato na mali zetu zina athari chanya kwa mazingira na jumuiya tunayofanyia kazi. Katika mwaka unaoangaziwa, tumejumuisha hatua za uendeleu katika maendeleo mapya tunayofanya, na kuhakikisha tunafanya kazi, kupata akiba katika matumizi ya umeme na maji.

Hata hivyo, zaidi ya shughuli zetu, tunatafuta pia kuhakikisha kuwa majengo yetu yanakidhi matarajio ya uendeleu ya wateja wetu.

Kufikia hili, tumejumuisha marekebisho mahususi ya mteja katika usanidi mpya chini ya muundo wetu wa kuridhisha na kukidhi mahitaji ya kila mtu, ambao nao humwezesha mteja wetu kufanya kazi kwa ufanisi, kuokoa gharama na kuunda athari chanya kwa mazingira.

TUNACHOFANYA

Mtindo wetu wa biashara unahusisha vipengele vinne vinavyohusiana vinavyosimamiwa ndani, ambavyo ni: usimamizi wa ukodishaji, usimamizi wa mali, usimamizi wa maendeleo na usimamizi wa mtaji.

Usimamizi wa ukodishaji unahusisha kusimamia mikataba yetu na wateja wetu, ambao wanamiliki majengo yetu kama wapangaji, kwa lengo la kuhakikisha maslahi ya pande zote mbili yanatimizwa na Kampuni inaboresha mapato ya kukodisha.

Tunaangazia kutia saine mikataba ya upangaji ya muda mrefu na wateja wanaostahiki mkopo, ikijumuisha masharti ya kupanda kwa kodi ya kila mwaka au mara mbili kwa mwaka.

Wakazi waliongezeka kutoka 84% mwanzoni mwa mwaka hadi 94% mnamo Desemba 2023, huku mapato ya kukodisha yakiongezeka kwa 10% hadi milioni 360 pesa za Kenya.

Tumefikia kiwango cha 90% cha kuhifadhi wapangaji, na tunatarajia utendakazi kuwa thabiti katika siku zijazo.

Shughuli zetu za usimamizi wa mali ni muhimu katika kuhakikisha mali zetu zinakidhi mahitaji ya wateja wetu, na hivyo kusaidia malengo yetu ya kukodisha. Usimamizi wa mali unashughulikiwa na timu yetu ya ndani ambayo hutuwezesha kudumisha majengo katika hali bora, na kujibu mahitaji ya wateja kwa wakati na kwa gharama nafuu.

Usimamizi wa maendeleo ni mchakato kamili unaohusisha uratibu wa vipengele vyote vya ukuzaji wa mali mpya ili kuhakikisha Kampuni inapata faida kamili kwa mtaji uliowekezwa.

Tunaunda mali mpya kupitia muundo wa kumridhisha na kukidhi mahitaji ya

kila mtu unaojumuisha ahadi thabiti au mkataba wa kukodisha wa kabla ya ujenzi na mteja.

Tunafanya kazi kwa ushirikiano na mteja kufikiria, kubuni na kujenga nafasi zinazofaa kwa ajili ya shughuli zinazomfaa mteja, na kumwezesha mteja kufikia ufanisi wa mchakato na kuepuka urejeshaji wa gharama kubwa baada ya ujenzi.

Kwa upande wake, Kampuni huhatarisha miradi mipya kwa kuepuka maendeleo ya kubahatisha, na kupata mapato ya kuvutia na yanayotabirika ya muda mrefu ya kukodisha.

Katika mwaka unaoangaziwa, tulianza awamu ya kwanza ya mradi wetu wa kujaza maji, kujenga futi za mraba 45,000 za eneo jipya la viwanda lililoungwa mkono na makubaliano ya kukodisha ya miaka 12.

Baada ya kukamilika kwa robo ya tatu ya Kenya (Q3 of 2024), mradi utasababisha ongezeko la kila mwaka la 8% ya mapato ya kukodisha na ongezeko ndogo la gharama za usimamizi.

Usimamizi wa rasilimali unajumuisha michakato na mipango inayolenga kuboresha mali zetu kuu na inajumuisha usimamizi wa ubia wetu wa uwekezaji na uwekaji wa rasilimali nyemelezi.

Katika mwaka huo, mgao wa faida katika mshirika wetu wa hisa ulikuwa milioni 37 pesa za Kenya, ongezeko kutoka milioni 12 pesa za Kenya zililoripotiwa mwaka wa 2022.

TAARIFA YA MKURUGENZI MTENDAJI

Kampuni ilipata milioni 9 pesa za Kenya katika mapato ya riba ya masalio ya pesa taslimu na amana za kudumu, kutoka milioni 2 pesa za Kenya. katika mwaka uliopita.

Kama ilivyobainishwa katika taarifa ya Mwenyekiti, tuko katika harakati za kuuza sehemu ya ardhi ya kukodisha ambayo haijaendelezwa na mapato yaliyotengwa kwa ajili ya kustaafu madeni yaliyopo, kuimarisha mizania yetu, na kuongeza uwezo wetu wa kufanya mipango ya maendeleo na uwekezaji wa hali ya juu.

MUHTASARI WA UTENDAJI

Faida baada ya ushuru ilipungua hadi milioni 46.3 pesa za Kenya mwaka wa 2023, ikilinganishwa na milioni 100.3 pesa za Kenya mwaka wa 2022. Mchangiaji mkuu wa utendaji duni ulikuwa upotevu wa ubadilishanaji wa fedha za kigeni katika tafsiri ya madeni ya kigeni, ambayo msingi wake ni mkopo wa milioni 2.8 dola za

Kimarekani ambao uliongezeka kwa milioni 95 pesa za Kenya (+28%) kutokana na kushuka kwa thamani ya shilingi ya Kenya dhidi ya dola ya Marekani.

Mgao wa faida kutoka kwa Sameer Business Park Limited, ambapo Kampuni inamiliki hisa 25%, iliongezeka kwa milioni 25 pesa za Kenya, kwa kiasi fulani kufidia athari za upotevu wa fedha za kigeni.

Licha ya kupunguzwa kwa 89% kwa mapato kutoka kwa sehemu ya biashara ya matairi, faida ya jumla ilipungua kwa milioni 14.1 pesa za Kenya, punguzo la 3.8%.

Kampuni ilifanikiwa kupunguza athari mbaya za sehemu ya biashara ya matairi katika utendakazi wa jumla, na kupunguza hasara ya kabla ya ushuru kutoka kwa sehemu hiyo hadi milioni 43 pesa za

Kenya, bila kujumuisha athari za upotevu wa fedha za kigeni, ikilinganishwa na milioni 81 pesa za Kenya mwaka wa 2022.

Usimamizi wa pesa taslimu kwa busara rasilimali ilisababisha ongezeko la milioni 7 pesa za Kenya katika mapato ya riba.

MTAZAMO

Kama ilivyobainishwa katika maelezo ya Mwenyekiti, uchanganuzi wetu unaangazia mazingira duni ya biashara nchini Kenya katika muda mfupi. Licha ya changamoto za kiuchumi zilizojitokeza mwaka wa 2023, tuliripoti ukuaji wa makaazi na mapato ya kukodisha, huku tukisimamia gharama zetu licha ya hali ya juu ya mfumuko wa bei.

Tunaamini kwamba kuendelea kwa nidhamu kwa mtindo wetu wa biashara kutawezesha Kampuni kusalia na uthabiti 2024 na kuibuka kutoka kwa mdororo katika nafasi nzuri zaidi.

Mchanganyiko wetu wa wapangaji zaidi ya thelathini (30) wanaostahiki mkopo na muda wa wastani wa upangaji uliopimwa wa miezi 50, pamoja na ukodishaji wa nyumba na usimamizi wa mali, hutuwekea msingi thabiti wa mapato ya kukodisha.

Tunatarajia kuwasilisha awamu ya kwanza ya mradi wa ujazo mwaka wa 2024, na kuongeza mapato yetu ya kukodisha zaidi na kuimarisha msimamo wetu kama mshirika wa kwenda ili kukidhi mahitaji ya mali isiyohamishika ya viwanda ya biashara zinazohitaji nafasi zinazofaa kwa madhumuni.

Kukamilika kwa makadirio ya uuzaji wa ardhi ambayo haijaendelezwa kutatuwezesha kustaafu madeni ambayo bado hayajakamilika, na hivyo kupunguza kwa kiasi kikubwa uwezekano wetu wa



45,000

FUTI ZA MRABA 45,000 ZA
NAFASI YA VIWANDA

Tulianza awamu ya kwanza ya mradi wetu wa ujenzi, kujenga futi 45 za mraba za eneo jipya la viwanda linaloungwa mkono na makubaliano ya kukodisha ya miaka 12.



90%

Uhifadhi wa Wapangaji wa
asilimia 90%

kushuka kwa thamani ya fedha za kigeni na kuleta utulivu wa Kampuni kutokana na misukosuko ya nje.

Tumejitolea kujenga biashara thabiti, endelevu na yenye faida, na tuna uhakika kwamba tutatekeleza rajua yetu ya kuunda thamani endelevu kutoka kwa mali isiyohamishika kwa washikadau wetu wote.

Nachukua fursa hii kuwashukuru Bodi ya Wakurugenzi kwa ushirikiano wenu usioyumbayumba, wateja wetu wanaofanya huduma yetu kwao kuwa ya kufurahisha, na kwa wafanyakazi wenzangu, ambao hujitahidi kuhakikisha tunafaulu. Ahsanteni sana kwa ushirikiano wenu.

John Mugo

Mkurugenzi Mtendaji

RISK & OPPORTUNITIES

We have ensured that managing of risk and uncertainty has been incorporated in our daily operations as a means to sustainability attain our strategic objectives. Our board of directors has oversight in ensuring that there is an effective risk management framework and that it is entrenched in the decision making at both the board and management level.

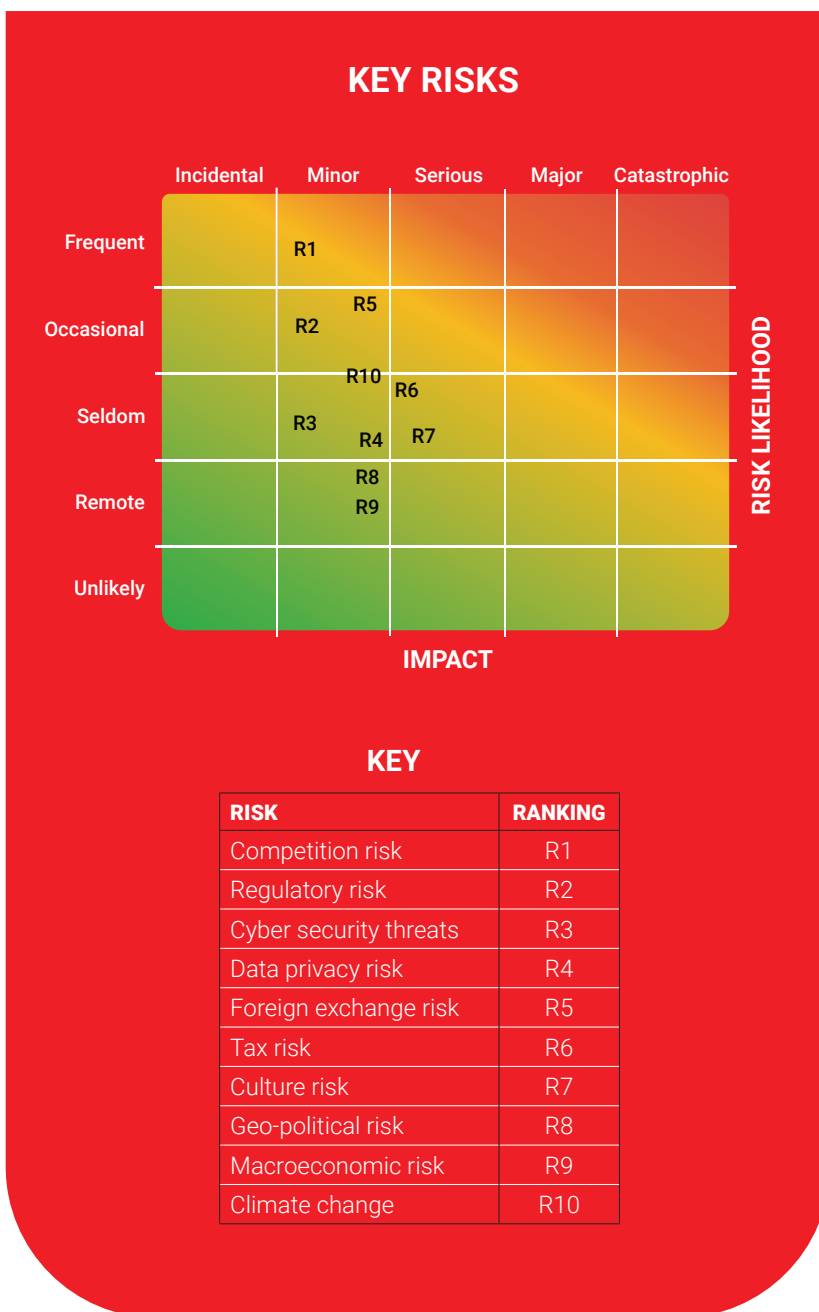
Our approach to risk management is mitigation of risks that we consider material and likely to crystalize. In considering our risk management framework, emphasis has been put on the impact of climate change and the accompanying risks.

Our risk heat map discloses the principal risks identified through our extensive risk management framework.

Sustainability Risks and Opportunities

Sustainability risks are potential threats to our company’s operations, financial performance, and or reputation as a result of environmental, social, and governance (ESG) factors. Equally, sustainability opportunities are the chances we have as a company to innovate, improve efficiency, and enhance our reputation by addressing ESG factors.

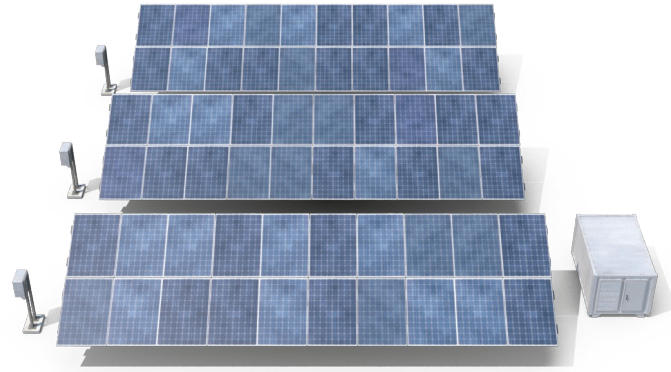
As Sameer Africa we are well aware of the impact that sustainability risk and opportunities can have on the long-term viability of the business, we have intentionally set objectives and aligned our strategy to optimize the opportunities and mitigate the risks.



Sustainability risk	Sustainability opportunity
Environmental risks	
Climate change	Working with partners to generate green energy by installing solar panels on our premises, this not only reduces our carbon footprint but reduces operational costs.
Water scarcity	Our Water stewardship program is aimed at ensuring that this scarce resource is well managed and properly utilized for the benefit of our tenants in all our facilities.
Waste management	We continuously encourage segregation of waste in all our industrial properties, this is aimed at supporting our partners in the recycling ecosystem by making their businesses more viable.
Social risks	
Poor employee relations	Our employees are paid above living wages to ensure engagement on objectives set in addition to a safe and secure work environment free from any form of harassment. This has enhanced employee satisfaction and improved retention rates.
Adverse community relations	Giving back to the communities in which we operate not only strengthens our brand equity but ensures an available pool of talent from which to recruit from.
Governance	
Weak corporate governance	Strong governance practices have improved management effectiveness
Regulatory non-compliance	Our strong compliance, controls and ethical business practices has mitigated legal, regulatory and tax risks.
Inadequate reporting	Transparent reporting and accountability has built trust with stakeholders and improved our access to capital.

SUSTAINABILITY

At Sameer Africa PLC we continue to embed sustainability into the core of our business operations, our values affirm our commitment to both people and planet. Our sustainability agenda remains committed to issues such as Equity, Diversity & Inclusion



Highlights on our climate action

Tree planting in support of the 15 billion trees National campaign to attain 30% forest cover, the campaign aims to reduce greenhouse gases and reverse deforestation.



Water being a critical resource, we continued with our in-house water stewardship programmes and incorporated innovative ways to safeguard this scarce resource.



We continue to support recycling companies by ensuring that all waste generated in our properties is segregated for ease of sorting and recycling.



In 2024 we have initiated our supplier diversity programme which aims to support livelihoods in the communities in which we operate and is focused on businesses that are owned or controlled by under-represented groups. The programme is also aimed at diverse suppliers who will accelerate our sustainability agenda in water protection and green energy.

We also aim to impact the lives of people across our value chain by engaging with small and medium size enterprises and committing to ethical business practices such as prompt payments at all times.

Respecting human rights has remained a top agenda item in how we operate, during the year we updated and published our sexual harassment policy, communication policy and whistle blowing policy these are available on our website www.sameerafrica.com

OUR STAKEHOLDER GROUPS

We have continued engaging our stakeholders and where required addressed any areas of concern that have come up. We are firm in our commitment to keep all stakeholder updated on our strategic initiatives, how we create value for them and how our actions impact them and the Company.

Stakeholder Group	Relationship	How we engaged
Investors and Shareholders	<p>Provide the financial capital necessary for growth and new property development.</p> <p>Provide feedback on our strategic objectives and governance policies required to keep operations sustainable.</p>	<ul style="list-style-type: none"> • Annual and half-year results announcements. • Annual General Meeting where we update owners of the company on our key strategic objectives and progress. • Announcement on any material facts or changes as required by regulators. • Our website where we have an investor relations section.
Tenants and Occupiers	<p>Offering best in class industrial real estate properties and the accompanying facilities management required to position their businesses for growth.</p>	<ul style="list-style-type: none"> • Tenant engagements by senior management. • Our facilities management team. • Our digital channels including, website and social media handles. • Headquarters office support.
Employees	<p>Provide the pool of talent required to optimize our business model for the benefit of all our stakeholders.</p>	<ul style="list-style-type: none"> • In-house training opportunities. • Inclusion through monthly staff engagement meetings where we get to update staff on strategy and obtain input. • Employee surveys. • Mentorship forums. • Team building activities to entrench positive culture.
Communities	<p>Our communities provide the necessary ecosystem to ensure the business remains sustainable well into the future.</p>	<ul style="list-style-type: none"> • Direct and Indirect employment opportunities. • Engaging small and medium enterprises as part of our value chain. • Contributing to the community in which we operate through corporate social responsibility activities.
Government and Regulators	<p>Our regulators provide us with the necessary licenses and approvals required to operate and generate value through our business model.</p> <p>We have continued to maintain a high level of compliance with all regulators and agencies to ensure we don't suffer disruption in any part of our value chain</p>	<ul style="list-style-type: none"> • Submitting input on any proposals that are likely to impact our operations or industry. • Continuous engagement on new regulations to reaffirm compliance with any changes. • Participation in public forums initiated by regulatory agencies. • As a responsible corporate citizen we continue to contribute to the tax base with ethical and compliant business practices.
Industry Partners	<p>Our suppliers provide the inputs required to generate value.</p> <p>Our associations open up the business to opportunities available in industrial real estate and update us on the latest developments in our sector.</p>	<ul style="list-style-type: none"> • Annual supplier rating and prequalification. • Physical and virtual meetings, webinars. • Industry events, forums and masterclass. • Annual subscriptions to associations resources.

GOVERNANCE

Board of Directors

Our board of directors promotes sound corporate governance and provides the leadership that makes this possible. Sameer Africa has a strong board that comprises of members with appropriate skills and experience.



Engineer Erastus Mwangera
Chairman (Non-Executive)
Appointed: 23 July 2010

Eng Mwangera is a Civil Engineer by profession, a Registered Consulting Engineer, Fellow of the Institution of Engineers of Kenya, Chairman of Engineers Board of Kenya and Chairman of Eminent Engineers Forum. He is a board member of Federation of Kenya Employers and Honorary Secretary of Automobile Association of Kenya. Eng Mwangera is a consultant specialising in engineering, leadership, management and strategic planning.

Eng Mwangera has a distinguished career in both public and private sectors spanning over forty years. He started his career in the water sector where he rose through the ranks to be Principal of Kenya Water Institute and Director of Water Development for a combined period of twelve years. He served as Permanent Secretary in the Office of the Vice President; Ministry of Home affairs; Ministry of Lands and Housing; Ministry of Roads, Public Works and Housing;

Ministry of Water Resources; and Ministry of Land Reclamation, Regional and Water Development for a period of twelve years before retiring from the Civil Service in December 2005. Engineer Erastus Mwangera has served in other capacities including chairman in the boards of Kenya Airports Authority, Kenya National Highways Authority, Linksoft Group Limited, Fountain Enterprise Program

Holdings, Karen and Hillside Green Growers and Exporters; a board member of National Social Security Fund, National Bank of Kenya, National Aids Control Council, Kenya Private Sector Alliance; and a member of the Ad Hoc Taskforce on Performance Contracting.

Eng Mwangera is actively engaged in social responsibility where he has served in his Church (Nairobi Baptist Church) as elder and Chairman of Elders Court; Karen and Langata District Association as Chairman; and currently serving as director of Leadership Foundation of Kenya; and Chairman of Tanari Trust Board and Karen and Langata Trustees Board.

Eng Mwangera is the Chairman of the Board of Directors of Sameer Africa PLC and also a member of Nominations and Remuneration Committee.



John Mugo
Managing Director (Executive)

Appointed: 1 January 2023

Mr. Mugo holds a Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and is a Member of the Institute of the Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors of Kenya (IODK).

Mr. Mugo is a seasoned business leader with over fifteen (15) years of managerial and executive leadership experience. He has

executed transformation and growth leadership roles at various companies, having served as Chief Operations Officer at a Kenyan-based real estate investment holding company, Group Chief Operations Officer at a listed infrastructure investment group with operations in six (6) African Countries, and General Manager at a Tanzanian-based electrical goods manufacturing company. Mr. Mugo started his professional career at PwC Kenya.



Peter M. Gitonga
Director (Non-Executive)

Appointed: 1 January 2023

Peter has previously served in various capacities at senior management level in Sameer Africa. He holds a Bachelor of Science Degree in Business Administration and a Master of Science in Strategic Management from the United States International University (USIU).

Peter is a member of the Institute of Directors of Kenya, Chairman of Excel Girls High School and a Board member of Abothuguchi Secondary School. Peter is a member of the nominations and remuneration and the finance and investment committee of the board.



Dr. Lydia Muthoni Mbuthia - Director (Independent Non-Executive)

Appointed: 4 May 2017

Lydia holds a PhD in Commerce from Nelson Mandela Metropolitan University (NMMU), South Africa, an MBA (Finance) and a Bachelor of Education (Science) from Kenyatta University.

She is a qualified accountant and a member of The Association of Chartered Certified Accountants. Lydia is also a member of The Kenya Institute of Management and The Institute of Directors of Kenya. She has previously served in various capacities

at Catholic University of Eastern Africa (CUEA) including Director of University Advancement and University Examinations Officer. Lydia also served as Chair of the University's Advancement Advisory Board. She has published several books and articles in refereed journals.

Lydia is the chair of the audit risk and corporate governance committee of the board and a member of the finance, strategy and investments committee.



Sameer N. Merali - Director (Non-Executive)

Appointed: 22 November 2012

Sameer holds a Master of Science degree in Banking and International Finance and a BSc (Hons) in Management Science. Sameer initially worked with Merrill Lynch International Bank Limited in the United Kingdom as an Investment Analyst between October 2000 and February 2003 and joined Sameer Investments Limited in March 2003.

He is the Chairman of Ryce East Africa Limited and Nandi Tea Estates Limited. He is the Chief Executive Officer of Sameer Investments Limited and a Director of Sasini PLC, a company listed on the Nairobi Securities Exchange.

Sameer is a member of the finance and investments committee and audit risk and corporate governance committee of the board.



Mrs. Mary Ngatia - Director (Independent Non-Executive)

Appointed: 4 May 2017

Mrs. Ngatia is a seasoned banker with more than 30 years of experience in Retail, Corporate Banking, Treasury Management and Microfinance operations. She holds an MBA in Strategic Management from Moi University and a Bachelor of Science (BSc) in Business Administration from the University of Maryland (USA). She is a member of the Kenya Institute of Bankers and Institute of Directors of Kenya.

Mrs. Ngatia is a board member of Bank of India and serves as the Chair of the Board's Risk and Compliance Committee of the Bank. She previously

served as the Vice Chair of the board of Kenya Women Microfinance Bank (KWFT) for several years before retiring in 2018.

She also serves as the Treasurer for the Kenyatta National Hospital League of Friends, a nonprofit organization that works closely with Kenyatta National Hospital in providing assistance to the needy patients in the form of equipment such as wheel chairs ,crutches, walking frames etc.

In the board of Sameer Africa PLC, Mrs. Ngatia is the Chair of the Nominations and Remuneration Committee and a member of the Audit, Risk and Corporate Governance Committee of the board.



Akif H. Butt - Director (Non-Executive)

Appointed: 24 July 2008

Akif is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant of Kenya (CPA (K)) and has a wealth of experience in financial management, corporate planning and strategic management. He previously worked with PricewaterhouseCoopers in Kenya and the East Africa region, Liberia and England. He joined the Sameer Group in 1989

and is currently the Group's Finance Director. He represents the interests of the Sameer Group on the boards of various companies.

Akif is the Chair of the Finance, Strategy and Investments Committee of the Board. He is also a Director of Sasini PLC and Eveready East Africa PLC, which are both quoted on the Nairobi Securities Exchange.

MANAGEMENT

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John Mugo - Managing Director

Mr. Mugo holds a Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and is a Member of the Institute of the Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors of Kenya (IODK).

Mr. Mugo is a seasoned business leader with over fifteen (15) years of managerial and executive leadership

experience. He has executed transformation and growth leadership roles at various companies, having served as Chief Operations Officer at a Kenyan-based real estate investment holding company, Group Chief Operations Officer at a listed infrastructure investment group with operations in six (6) African Countries, and General Manager at a Tanzanian-based electrical goods manufacturing company. Mr. Mugo started his professional career at PwC Kenya.

OUR BUSINESS



Benard Ndirangu - Head of Operations & Strategy

Benard is responsible for leading the financial operations, supply chain management and executing the Company's strategy.

Benard joined the company in August 2013 as the Manager-Management Accounting. Previously, he headed the finance department at Booth Extrusions Limited, a part of the Comcraft Group. Prior to Booth

Extrusions Limited, Benard held various finance roles in ARM Cement Ltd.

Benard holds a Bachelor of Commerce degree (Accounting & Finance) from Strathmore University.

He is a Certified Public Account-CPA (K) and a member of the institute of Certified Public Accountants of Kenya.

OUR PERFORMANCE



Mercy Mbiyiwe - Company Secretary

Mercy Kagiri Mbiyiwe has been working both in the public and private corporate sector. In her career she has served in the position of a Company Secretary for a number of years in the banking and hospitality industry.

Mercy is a graduate holder of Bachelors of Laws (LLB) from the University of Nairobi and Diploma in Law

from the Kenya School of Law. She is also a holder of a Masters in Business Administration (MBA) majoring in HR from the African Nazarene University.

Mercy is an Advocate of the High Court of Kenya and a Member of the Law Society of Kenya (LSK) and also the Institute of Certified Secretaries (ICS) where she is registered as a Certified Public Secretary.

GOVERNANCE



Jones Mutinda - Head of Property

Jones is the Head of Property, a division of Sameer Africa PLC that endeavors to maximize net income through increasing rental income, minimizing operating expenses and arrears in the company leased properties which include the Sameer Ex-factory Complex, Sameer Industrial Park, Sameer EPZ Limited among other properties within the country.

Jones joined the company in January 2022 from New Kenya

Co-operative Creameries Limited (New KCC) where he was in charge of the company's land, investments and property portfolio since 2016.

Jones is a Registered Valuer by the Valuers' Registration Board (VRB) and also a Full Member of the Institution of Surveyors of Kenya (ISK). He holds a First Class Degree in Land Economics from the University of Nairobi, and a Master of Arts Degree in Valuation and Property Management from the same university.

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Misiga Onkundi - Head of Internal Audit and Risk

Misiga is responsible for evaluating and monitoring the adequacy of internal controls, risk management processes and corporate governance in order to safe guard company assets and business performance. Misiga joined the company in October 2014 in credit control department. He became Internal Auditor in September 2016 a position he has held since then.

He previously worked with Unga Group Plc for 4 years.

Misiga is a graduate with a degree in Business Administration from USIU-A, Certified Public Accountant (CPA), a member of Institute of Certified Public Accountants (ICPAK) and also a member of the Institute of Internal Auditors Kenya (IIA-Kenya).

SHAREHOLDERS INFORMATION



Alice Okutah- Human Resources Officer

Alice joined Sameer Africa PLC in December 2022. Prior to joining the company, she served as a HR professional at Vegpro Kenya Ltd, where she was in charge of HR services. Alice is a seasoned Human Resource Practitioner with expertise in building employee-centric cultures, strategic human resource support systems and promoting positive morale.

She holds a Higher National Diploma and Diploma in Human Resources Management from CHRMM and is a Certified Human Resource Professional as well as a member of the Institute of Human Resource Management (IHRM). With a diverse background across Service, Manufacturing, Health Care, and Agricultural sectors, Alice brings a wealth of knowledge and skills to her role.

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OUR GOVERNANCE STATEMENT

Sameer Africa PLC's governance statement for 2023 affirms our commitment to upholding the highest standards of corporate governance. The Board of Directors, guided by a robust framework, ensures transparency, accountability, and ethical conduct across all our operations. Key initiatives included enhancing Board diversity, strengthening risk management practices, and promoting sustainable business strategies. The governance practices align with regulatory requirements and best practices, fostering stakeholder trust and long-term value creation.

Board of Directors

Board of Directors Charter

The purpose of the Charter of the Board is to set out the roles, responsibilities, structures and processes of the Board of Sameer Africa PLC. The Charter defines corporate governance, its purpose, the importance and outlines principles such as Leadership, Sustainability and Corporate Citizenship.

The Charter also outlines emerging governance trends such as:

- Alternative dispute resolution
- Risk based internal audit
- IT Governance
- Remuneration and Evaluation of the Board of Directors, the Board Committees and individual Directors.
- It also states the authority, rights and duties of the shareholders to ensure equitable treatment of all shareholders including the minority.

For the Board's size and composition, a formal and transparent procedure is followed in the appointment of members. The Nominations and Remuneration Committee is mandated by the Board to be responsible for proposing new nominees for appointment to the Board and in assessing performance and effectiveness.

The role of the Board is to provide leadership and strategic guidance to the Company and its related subsidiaries, in addition to overseeing Management's implementation of the Company's strategic initiatives.

The Board is accountable to shareholders for the performance of the Company's businesses. The Board approves the strategic direction of the Company and significant corporate strategic initiatives, the Company's annual targets and financial statements and monitors the financial performance against forecast and prior periods.

The Board appoints one of its members as the Chairman of the Board. The functions of the Chairman include: leading the Board in oversight of Management, chairing Board meetings and setting objectives to be achieved by the Board both in long and short-term.

The Managing Director is appointed by the Board and his role is stipulated as leading the Management and taking a hands-on role in the Company's day to day management to oversee all the operational aspects involved in running the company.

The Company's Secretary provides guidance to the Board on its duties and responsibilities and on other matters of governance, assists in the

coordination of the Board evaluation exercise and the governance audit process, records, maintains and distributes the minutes of all Board and Board Committee meetings and handles all of the Company's legal matters and legal compliance audits.

Board Committees

The Board has also established Committees to assist it in exercising its authority and establish (and may amend) Committee Charters for each Committee. The standing Board Committees are:

- Board finance, strategy and investment committee
- Board audit, risk and corporate governance committee
- Board nominations and remuneration committee.

The Charter designates matters which are reserved for decision by the Board, such as: Strategy issues, Financial matters, Statutory and Administrative, Regulatory matters and Human resource. The Charter sets out that remuneration of the Directors is to be reviewed by the Nominations and Remuneration Committee and approved by the Board and a detailed report including the Company's remuneration policy should be published in the annual report.

The Board's independence definition is prescribed under the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. The Board is required to assess the independence of Directors upon appointment and to review the independence of members annually. The tenure of independent Board members is also not to exceed a cumulative term of nine years.

The Charter affirms that the Board is to undertake ongoing assessments and reviews of performance of the Board, its Committees, the performance of the Managing Director, Company Secretary and individual Director annually. The Board is to ensure regular governance audits are carried out to confirm the Company is operating on sound governance practices. A legal and compliance audit is also to be carried out every two years. The Board is to disclose in its annual report whether evaluations have been undertaken.

The Board is mandated to ensure that the Company acts and is seen to be a responsible corporate citizen. The Board, in addition to being responsible for corporate performance is responsible for the triple bottom line, consisting of: Economic, Social and Environmental. Good corporate citizenship should also be integrated into the culture of the Company.

In the Charter, the Board members are expected to observe the highest standards of ethical behavior. The Board does this by supporting, encouraging and adopting policies which require Directors and Employees to observe high standards of personal integrity and display honesty in their dealings. These policies include a Code of Ethics and Conduct and a policy on Conflict of Interest, amongst others. The Directors are also expected to avoid any action, position or interest that conflicts with an interest of Sameer Africa PLC, or gives the appearance of a conflict. A Director that has a material personal interest in a matter that relates to the affairs of Sameer Africa PLC must give the other Directors notice of such interest. The Company Secretary is required to

OUR GOVERNANCE STATEMENT (...CONTINUED)

OVERVIEW

maintain a register of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.

The Board is responsible for the process of risk management. The Board decides on the Company's appetite for risk and the company's ability to bear the consequences of risk.

OUR BUSINESS

Under the Charter, the Board ensures that the Company implements an effective compliance framework and process. The Company's compliance policy and procedures are developed by Management and approved by the Board.

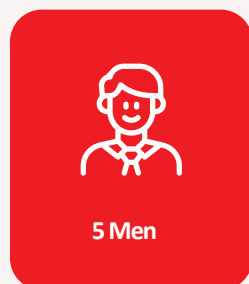
The Board is required to take account of the legitimate interests of stakeholders in its decisions. On an annual basis the Company reports on its dealings with stakeholders.

PERFORMANCE

Board Structure and Diversity

The Board of Directors is composed of 7 members. There are 6 non-executives and one executive. Out of the 6 non-executives, 2 are independent. The Board is diversified and is composed of 5 men and 2 women.

GOVERNANCE



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Board and Director evaluation

(Board & individual director performance)

Under the Board mandate, the Board scored itself in the best practice range. 100% of members either agreed or strongly agreed that Sameer's Vision and Mission statements accurately reflect the essence of Sameer Africa PLC. With regards to the Board Structure and Composition, Sameer Africa has complied with the requirements of Article 1.98 of the Company's Articles of Association, by ensuring that the Board is made up of not less than three (3) members and not exceeding nine (9). Members believed that the size of the Board is not too large to undermine an interactive discussion during Board meetings nor too small to compromise the inclusion of wider views.

SHAREHOLDERS INFORMATION

With Training and Development, 100% of members agreeing/strongly agreeing that the Board participates in CPD to enhance the members understanding on various topics, including corporate governance. Separately, Sameer Africa has developed and implemented a development training to ensure that members get all the information and support they need to be confident and productive in their role, and that they understand the organization, the environment in which it operates, and their role in making an impact. The Chairman of the Board is a non-executive Director. The function of the Chairperson and that of the Managing Director are not exercised by the same individual.

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There was broad consensus that the Board complies with its statutory obligations in terms of there being full and transparent reporting within Sameer Africa's financial statements and Annual Report and that the Board provides effective oversight of compliance with all statutory, legal and regulatory requirements.

A Code of Ethics and Conduct, formalizing ethical standards for Sameer Africa, had been developed and adopted by the Board and the Board had adopted a Conflict of Interest Policy which sets out the Directors' and stakeholders' responsibilities in relation to observing and upholding integrity and ethical business practices. The Policy provides information and guidelines on how to identify and report potential conflicts of interest. All declared conflicts of interest are recorded in a Conflicts of Interest Register. The Policy has been published on the Company's website.

The Board delegated some of its authority to the Board Committees and to Management through the Managing Director.

Board Committees

Finance, Strategy and Investment Committee

The Finance Strategy and Investment Committee assists the Board in reviewing the financial plans, budgets and strategies of the Company. The Committee works with Management to examine and strengthen the quality of financial planning, reporting, strategy implementation and evaluation. The Finance, Strategy and Investment Committee Charter sets out the purpose, authority, structure and membership, term duration, duties and responsibilities of the Committee and the annual committee goals. The Charter is reviewed by the Finance, Strategy and Investment Committee of the Board and updated every two (2) years to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.

The Audit, Risk and Corporate Governance Committee

The Audit, Risk and Corporate Governance Committee is established by the Board of Directors of the Company to assist in fulfilling its responsibilities for internal controls, risk management, corporate governance, compliance with laws and regulations and oversight of internal and external audit and the risk management function. The Charter sets out the purpose, authority, structure and membership, compliance, duties and responsibilities of the Committee, risk management and corporate governance. The Charter is reviewed by the Committee and updated every two (2) years to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.

The Nominations and Remuneration Committee

The nominations and remuneration committee assist the Board in addressing issues pertaining to remuneration levels and employee development and motivation. They also ensure that the correct incentives and reward mechanisms are in place at the highest levels of the Company, whilst maintaining the principles of equity and appropriateness of compensation and act as the custodian of a systematic and transparent process for bringing new Directors on to the Board and for proposing appointments to Board Committees.

AUDIT RISK AND CORPORATE GOVERNANCE COMMITTEE

The Audit, Risk, and Corporate Governance Committee report outlines the Committee's activities in overseeing the integrity of financial reporting, the effectiveness of internal controls, and the management of risk. Throughout the year, the Committee has diligently worked to ensure robust governance practices, compliance with regulatory requirements, and the safeguarding of stakeholders' interests, in so doing reinforcing Sameer Africa's commitment to transparency and accountability.

Composition of the Committee

- Dr. Lydia M. Mbutia (Chairlady)
- Mr. Sameer N. Merali
- Ms. Mary Ngatia

Other attendees at committee meetings in 2023 included:

- The Managing Director
- The Head of Operations and Strategy
- The Head of Internal Audit and Risk
- The Company Secretary

All of whom are permanent invitees to committee meetings.

Committee activities in 2023

During the year, the Committee undertook the following activities:

Area	Activities
Risk Management and Internal Audit	<p>The Committee reviewed the reports on the key risks and the risk register as highlighted by the Internal Audit Department for 2023. This review included an assessment of the effectiveness of the risk management processes and the identification of emerging risks and considered mitigation factors.</p> <p>The Committee reviewed the legal and compliance audit report undertaken by the Sameer Africa Legal Department in February 2023. The review focused on the company's compliance with applicable laws, regulations, and internal policies.</p> <p>The Committee reviewed the quarterly reports on the legal cases status matrix for 2023. This review provided the Committee with updates on ongoing legal matters and their potential impact on the company.</p>
Governance	<p>The Committee reviewed and considered the progress on the Governance Audit Implementation Matrix for 2023. This matrix tracks the implementation of governance recommendations to ensure continuous improvement in corporate governance practices.</p> <p>The Committee reviewed the compliance register against the public offers listing regulations. This review ensured that the company adheres to the regulatory requirements for publicly listed companies.</p>
External Audit and Financial Reporting	<p>The Committee reviewed and approved the report on criteria for evaluating external auditors. This evaluation ensured that the auditors possess the necessary qualifications, expertise, and experience to perform their duties effectively.</p> <p>The Committee reviewed and approved the evaluation report of the external auditors. This evaluation included an assessment of the auditors' performance, independence, and compliance with regulatory requirements.</p> <p>The Committee considered and reviewed the external auditors' appointment and fees. The Committee evaluated the auditors' qualifications, expertise, and experience to ensure their suitability for the organization's needs. The Committee also reviewed and approved the auditors' fees, ensuring they were comparable to the current scope.</p> <p>The Committee received and discussed the key audit matters highlighted by the external auditor. These discussions provided insights into significant audit findings and the auditors' assessment of the company's financial statements.</p> <p>The Committee reviewed and considered the implementation and closure of key audit matters raised by both the internal and external auditors. This review ensured that management adequately addressed the audit findings and implemented corrective actions.</p>
Environmental, Social, and Governance (ESG)	<p>The Committee reviewed and approved the Environmental, Social, and Governance (ESG) policy. This policy outlines the company's commitment to sustainable business practices and its approach to managing ESG-related risks and opportunities.</p>

The Audit, Risk, and Corporate Governance Committee is committed to upholding the highest standards of corporate governance, risk management, and financial integrity. The Committee will continue to work diligently to ensure that Sameer Africa PLC maintains robust governance practices and effectively manages its risks. We express our gratitude to the management team, the internal audit department, and the external auditors for their cooperation and support throughout the year.

Attendance to Main Board and Committee meetings

		Attendance							
Members		13.03.2023	02.04.2023	11.04.2023	30.04.2023	27.06.2023	04.08.2023	28.11.2023	08.12.2023
OVERVIEW OUR BUSINESS PERFORMANCE	Board of Directors								
	Eng. Erastus Mwangera (Chairman)	✓	X	✓	✓	✓	✓	✓	✓
	Akif Butt	✓	✓	✓	✓	✓	✓	✓	✓
	Lydia Mbutia	✓	✓	✓	✓	X	✓	✓	✓
	John Mugo (Managing Director)	✓	✓	✓	✓	✓	✓	✓	✓
	Mary Ngatia	✓	✓	✓	✓	✓	✓	✓	✓
	Peter Gitonga	✓	✓	✓	✓	✓	✓	✓	✓
	Sameer Merali	✓	✓	✓	✓	X	✓	✓	✓

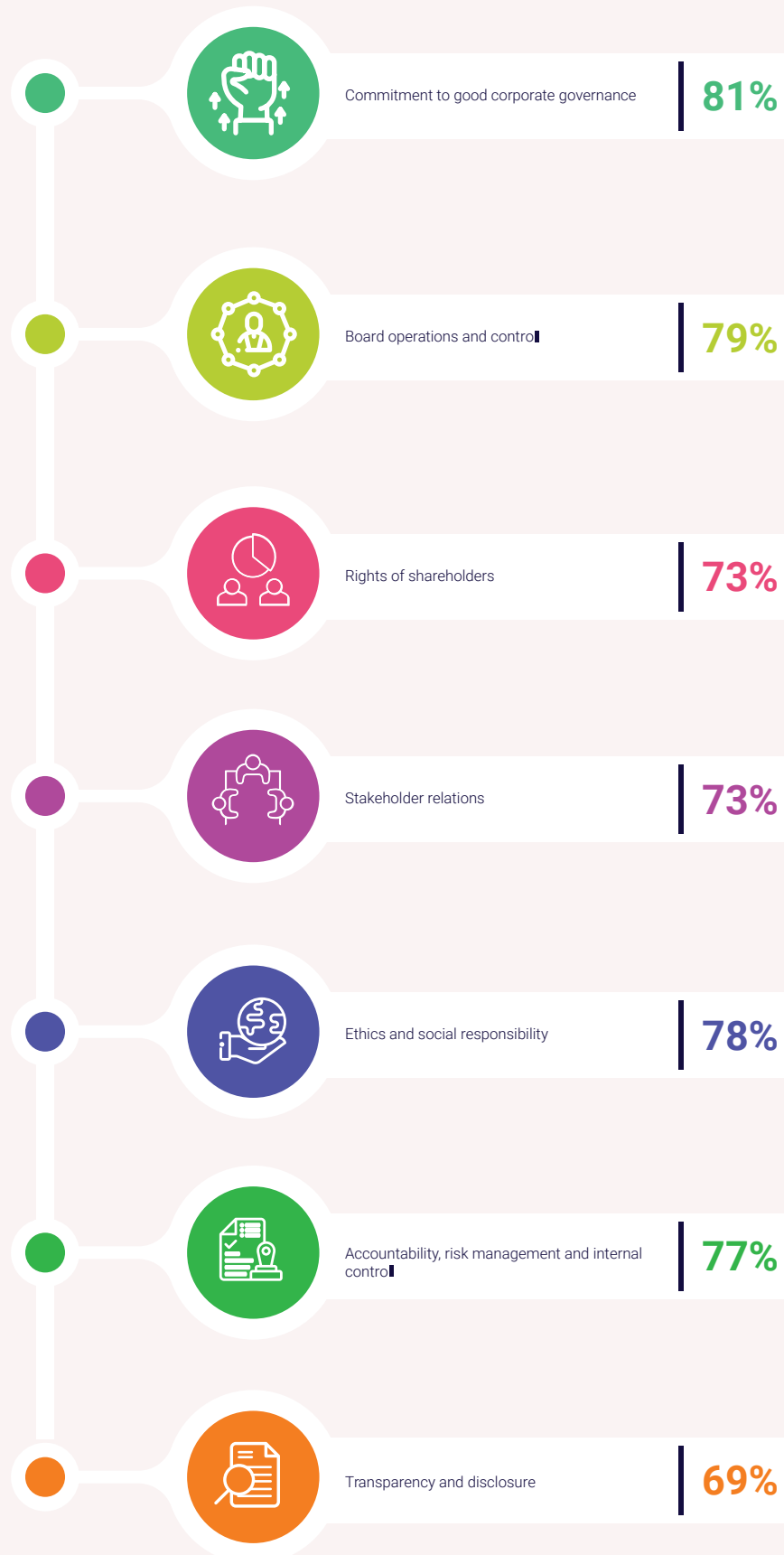
		Attendance					
Members		21.03.2023	30.03.2023	18.05.2023	19.07.2023	18.11.2023	21.11.2023
GOVERNANCE	Finance, Strategy and Investment Committee						
	Akif Butt (Chairman)	✓	✓	✓	✓	✓	✓
	Lydia Mbutia	✓	X	✓	✓	✓	✓
	Peter Gitonga	✓	✓	✓	✓	✓	✓
	Sameer Merali	✓	✓	✓	✓	✓	✓

		Attendance			
Members		04.04.2023	10.05.2023	17.07.2023	14.11.2023
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	Lydia Mbutia (Chairlady)	✓	✓	✓	✓
	Mary Ngatia	✓	X	✓	✓
	Sameer Merali	✓	✓	✓	✓

		Attendance			
Members		20.03.2023	17.05.2023	14.07.2023	20.11.2023
OTHER INFORMATION	Nominations and Remuneration Committee				
	Mary Ngatia (Chairlady)	✓	✓	✓	✓
	Eng. Erastus Mwangera	✓	X	✓	✓
	Peter Gitonga	✓	✓	✓	✓

OUR GOVERNANCE SCORE CHART

Our corporate governance assessment journey was issued by the Capital Markets Authority (CMA) who are regulators for listed companies in Kenya, it evaluates the company's adherence to governance principles, including board effectiveness, transparency, accountability, and stakeholder engagement.



76%
Overall score

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REPORT OF THE GOVERNANCE AUDITORS TO SAMEER AFRICA PLC

We have conducted the Governance Audit for Sameer Africa PLC for the financial year ended 31 December 2023 which entailed a review of the governance practices, structures and systems put in place by the Board.

Our Responsibility

Our responsibility was limited to conducting the audit in accordance with the guidelines issued by the Institute of Certified Secretaries of Kenya and the Code of Governance Practices for Issuers of Securities to the Public, 2015 and to express an opinion on the governance policies, practices, structures and documentation thereon.

Responsibilities of Directors

The Board is responsible for putting in place governance structures and systems that support the practice of good governance in the organization. The responsibility includes planning, designing and maintaining governance structures through policy formulation necessary for efficient and effective management of the organization. The Board is responsible for ensuring its proper constitution and composition; ethical leadership and corporate citizenship; accountability, risk management and internal control; transparency and disclosure; members' rights and obligations; members' relationship; compliance with laws; and sustainability and performance management.

Basis of our Opinion

Our responsibility is to express an opinion on the existence and effectiveness of governance instruments, policies, structures, systems and practices in the organization within the legal and regulatory framework and in accordance with best governance practices.

Our Opinion

In our opinion, the Board has put in place effective, appropriate and adequate governance structures in the organization, which are in compliance with the legal and regulatory framework and in line with best governance practices for the interest of stakeholders.



CS Caroline W Macharia, ICS GA. No 00047
For: Newday Secretarial & Consulting Limited
Date: 29 May 2024

REPORT OF THE LEGAL AND COMPLIANCE AUDITORS TO SAMEER AFRICA PLC

Sameer Africa Plc, a publicly listed entity on the Nairobi Securities Exchange, is regulated under the Capital Markets Act by the Capital Markets Authority. The company's board is responsible for establishment of internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards. The board is also responsible for ensuring that the compliance strategy is aligned to the operations of the company.

Sameer Africa Plc is committed to the highest standards of corporate governance and strives for continuous improvement by identifying any loopholes and gaps in the company's structures and processes. It is on this premise and in compliance with the provisions of the Corporate Governance Code for Issuers of Securities to the Public, 2015, that Sameer Africa Plc commissioned an independent legal and compliance audit for the financial year ending 31st December 2023 with the objective of ascertaining the company's state of compliance with applicable laws, regulations and standards as well as ensuring that all processes necessary for directing and controlling the company are in place. Sameer Africa Plc has, therefore, ensured that the company has undergone a legal and compliance audit for the year ending 31st December 2023 and obtained a report, which discloses its legal and compliance state.

The independent legal and compliance audit was carried out by **Ms. Kiruki & Kayika Advocates**, led by **Mr. Kiruki Mutwiri**, an Advocate of the High Court of Kenya in good standing with the Law Society of Kenya. The legal and compliance audit confirmed that during the year ending 31st December 2023, the Sameer Africa Plc was generally in compliance with applicable laws and regulations including the Companies Act, 2015 and the Occupational Safety and Health Act, 2007. Sameer Africa Plc has put in place a sound legal and compliance framework, which is in compliance with the legal and regulatory framework and in line with global best practices.

Being part of a continuous audit process, Kiruki & Kayika Advocates have assessed the continual application of recommendations from the previous legal and compliance audit and have ensured that the current recommendations are in line with the company's vision and mission in order to ensure that the company's goals, structures and operations are consistent with the latest developments in corporate governance. The structure of the report, findings and recommendations will, therefore, focus on providing a progressive approach of compliance.



KIRUKI MUTWIRI,
For **KIRUKI & KAYIKA ADVOCATES**

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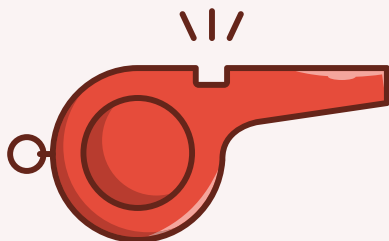
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OUR WHISTLE BLOWING POLICY



An important aspect of accountability and transparency is a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they become aware, or reasonably believe that others are not meeting the expected standards in business ethics.

We have an ethics email: whistleblowing@sameerafrica.com through the email, anonymous reports on unethical/suspicious activity can be made without fear of retaliation from the suspected individuals.

Our whistle blowing policy is fundamental to our professional integrity and reinforces the Group's core values of ICARE. The objectives of the policy are summarized below:

- To give employees, shareholders, customers, vendors, and other stakeholders a platform whereon they can raise their concern against any wrongdoing done by the company.
- To protect employees against retaliation due to whistle blowing policy.
- To identify and mitigate any risk or potential risks.
- To keep employees vigilant on our core values.
- To encourage inclusivity by giving each employee authority to raise concerns.

The key aspects of the policy include:

- Anonymity
- Good faith
- Confidentiality

The whistleblowing policy has been uploaded on the Company's website.

DIRECTORS' REPORT

The directors have the pleasure of presenting their report together with the audited financial statements for the year ended 31 December 2023, which discloses the state of affairs of the Group and the Company.

1. Principal activities

The principal activities of the Group are the letting of investment property and sourcing, importation and sale of tyres and related products and services.

2. Results

The results for the year are set out on page 39 and 40.

3. Dividend

The directors do not recommend the payment of a dividend (2022 – Nil).

4. Directors

The directors who held office during the year and to the date of this report are set out on page 2.

5. Business overview

During the year under review, total revenue was KShs 390 million which showed a 36% decrease from the previous year (2022 – KShs 613 million). The reduced performance was mainly attributable to the scaling down of our tyre business in line with our strategic shift to industrial real estate.

Total operating expenses were KShs 149 million which was a 3% increase against the previous year (2022 – KShs 145 million).

The Board will continue to support management in execution of the 3 year strategic plan that pivots the business from its traditional business line of sourcing and trading in tyres to industrial real estate.

The information on management of risks facing the business is disclosed in Note 5 to the financial statements.

6. Relevant audit information

The Directors in office at the date of this report confirm that:

- (i) There is no relevant audit information of which the Group's auditor is unaware; and
- (ii) Each director has taken all the steps that they ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

7. Auditors

RSM Eastern Africa LLP having expressed their willingness, continues in office in accordance with Section 719 (2) of the Kenya Companies Act, 2015. The Directors approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KShs 2,361,000 has been charged to profit or loss in the year.

8. Approval of financial statements

The financial statements were approved and authorized for issue at a meeting of the directors held on **5 April 2024**.

BY ORDER OF THE BOARD



Mercy Mbijiwe
COMPANY SECRETARY

Date: 5 April 2024

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DIRECTORS' REMUNERATION REPORT

A. Non-auditable section of the Directors Remuneration Report

This report covers the remuneration governance arrangements and the remuneration outcomes for the executive director, non-executive directors and other members of the executive committee. The report fulfils the disclosure requirements under the Kenya Companies Act, 2015 and the Capital Markets Authority (CMA) Code and Listing Rules.

Details of directors' remuneration in 2023, namely remuneration paid to directors and executive management during 2023 are included in page 34.

The remuneration policy

Aligning the interests of the executive directors with those of shareholders and with group's strategic goals is central to Sameer Africa Plc's remuneration policy.

In line with shareholders' interests being managed within a robust governance framework, the company aims to retain and incentivise high calibre executive directors by paying competitive base salary and benefits, together with a short-term annual bonus and terminal benefits linked to:

- Profits and contribution;
- The achievement of individual objectives, which are consistent with the strategy of the company and building sustainable profitability;
- The achievement of long-term strategic KPIs in line with the long-term focus of the company;
- The creation of long-term shareholders' value;
- Ongoing oversight of a robust risk management framework;
- Maintenance of strong capital and liquidity positions; and
- Addition of senior talent, building succession for leadership and setting a strong governance structure for the board's delegated authorities.

Executive director and senior management remuneration

The table below summarizes the main elements of the remuneration packages for the Executive Director and senior management.

Function	Purpose and link to strategy	Operation	Performance metrics
Basic Salary	Reflects the individual's skills, responsibilities and experience. Supports the recruitment and retention of executive directors of the calibre required to deliver the business strategy within the competitive market environment the company operates.	Reviewed annually and paid monthly in cash. Consideration is given to a range of factors when determining salary levels, including: <ul style="list-style-type: none"> – Personal and companywide performance. – Pay levels in relevant markets for each executive whilst recognising the need for an appropriate premium to attract and retain superior talent, balanced against the need to provide a cost-effective overall remuneration package. – The wider employee pay review. – Basic salary is subject to tax and other statutory deductions such as NSSF and NHIF paid monthly. 	Continued good performance. Overall individual and business performance is considered when setting and reviewing salaries.
Housing Allowance	Allowances paid monthly to cater for executive housing. This is determined on the basis of housing rates for executives of comparable entities.	Paid in cash and is subjected to tax under the PAYE system.	None
Provision for an income in retirement	To provide competitive post-retirement benefits or cash allowance as a framework to save for retirement. Supports the recruitment and retention of Executive Directors of the calibre required to deliver the business strategy.	Executives can choose to participate in the Sameer Africa Plc defined contribution scheme or receive a gratuity allowance. Contributions are set as a percentage of base salary. Post-retirement benefits do not form part of the base salary for the purposes of determining incentives. Contract gratuity is payable at the end of the contract period and is subject to tax under the PAYE system.	None The maximum contributions for gratuity allowances for the executive directors are 25% of base salary.

Function	Purpose and link to strategy	Operation	Performance metrics
Benefits	To provide non-cash benefits which are competitive in the market in which the executive is employed. Ensures the overall package is competitive and provides financial protection for executives and their families.	<p>The Company provides a range of market competitive benefits including leave passages, private medical insurance and other life benefits.</p> <p>Additional benefits include company car, education support and club membership subscriptions.</p> <p>Other ad-hoc benefits such as relocation can be offered, depending on personal circumstances.</p> <p>Non- cash benefits are taxable in accordance with the Income Tax Act.</p>	None
Performance bonus	<p>Incentivises executives and senior management to achieve key strategic outcomes on an annual basis.</p> <p>Focus on key financial metrics and objectives to deliver the business strategy.</p>	<p>Measures and targets are set annually based on business plans at the start of the financial year and pay-out levels are determined by the nomination and remuneration Committee following the year-end based on performance against objectives.</p> <p>Paid once per annum. The Committee has the discretion to amend the bonus pay-out based on performance.</p>	<p>The bonus is based on the remuneration committee's assessment of executive directors' performance over the financial year against objectives, which cover:</p> <ol style="list-style-type: none"> 1. Strategy, structure and people. 2. Profit and loss performance and sales. 3. Financial health. 4. Risk, compliance and reputation.

Non-executive directors' remuneration policy

Non-executive directors have formal letters of appointment. These do not contain any notice provisions or provision for compensation in the event of early termination. Non-executive directors are encouraged to build a shareholding in the company.

The table below summarises the main elements of remuneration for non-executive directors:

Function	Purpose and link to strategy	Operation	Performance metrics
Fees	<p>To attract and retain non-executive directors of the highest calibre and experience relevant to Sameer Africa.</p> <p>Directors' fees are fixed and payable monthly in arrears.</p>	<p>The committee determines the directors' fees at a level that is considered to be appropriate, taking into account the size and complexity of the business and the expected time commitment and contribution of the role.</p> <p>Fees are reviewed annually by the board at the year-end taking into account market benchmarks for non-executives of companies of similar size and complexity with consideration of sector relevance.</p> <p>The chairman's remuneration is recommended by the nomination and remuneration committee and approved by the board.</p> <p>Director's fees are subject to tax under the PAYE regulations.</p>	None
Sitting allowances	To encourage directors' full participation in board and committee meetings.	Sitting allowances are paid on the basis of actual meetings attended by each director.	None
Benefits	To ensure the overall compensation is competitive.	Non- executive directors are entitled to annual medical insurance.	None

B. Auditable section of the Directors Remuneration Report

The table below provides an analysis of the emoluments paid to the executive and non-executive directors.

	2023			2022		
	Fees KShs' 000	Sitting allowances KShs' 000	Total KShs' 000	Fees KShs' 000	Sitting allowances KShs' 000	Total KShs' 000
Eng. E.K. Mwongera	2,700	220	820	2,700	340	3,040
S.N. Merali	480	340	2,920	480	280	760
A.H. Butt	480	280	840	480	300	780
L.M. Mbuthia	480	320	760	480	320	800
M.W. Ngatia	480	320	840	480	360	840
P.Gitonga	480	360	840	-	-	-
Total	5,100	1,840	6,940	4,620	1,600	6,220

Managing Director P.Gitonga	2023 KShs' 000	2022 KShs' 000
Basic pay and other allowances	-	13,126
Total	-	13,126
Total 29 (b) iii	-	13,126

Managing Director J.Mugo	2023 KShs' 000	2022 KShs' 000
Basic pay and other allowances	13,440	-
Pension and Gratuity	3,360	-
Total	16,800	-
Total 29 (b) iii	16,800	-

BY ORDER OF THE BOARD

Mercy Mbijiwe
COMPANY SECRETARY

Date: 5 April 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of the Consolidated and Separate financial statements of Sameer Africa Plc set out on pages 39 to 113 which comprise the Consolidated and Company statements of financial position at 31 December 2023, Consolidated and Company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act, 2015 the Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of the profit or loss of the Group and Company for that year. It also requires the Directors to ensure the Company and its subsidiaries keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and the Company and of the Group's profit or loss.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not be a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approval of the financial statements

The financial statements, as indicated above, were approved and authorised for issue by the board of directors on **5 April 2024**.



Eng. Erastus Kabutu Mwangera
FIEK, RCE, CBS
Chairman

Date: 5 April 2024



Managing Director



REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF SAMEER AFRICA PLC

Report on the audit of the consolidated and company financial statements

Opinion

We have audited the accompanying financial statements of Sameer Africa PLC ("the Company") and its subsidiaries (together, "the Group"), set out on pages 39 to 113, which comprise, for both the Group and the Company, the balance sheet as at 31st December 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2023 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed
Valuation and existence of trade and other receivables	<p>Trade and other receivables constitute a significant portion of the total assets of the Group and Company. The profile of the customers who constitute the trade receivables balance varies in character and risk. Amounts due from customers may be outstanding for long periods of time before being received by the Group and Company thus potentially exposing the Group and Company to impairment losses.</p> <p>The Group and Company have also to comply with IFRS 9 which involves significant judgement and estimates from management.</p> <p>Our procedures performed included the following:</p> <ul style="list-style-type: none"> • Reviewed the expected credit loss (ECL) model for compliance with the principles of IFRS 9; • Tested the ageing of trade receivables, reviewing the data and assumptions made by management in arriving at the provisions; • Examined the historical recovery records and current credit status of customers; and • Performed alternative procedures where confirmations were not received by checking subsequent receipts from customers after the year end.
Disclosure of fair value of investment property	<p>The Group had investment property as at 31 December 2023 for which the fair value disclosure is required.</p> <p>The valuation of investment property depends on certain key assumptions that require significant management judgement.</p> <p>Our procedures in relation to the key assumptions used in management's valuation of investment property held by the Group's included:</p> <ul style="list-style-type: none"> • Evaluating the independent valuers' competence, capabilities and objectivity; and • Checking the accuracy of the input data, on a sample basis, used by the independent valuers including rental income, occupancy rates and risk margins by agreeing them back to management's records, invoices received or other supporting documentation including: key terms of lease agreements, rental income schedules; and prevailing market rents to leasing transactions of comparable properties.



REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF SAMEER AFRICA PLC (Continued)

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's Consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF SAMEER AFRICA PLC (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other matters prescribed by the Kenyan Companies Act, 2015 (the Act)

In our opinion,

- i. the information given in the report of the directors on pages 2 and 3 is consistent with the financial statements; and
- ii. the auditable part of the directors' remuneration report has been properly prepared in accordance with the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Elvis Ogeto** Practising Certificate No. 2303.

for and on behalf of RSM Eastern Africa LLP
 Certified Public Accountants
 Nairobi

5 April 2024.

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 KShs'000	2022 KShs'000
Revenue	8	390,498	613,065
Cost of sales	9 (b) (i)	(34,483)	(242,974)
Gross profit		356,015	370,091
Other operating income	9 (a)	23,844	22,294
Selling and distribution costs	9 (b) (ii)	(7,621)	(14,824)
Administrative expenses	9 (b) (ii)	(73,127)	(94,740)
Other operating expenses	9 (b) (ii)	(68,174)	(35,814)
Operating profit		230,937	247,007
Finance income	10	30,865	11,168
Finance costs	10	(171,656)	(82,086)
Share of profit of equity accounted investees (net of income tax)	19 (a)	37,247	12,275
Profit before income tax		127,393	188,364
Income tax expense	11 (a)	(81,058)	(88,100)
Profit for the year		46,335	100,264
Other comprehensive income (net of tax)			
(a) Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(3,877)	(4,194)
Total other comprehensive loss for the year		(3,877)	(4,194)
Total comprehensive profit for the year		42,458	96,070
Earnings per share:			
Basic and diluted (KShs)	12 (a)	0.17	0.36

The notes set out on pages 47 to 113 form an integral part of these financial statements.

**COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

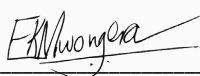
	Note	2023 KShs'000	2022 KShs'000
Revenue	8	324,798	539,576
Cost of sales	9 (b) (i)	(30,385)	(236,202)
Gross profit		294,413	303,374
Other operating income	9 (a)	9,388	5,406
Selling and distribution costs	9 (b) (ii)	(7,621)	(14,723)
Administrative expenses	9 (b) (ii)	(56,264)	(50,370)
Other operating expenses	9 (b) (ii)	(53,559)	(28,598)
Operating profit		186,357	215,089
Finance income	10	13,676	5,764
Finance costs	10	(155,985)	(76,604)
Profit before income tax		44,048	144,249
Income tax expense	11 (a)	(62,796)	(72,748)
(Loss)/profit for the year		(18,748)	71,501
Other comprehensive income (net of tax)			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		(18,748)	71,501

The notes set out on pages 47 to 113 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 KShs '000	2022 KShs '000
ASSETS			
Non-current assets			
Property, plant and equipment	13 (a)	12,747	13,648
Investment properties	15 (a)	776,571	643,647
Prepaid operating lease rentals	17 (a)	326	330
Investment in associate	19	227,084	189,837
Total non-current assets		1,016,728	847,462
Current assets			
Inventories	20	-	30,323
Non-current assets held for sale	16	15	15
Trade and other receivables	21	274,453	166,742
Current income tax	11 (c)	36,908	25,270
Cash and cash equivalents	22	154,992	142,874
Total current assets		466,368	365,224
TOTAL ASSETS		1,483,096	1,212,686
EQUITY			
Share capital	23 (a)	1,391,712	1,391,712
Retained earnings		(740,905)	(787,240)
Translation reserve	23 (b)	(178,180)	(174,303)
Total equity		472,627	430,169
LIABILITIES			
Non-current liabilities			
Borrowings	24 (a)	540,692	445,446
Deferred income tax	25 (b)	12,060	6,940
Total non-current liabilities		552,752	452,386
Current liabilities			
Trade and other payables	26 (a)	457,681	328,119
Current income tax	11 (c)	36	2,012
Total current liabilities		457,717	330,131
Total liabilities		1,010,469	782,517
TOTAL EQUITY AND LIABILITIES		1,483,096	1,212,686

The financial statements on pages 39 to 113 were approved and authorised for issue by the Board of Directors on **5 April 2024**



Eng. E.K. Mwongera
Chairman



John Mugo
Managing Director

The notes set out on pages 47 to 113 form an integral part of these financial statements.

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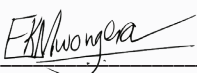
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COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 KShs '000	2022 KShs '000
ASSETS			
Non-current assets			
Property, plant and equipment	13 (a)	10,988	11,339
Investment properties	15 (a)	640,833	554,382
Prepaid operating lease rentals	17 (a)	326	330
Investment in subsidiaries	18	120,000	120,000
Equity accounted investees	19	137,026	137,026
Total non-current assets		909,173	823,077
Current assets			
Inventories	20	-	29,486
Non-current assets held for sale	16	15	15
Trade and other receivables	21	301,269	144,813
Current income tax	11 (c)	17,737	12,961
Cash and cash equivalents	22	106,378	141,071
Total current assets		425,399	328,346
TOTAL ASSETS		1,334,572	1,151,423
EQUITY			
Share capital	23 (a)	1,391,712	1,391,712
Retained earnings		(1,211,299)	(1,192,551)
Total equity		180,413	199,161
LIABILITIES			
Non-current liabilities			
Borrowings	24 (a)	540,692	445,446
Amounts due to subsidiaries	26 (a)	268,532	226,299
Total non-current liabilities		809,224	671,745
Current liabilities			
Trade and other payables	26 (a)	344,935	280,517
Current income tax	11 (c)	-	-
Total current liabilities		344,935	280,517
Total liabilities		1,154,159	952,262
TOTAL EQUITY AND LIABILITIES		1,334,572	1,151,423

The financial statements on pages 39 to 113 were approved and authorised for issue by the Board of Directors on **5 April 2024**



Eng. E.K. Mwongera
Chairman



John Mugo
Managing Director

The notes set out on pages 47 to 113 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital KShs'000	Accumulated losses KShs'000	Translation reserve KShs'000	Total KShs'000
2023				
At start of year	1,391,712	(787,240)	(174,303)	430,169
Comprehensive income For the year				
Profit for the year	-	46,335	-	46,335
Other comprehensive loss	-	-	(3,877)	(3,877)
Total comprehensive income	-	46,335	(3,877)	42,458
At end of year	1,391,712	(740,905)	(178,180)	472,627
2022				
At start of year	1,391,712	(887,504)	(170,109)	334,099
Comprehensive income For the year				
Profit for the year	-	100,264	-	100,264
Other comprehensive income	-	-	(4,194)	(4,194)
Total comprehensive income	-	100,264	(4,194)	96,070
At end of year	1,391,712	(787,240)	(174,303)	430,169

The notes set out on pages 47 to 113 form an integral part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital KShs'000	Accumulated losses KShs'000	Total KShs'000
2023			
At start of year	1,391,712	(1,192,551)	199,161
Comprehensive income For the year			
Loss for the year	-	(18,748)	(18,748)
Total comprehensive income	-	(18,748)	(18,748)
At end of year	1,391,712	(1,211,299)	180,413
2022			
At start of year	1,391,712	(1,264,052)	127,660
Comprehensive income For the year			
Profit for the year	-	71,501	71,501
Total comprehensive income	-	71,501	71,501
At end of year	1,391,712	(1,192,551)	199,161

The notes set out on pages 47 to 113 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 KShs'000	2022 KShs'000
Cash flows from operating activities			
Cash receipts from customers	27	407,691	685,937
Cash payments for purchases	27	(28,814)	(217,929)
Cash payments for expenses	27	(107,573)	(73,648)
Cash generated from operating activities		271,304	394,360
Interest paid	10	(38,157)	(38,603)
Income tax paid	11(c)	(84,774)	(130,636)
Net cash generated from operating activities		148,373	225,121
Cash flows from investing activities			
Interest received	10	9,033	2,440
Purchase of property, plant and equipment	13 (a)	(877)	(3,388)
Additions to investment property	15 (a)	(144,411)	(69,764)
Net cash used in investing activities		(136,255)	(70,712)
Cash flows from financing activities			
Repayment of borrowings	24 (a)	-	(50,548)
Net cash used in financing activities		-	(50,548)
Increase in cash and cash equivalents		12,118	103,861
Movement in cash and cash equivalents:			
At start of year		142,874	38,876
Increase in cash and cash equivalents		12,118	103,861
Effects of exchange movements on cash held		-	137
At end of year	22	154,992	142,874

The notes set out on pages 47 to 113 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 KShs'000	2022 KShs'000
Cash flows from operating activities			
Cash receipts from customers	27	334,578	615,259
Cash payments for purchases	27	(18,964)	(227,529)
Cash payments for expenses	27	(158,885)	(13,315)
Cash generated from operating activities		156,729	374,415
Interest paid	10	(38,157)	(38,603)
Income tax paid	11(c)	(67,573)	(111,572)
Net cash generated from operating activities		50,999	224,240
Cash flows from investing activities			
Interest received	10	9,033	2,440
Purchase of property, plant and equipment	13(a)	(877)	(1,978)
Additions to investment property	15(a)	(93,848)	(65,131)
Net cash used in investing activities		(85,692)	(64,669)
Cash flows from financing activities			
Repayment of borrowings	24 (a)	-	(50,548)
Net cash used in from financing activities		-	(50,548)
(Decrease)/increase in cash and cash equivalents		(34,693)	109,023
Movement in cash and cash equivalents:			
At start of year		141,071	32,048
(Decrease)/increase in cash and cash equivalents		(34,693)	109,023
At end of year	22	106,378	141,071

The notes set out on pages 47 to 113 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2023**

1. REPORTING ENTITY

Sameer Africa Plc is a limited liability Company incorporated in Kenya under the Kenyan Companies Act 2015, and is domiciled in Kenya. The Consolidated financial statements of the company for the year ended 31 December 2023 comprise the company, its subsidiaries and associate (together referred to as the "Group"). The Group primarily is involved in the letting of investment properties. The address of its registered office is as follows:

Nairobi/Block 2370
Mombasa Road
PO Box 30429 - 00100
Nairobi

The Company's shares are listed on the Nairobi Securities Exchange.

The Company's parent Company is Sameer Investments Limited, a company incorporated in Kenya and which holds 72.48% of the company's equity interest.

For Kenyan Companies Act 2015 reporting purposes, the balance sheet is represented in these financial statements by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Consolidated and Separate financial statements (the financial statements) are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) and the Kenya Companies Act, 2015. Details of the Group's and Company's significant accounting policies are included in Note 3.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except where otherwise indicated.

(c) 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 financial statements are presented in Kenya shillings (KShs), which is the Group's and Company's functional and presentation currency. All financial information presented in Kenya shillings (KShs) has been rounded to the nearest thousand, except where otherwise indicated.

(d) Use of estimates and judgment

In preparing these Consolidated and Separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION

(d) Use of estimates and judgement (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 7.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for changes noted in Note 4, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

References to the Group's accounting policies apply equally to the Company unless otherwise specified.

(a) Basis of Consolidation

(i) *Subsidiaries*

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred.

Investments in subsidiaries are accounted for at cost less impairment in the Separate financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group, and adjustments made where necessary.

(ii) *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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iii) Loss of control

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 profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture 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 profit or loss.

(iv) Interests in equity accounted investees

The Group's interest in equity accounted investees, comprises its interest in an associate.

Associates are those entities in which the Group has between 20% and 50% of the voting rights and over which the Group exercises significant influence but which it does not control.

Interests in the associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of profit or loss and other comprehensive income of the equity accounted investees until the date on which significant influence or joint control ceases.

Losses of an equity accounted investee in excess of the Group's interest in that entity are recognised only to the extent that the Group has incurred legal or constructive obligations to make payments on behalf of the investee.

Unrealised gains arising from transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in equity accounted investees are measured at cost less impairment loss in the separate financial statements of the Company. They are initially recognised at cost which includes transaction costs.

(b) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities that are based on historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currencies (continued)

(ii) Foreign operations

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date.
- (ii) income and expenses for each statement of comprehensive income 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
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

(c) Segment reporting

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group organizes its activity by business and geographical lines and these are defined as the Group's reportable segments. The four business segments are Sourcing and Distribution, Regional Operations, Yana Tyre Centres and Property Rentals.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group and Company's activities. Net revenue is stated net of value-added tax (VAT), excise duty, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is measured based on the consideration to which the Group and Company expects to be entitled in a contract with a customer. The Group and Company recognises revenue when it transfers control of a product or service to a customer.

The Group and Company recognises revenue in accordance with that core principle by applying the following five steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- Dividend income;
- Foreign currency exchange gain or loss on financial assets and financial liabilities;
- Impairment losses recognised on financial assets (other than trade receivables);
- Reclassification of net gains previously recognised in other comprehensive income.

Interest expense on borrowings is recognised in profit or loss using the effective interest rate unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized to that asset.

Foreign exchange gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

The group and all its employees contribute to the respective National Social Security Funds in the countries in which the Group operates, which are defined contribution schemes.

The group and its employees also contribute to a retirement benefit scheme. The scheme is managed by an independent fund manager. The post-employment benefits received by an employee from the scheme are determined by the amount of contributions by the Group and the employee, together with investment returns arising from the contributions. In consequence, both the actuarial and investment risks fall, in substance, on the employee.

The group's contributions to the retirement benefit schemes are charged to the profit or loss in the year to which they relate. The group has no further obligation in respect of the retirement benefit scheme once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of a restructuring or an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(g) Taxation

Income tax expense comprises both current tax and change in deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. The current income tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset and liability are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of property, plant and equipment are initially recorded at cost and subsequently depreciated. After initial recognition, plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset.

Where an item of property, plant and equipment is developed or constructed over a period of time, the costs attributable to the item are accumulated in a "capital work in progress" account until the item is commissioned and the cost transferred to the relevant class of property, plant and equipment. Assets under capital work in progress are not depreciated until they are commissioned or are put into active use and transferred to the relevant class of property, plant and equipment.

Assets still under development or construction at the reporting date are shown under "capital works in progress" in the notes to the financial statements. These are capitalised when ready for intended use.

(ii) Reclassification to investment property

When the use of a material part of property, or part thereof, changes from owner – occupied to investment property, the property is classified accordingly using the depreciated cost less impairment loss or a proportionate share of the depreciated cost less impairment loss in cases where only a portion of the property is transferred.

(iii) Subsequent costs

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation of an item of property, plant and equipment begins when the item is available for use and continues being depreciated until it is derecognised.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation used are as follows:

Buildings	5-25 years
Tyre and tube molds and fittings	3 - 8 years
Computer equipment	3 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

(iv) Depreciation (continued)

Vehicles	4 years
Furniture, fittings and equipment	8 years

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each reporting date.

(v) De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition is included in profit or loss. The gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(i) Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property, which can include right-of-use assets, is initially recognised at cost including the transaction costs. It is subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to write down the cost of the property to its residual value over its estimated useful life. Gains or losses on disposal are recognised in profit or loss.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

(j) Intangible assets – computer software

Computer software development costs and the acquisition cost of software licenses are capitalized on the basis of the costs incurred to develop or acquire and bring to use the specific software. Software costs are capitalized only if the expenditure can be reliably measured, the product is technically and commercially viable, future economic benefits are probable and the Group intends to and has resources to complete development and use or sell the asset. Subsequent to initial recognition, software acquisition and development expenditure is carried at cost less accumulated amortisation and any accumulated impairment losses. Computer software development and acquisition costs are amortised on a straight line basis over 8 years.

(k) Inventories

Stores and supplies, and finished goods are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less any costs of completion and selling expenses. If the purchase or production cost is higher than net realisable value, inventories are written down to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial instruments

(i) Classification

The Group and Company classify financial instruments into the following categories:

- a. Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.
- b. Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income.
- c. All other financial assets are classified and measured at fair value through profit or loss.
- d. Notwithstanding the above, the Group and Company may:
 - i. on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income; and
 - ii. on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- e. Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- f. All other financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Trade and other receivables were classified as at amortised cost;
- Borrowings and trade and other liabilities were classified as at amortised cost.

(ii) Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Group and Company's statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(ii) Recognition and initial measurement (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(iii) Classification and subsequent measurement

The Group and Company classify their financial assets in the following categories; amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Group's business model for managing the assets.

Financial assets may be held at amortised cost only where both:

- the asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

(v) *Impairment of financial assets (continued)*

For financial assets carried at amortised cost (including loans and other receivables such as trade debtors), impairment losses are recognised under the “expected loss model”, building up a debtors’ provision / allowance account against credit losses over the life of the financial asset (including an estimate of initial credit risk).

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

(vi) *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

(m) Leases

(i) Leases under which the Group is the lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company’s incremental borrowing rate is used.

For leases that contain non-lease components, the Group allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases (continued)

(i) Leases under which the Group is the lessee (continued)

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Leasehold land and buildings are subsequently carried at revalued amounts, based on annual/triennial valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the profit and loss account. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset charged to the profit and loss account and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation surplus reserve to retained earnings.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

(ii) Leases under which the Group is the lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit and loss account on a straight-line basis over the lease term. The Group has not entered into any finance leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

- (i) Restructuring: A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

(o) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

The group measures the fair value of an instrument using the quoted price, if one is available, in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Fair value measurement (continued)

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

(p) Dividends

Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are not recognised until they have been declared at an annual general meeting.

(q) Share capital

Ordinary shares are classified as 'share capital' in equity. Equity instruments issued by a Group entity are recognised at the value of proceeds received, net of direct issue costs. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a reduction from equity.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(s) Non-current assets held for sale

A non-current asset held for sale represents an asset whose carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the sale must be highly probable and the non-current asset must be available for immediate sale in its present condition. The appropriate level of management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from its classification. Non-current assets held for sale are included in the consolidated statement of financial position at fair value less costs to sell, if this is lower than the previous carrying amount.

Once an asset is classified as held for sale no further depreciation or amortisation is recorded.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. NEW STANDARDS, AMENDMENT AND INTERPRETATIONS

(a) New and revised standards and interpretations published but not yet effective for the year beginning 1st January 2023

The Group has not applied any of the new or revised Standards and Interpretations that have been published but are not yet effective for the year beginning 1st January 2023, and the Directors do not plan to apply any of them until they become effective. Below are the new or revised standards and interpretations, with their effective dates, none of which is expected to have a significant impact on the Group's financial statements in the period of initial application.

Standard	Details of amendment	Annual periods beginning on or after
IAS 1 Presentation of Financial Statements	<p><i>Classification of Liabilities as Current or Non-current:</i> The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.</p> <p><i>Non-current liabilities with Covenants:</i> The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.</p>	1 January 2024
IAS 16 Property, Plant and Equipment	<p><i>Property, Plant and Equipment: Lease liability in a sale and leaseback:</i> The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.</p>	1 January 2024
IAS 7 Statement of Cash Flows	<p><i>Supplier Finance Arrangements:</i> The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.</p>	1 January 2024
IAS 21 The Effects of Changes in Foreign Exchange Rates	<p><i>Lack of Exchangeability:</i> The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.</p>	1 January 2025
IFRS 10 Consolidated Financial Statements	<p><i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):</i> Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p>	The effective date of this amendment has been deferred indefinitely until further notice

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE

Overview

The Group's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Group's overall risk management policies are set out by the board and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the Group's performance by setting acceptable levels of risk. The Group does not hedge against any risks.

(a) Credit risk and expected credit losses

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a group-wide basis.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings.

Trade and other receivables

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Group considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purposes default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that default does not occur later than when a financial asset is 90 days past due.

If the Group does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

Trade and other receivables (continued)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

(i) Group

	Basis for measurement of loss allowance				
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
		(a)	(b)	(c)	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
At 31st December 2023					
Trade receivables	-	-	-	188,286	188,286
Other receivables	80,916	-	-	-	80,916
Cash at bank	154,992	-	-	-	154,992
	235,908	-	-	188,286	424,194
Gross carrying amount					
Loss allowance	-	-	-	(51,159)	(51,159)
	235,908	-	-	137,127	373,035
Exposure to credit risk					

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

i) Group

	Basis for measurement of loss allowance				Total KShs'000
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
	KShs'000	(a) KShs'000	(b) KShs'000	(c) KShs'000	
At 31st December 2022					
Trade receivables	-	-	-	92,707	92,707
Other receivables	95,912	-	-	-	95,912
Cash at bank	142,874	-	-	-	142,874
Gross carrying amount	238,786	-	-	92,707	331,493
Loss allowance	-	-	-	(49,849)	(49,849)
Exposure to credit risk	238,786	-	-	42,858	281,644

(ii) Company

	Basis for measurement of loss allowance				Total KShs'000
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
	KShs'000	(a) KShs'000	(b) KShs'000	(c) KShs'000	
At 31st December 2023					
Trade receivables	-	-	-	184,685	184,685
Amount due from subsidiaries	-	-	388,525	-	388,525
Other receivables	660	-	-	-	660
Cash at bank	106,378	-	-	-	106,378
Gross carrying amount	107,038	-	388,525	184,685	680,248
Loss allowance	-	-	(253,127)	(47,350)	(300,477)
Exposure to credit risk	107,038	-	135,398	137,335	379,771

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

(ii) Company

	Basis for measurement of loss allowance				Total
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
	KShs'000	(a) KShs'000	(b) KShs'000	(c) KShs'000	
At 31st December 2022					
Trade receivables	-	-	-	88,214	88,214
Amount due from subsidiaries	-	-	316,138	-	316,138
Other receivables	13,081	-	-	-	13,081
Cash at bank	141,071	-	-	-	141,071
	154,152	-	316,138	88,214	558,504
Loss allowance	-	-	(253,127)	(46,040)	(299,167)
Exposure to credit risk	154,152	-	63,011	42,174	259,337

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- (i) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
- (ii) financial assets that are credit impaired at the balance sheet date; and
- (iii) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

The age analysis of the trade receivables at the end of each year was as follows:

	Group		Company	
	2023 KShs '000	2022 KShs '000	2023 KShs '000	2022 KShs '000
Not past due	91,494	690	71,905	485
Past due				
:by 31 to 60 days	7,197	12,388	6,547	12,126
:by 61 to 90 days	1,320	26,542	1,110	26,491
:by 91 to 180 days	61,918	3,238	53,154	3,072
:over 181 days	2,503	-	4,619	-
Total past due	72,938	42,168	65,430	41,689
Total	164,432	42,858	137,335	42,174
Loss allowance	51,159	49,849	47,350	46,040
Total trade receivables	215,591	92,707	184,685	88,214

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

The changes in the loss allowance during the year were as follows:

(i) Group	Basis for measurement of loss allowance				Total KShs'000
	12-month expected credit losses	Lifetime expected credit losses (see note above)			
		(a) KShs'000	(b) KShs'000	(c) KShs'000	
Year ended 31st December 2023					
At start of year	-	-	-	49,849	49,849
The changes in the loss allowance during the year were as follows:					
Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	1,310	1,310
At end of year	-	-	-	51,159	51,159
Year ended 31st December 2022					
At start of year	-	-	-	47,781	47,781
The changes in the loss allowance during the year were as follows:					
Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	2,068	2,068
At end of year	-	-	-	49,849	49,849

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(a) Credit risk and expected credit losses (continued)

The changes in the loss allowance during the year were as follows:

(ii) Company	Basis for measurement of loss allowance				Total KShs'000
	12-month expected credit losses	Lifetime expected credit losses (see note above)			
	(a) KShs'000	(b) KShs'000	(c) KShs'000	KShs'000	
Year ended 31st December 2023					
At start of year	-	-	253,127	46,040	299,167
Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	1,310	1,310
At end of year	-	-	253,127	47,350	300,477
Year ended 31st December 2022					
At start of year	-	-	253,127	41,283	294,410
Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	4,757	4,757
At end of year	-	-	253,127	46,040	299,167

The Company does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also monitors the level of expected cash flows from trade and other receivables together with expected cash outflows on trade and other payables.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include expected interest payments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(b) Liquidity risk (continued)

(i) Group

	Carrying amount	1 - 3 months	3months - 1 year	1-3 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
31 December 2023:					
Non - derivative financial liabilities					
Borrowing (Note 24 (a))	540,692	-	-	540,692	540,692
Trade and other payables (Note 26 (a))	457,681	457,681	-	-	457,681
At 31 December 2023	998,373	457,681	-	540,692	998,373
31 December 2022:					
Non - derivative financial liabilities					
Borrowing (Note 24 (a))	445,446	-	-	445,446	445,446
Trade and other payables (Note 26 (a))	328,119	328,119	-	-	328,119
At 31 December 2022	773,565	328,119	-	445,446	773,565

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(b) Liquidity risk (continued)

(ii) Company

31 December 2023:

Non - derivative financial liabilities
Borrowings (Note 24 (a))
Trade and other payables (Note 26 (a))
At 31 December 2023

Carrying amount KShs '000	1 - 3 months KShs '000	3months - 1 year KShs '000	1-3 years KShs '000	Total KShs '000
540,692	-	-	540,692	540,692
613,467	344,935	-	268,532	613,467
1,154,159	344,935	-	809,224	1,154,159

31 December 2022:

Non - derivative financial liabilities
Borrowings (Note 24 (a))
Trade and other payables (Note 26 (a))
At 31 December 2022

445,446	-	-	445,446	445,446
506,816	280,517	-	226,299	506,816
952,262	280,517	-	671,745	952,262

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange and interest rates will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(i) Foreign exchange risk - Group exchange risk from recognised financial assets and liabilities

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from recognised foreign currency assets and liabilities and net investments in foreign operations.

Exposure to currency risk

The summary quantitative data about the Group and Company's exposure to currency risk as reported to the management of the Group is as follows; (amounts in KShs '000)

	31 DECEMBER 2023					31 DECEMBER 2022				
	USD '000	TZS '000	UGX '000	BIF '000	USD '000	TZS '000	UGX '000	BIF '000		
Financial instruments										
Cash and cash equivalents	75,639	225	44	463	30,766	198	74	386		
Trade receivables	34,338	-	-	-	1,066	-	-	-		
	109,976	225	44	463	31,832	198	74	386		
Financial liabilities										
Long term facilities	(440,692)	-	-	-	(345,446)	-	-	-		
Trade and other payables	-	(2,081)	(597)	(62)	-	(4,526)	(513)	(2,653)		
	(440,692)	(2,081)	(597)	(62)	(345,446)	(4,526)	(513)	(2,653)		
Net financial exposure	(330,716)	(2,081)	(552)	402	(313,614)	(4,328)	(439)	(2,267)		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk (continued)

(i) Foreign exchange risk

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	2023	2022	2023	2022
USD	141.3367	118.2988	157.3900	123.3735
TZS	0.0625	0.0529	0.0582	0.0508
UGX	0.0413	0.0332	0.0377	0.0319
BIF	0.0552	0.0595	0.0547	0.0577

Sensitivity analysis

A reasonably possible strengthening or (weakening) of the key currencies against the Kenya shilling, would have affected the measurement of financial instruments denominated in foreign currency and affected the profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant and ignores the impact of forecast sales and purchases.

Effect in KShs '000		Profit or loss/equity	
		Strengthening	Weakening
31 December 2023			
Currency	% movement		
USD	3%	(9,921)	9,921
TSH	10%	(186)	186
UGX	5%	(28)	28
BIF	3%	12	(12)
31 December 2022			
USD	3%	(9,408)	9,408
TSH	10%	(433)	433
UGX	5%	(22)	22
BIF	3%	(68)	68

The Group does not hold any derivative financial instruments or financial assets measured at fair value through other comprehensive income. All exchange gains and losses arising from exposure to foreign exchange risks on its non-derivative financial instruments, are charged to profit or loss. The above sensitivity analysis would therefore have no direct effect on equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk (continued)

(i) Foreign exchange risk (continued)

Exchange risk from net investments in foreign operations

The Group has subsidiaries in Uganda, Burundi and Tanzania. Therefore, the net investments in these subsidiaries are exposed to foreign exchange risk upon consolidation of the financial statements and any losses/ (gains) are charged / (credited) to other comprehensive income. The effect of changes in the exchange rates as at 31 December 2023 would have had on the translation reserve are shown below:

Uganda

At 31 December 2023, if the Ugandan Shilling had weakened/strengthened by 5% (2022 – 5%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to the other comprehensive income would have been KShs 2,404,662 (2022 – KShs 3,879,762) higher/lower.

Burundi

At 31 December 2023, if the Burundi Franc had weakened/strengthened by 3% (2022 – 3%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 952,956 (2022 – KShs 854,331) higher/lower.

Tanzania

At 31 December 2023, if the Tanzanian Shilling had weakened/strengthened by 10% (2022 – 10%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 14,000,060 (2022 – KShs 10,516,519) higher/lower.

Company exchange risk from recognised financial assets and liabilities

At 31 December 2023, if the Kenya Shilling had weakened/strengthened by 3% against the US dollar with all other variables held constant, company profit for the year would have been KShs 16,220,760 (2022 – KShs 13,363,374) higher/lower, mainly as a result of US dollar denominated financial instruments.

The company does not hold any derivative financial instruments or financial assets measured at fair value through other comprehensive income. All exchange gains and losses arising from exposure to foreign exchange risks on its non-derivative financial instruments, are charged to profit or loss. The above sensitivity analysis would therefore have no direct effect on equity.

(ii) Interest rate risk

The Group also has borrowings at fixed rates. No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and Company's fixed interest-bearing financial instruments as reported to management of the Group is as follows;

	Group		Company	
	2023 KShs '000	2022 KShs '000	2023 KShs '000	2022 KShs '000
<i>Fixed rate instruments</i>				
Financial liabilities (Note 24 (a))	(540,692)	(445,446)	(540,692)	(445,446)
Exposure	(540,692)	(445,446)	(540,692)	(445,446)

Financial liabilities relate to borrowings.

Fair value sensitivity analysis on fixed rate instruments

The Group does not account for its fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would have no effect on profit or loss or equity.

(d) Capital management

The board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or adjust the amount of capital expenditure. The Group monitors capital on the basis of the debt-to-adjusted capital ratio, calculated as net debt to capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, retained earnings, and other reserves).

The director's target is to maintain a gearing ratio not exceeding 10% for the Group and 20% for the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

(d) Capital management (continued)

	Group		Company	
	2023	2022	2023	2022
	KShs '000	KShs '000	KShs '000	KShs '000
Total borrowings (Note 24)	540,692	445,446	540,692	445,446
Less: Cash and cash equivalents (Note 22)	(154,992)	(142,874)	(106,378)	(141,071)
Net debt	385,700	302,572	434,314	304,375
Total equity	472,627	430,169	180,413	199,161
Total capital	858,327	732,741	614,727	503,536
Gearing ratio	44.94%	41.29%	70.65%	60.45%

(e) Fair values

None of the Group's financial instruments are measured at fair value. The Group has not disclosed fair values for financial instruments not measured at fair value, such as short-term trade receivables and payables and borrowings, because their carrying amounts are a reasonable estimation of their fair values.

6. OPERATING SEGMENTS

(a) Basis of segmentation

The Group identifies primary segments based on the dominant source, nature of risks and returns, geographical distribution and internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) is evaluated regularly by the Managing Director and executive management in deciding how to allocate resources and assess performance.

The following summary describes the operations of each segment.

Reportable segment	Operations
Sourcing and distribution	Sourcing, buying and distribution of tyres, tubes and flaps
Regional operations	Buying and distribution of tyres, tubes and flaps in the Eastern Africa Region
Yana Tyre Centre	Retailing of tyres, tubes and flaps and provision of tyre related services. However, no revenue was reported during the year.
Rental business	Letting of investment properties

There is a significant level of integration between the distribution, regional operations and Yana Tyre Centre segments. This includes inter segment sales of products as well as shared marketing and sales services. Inter-segment pricing is determined on an arm's length basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. OPERATING SEGMENTS (CONTINUED)

(b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/(loss) after tax is used to measure performance because management believes that this information is the most relevant in evaluating results of the respective segments relative to other entities in similar operations.

	Reportable segments													
	Sourcing & distribution			Regional operations			Yana Tyre centres			Rental business			Total	
	2023	2022		2023	2022		2023	2022		2023	2022		2023	2022
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
External revenues	30,313	248,663	-	-	-	-	9	35,760	-	-	-	-	390,498	613,065
Inter-segment revenues	-	16,087	-	-	-	-	-	-	-	-	-	-	-	16,087
Segment revenue	30,313	264,750	-	-	-	9	35,760	-	-	-	-	-	390,498	629,152
Segment profit/(loss) before tax	(39,260)	(53,780)	(15,063)	(38,646)	(11,168)	(2,471)	11,168	-	-	-	-	-	127,393	188,364
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	(81,058)	(88,100)
Segment profit after tax	(39,620)	(53,780)	(15,063)	(38,646)	(11,168)	(2,471)	11,168	-	-	-	-	-	46,335	100,264
Dividend earned	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(38,157)	(38,603)	-	-	-	-	-	-	-	-	-	-	(38,157)	(38,603)
Depreciation and amortisation	-	(711)	-	-	-	-	-	-	-	-	-	-	(13,269)	(11,863)
Share of profit from equity accounted investees	37,247	12,275	-	-	-	-	-	-	-	-	-	-	37,247	12,275
Segment assets	718,245	621,039	35,929	70,100	10,892	10,458	10,892	1,241,044	1,029,834	2,005,675	1,731,864	1,731,864	227,084	189,837
Equity accounted investees	227,084	189,837	-	-	-	-	-	(145,288)	(73,152)	-	-	-	(145,288)	(73,152)
Capital expenditure	-	-	-	-	-	-	-	(581,223)	(201,555)	-	-	-	(1,010,469)	(782,517)
Segment liabilities	(77,054)	(269,584)	(176,730)	(137,953)	(173,425)	(175,462)	(173,425)	(581,223)	(201,555)	(1,010,469)	(782,517)	(782,517)	(1,010,469)	(782,517)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. OPERATING SEGMENTS (CONTINUED)

(c) Reconciliation of information on reportable segments to IFRS measures

The Group's internal accounting policies and measures are consistent with IFRS. Therefore, the reconciling items are limited to items that are not allocated to reportable segments and inter-segment eliminations, as opposed to a difference in the basis of preparation of the information.

	2023	2022
	KShs'000	KShs'000
(i) Revenues		
Total revenues for reportable segments	390,498	629,152
Elimination of intersegment revenues	-	(16,087)
Consolidated revenue	390,498	613,065
(ii) Profit before tax		
Segments profit before tax	39,448	166,089
Provision due from subsidiaries	-	-
Share of profit on equity accounted investee	37,247	12,275
Elimination of intersegment expenses	50,697	10,000
Inter-segment unrealised profits	-	-
Consolidated profit before tax	127,392	188,364
(iii) Assets		
Total segment assets	2,042,583	1,757,134
Elimination of inter-segment;		
-Net unrealised profits on inventories	-	-
- Receivables	(465,545)	(413,260)
- Intercompany provisions	-	-
Investment in subsidiaries	(184,000)	(184,000)
Share of profit/(loss) of equity accounted investees	90,058	52,812
Consolidated total assets	1,483,096	1,212,686
(iv) Liabilities		
Total segment liabilities	1,816,663	1,485,726
Elimination of inter-segment payables	(806,194)	(703,209)
Consolidated total liabilities	1,010,469	782,517

Segment assets and liabilities exclude current and deferred taxes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. OPERATING SEGMENTS (CONTINUED)

(d) Geographic information

The Group operates in various markets within the greater Eastern and Southern Africa markets. The sourcing plant is domiciled in Kenya with other markets involved in distribution, retail and trading. The geographic information below analyses the Group's revenues and non-current assets by the country of domicile and other countries. In preparing the following information, segment revenue has been based on geographic location of customers and segment non-current assets were based on the geographic location of the assets. Non-current assets exclude financial instruments, employee benefits assets and deferred tax assets.

	2023	2022
	KShs'000	KShs'000
(i) Revenues		
<i>Country of domicile</i>		
Kenya	390,498	613,065
<i>All foreign countries</i>		
Uganda	-	-
Tanzania	-	-
Burundi	-	-
Others	-	-
Consolidated revenue	390,498	613,065
(ii) Non-current assets		
<i>Country of domicile</i>		
Kenya	1,016,728	847,462
<i>All foreign countries</i>		
Uganda	-	-
Tanzania	-	-
Burundi	-	-
Consolidated total non-current assets	1,016,728	847,477

(e) Major customer

The Group and its entities do not place reliance on any particular customer for its operations. None of the Group's individual customers transacts revenues of 20% or more of the Group's turnover.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

In preparing the annual financial statements management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant estimates and judgements include:

— ***Impairment***

The Group assesses its trade receivables and other financial and non-financial assets for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes assumptions underlying recoverable amounts as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the asset.

— ***Measurement of fair values***

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has established a framework with respect to measurement of fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the team assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS including the fair value hierarchy in which such valuation should be classified.

— ***Taxation***

Judgement is required in determining the liability for income taxes due to the complexity of tax legislations. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability in the period in which such determination is made.

The company recognises the net future tax benefit relating to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted.

— ***Useful lives and residual values of property, plant and equipment***

The company tests annually whether the useful life and residual value estimates were appropriate and in accordance with its accounting policy. Useful lives and residual values of property and equipment have been determined based on previous experience and anticipated disposal values when the assets are disposed.

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FOR THE YEAR ENDED 31 DECEMBER 2023

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical accounting estimates and assumptions (continued)

— **Investment property**

Critical estimates are made by the directors in determining depreciation rates for investment property.

(b) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made judgements which are noted in the following notes:

- (i) Note 3 (a): Basis of consolidation – whether the Group has de facto control over an investee;
- (ii) Note 24: Deferred tax – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

8. REVENUE

	Group		Company	
	2023	2022	2023	2022
	KShs'000	KShs'000	KShs'000	KShs'000
(a) Revenue from contracts with customers				
Recognised at a point in time:				
Sale of imported goods	30,357	278,044	30,348	259,714
Discounts, claims and warranties	(44)	4,578	(44)	4,619
Recognised over time:				
Rendering of services	9	1,800	9	417
(b) Other revenue				
Investment property rentals	360,176	328,643	294,485	274,826
	390,498	613,065	324,798	539,576

9. OTHER OPERATING INCOME AND EXPENSES

(a) Other operating income

	Group		Company	
	2023	2022	2023	2022
	KShs'000	KShs'000	KShs'000	KShs'000
Insurance compensation	10,053	15,440	-	-
Other income	13,791	6,854	9,388	5,406
	23,844	22,294	9,388	5,406

Other income includes income from the sale of impaired assets and scrap materials.

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9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)

(b) Expenses by function

(i) Cost of sales

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Prime costs				
Inventories expensed during the year (Note 20)	20,921	229,780	20,913	226,959
	20,921	229,780	20,913	226,959
Sourcing and distribution overheads				
Indirect labour	2,075	2,451	2,075	2,451
Depreciation	11,487	10,743	7,397	6,792
	13,562	13,194	9,472	9,243
Total cost of sales	34,483	242,974	30,385	236,202

(ii) Operating expenses

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Selling and distribution costs				
Distribution costs	266	1,828	266	1,294
Selling expenses	3,180	7,158	3,180	7,044
Trade receivables loss allowance	1,310	4,425	1,310	4,972
Marketing and sales promotions	2,865	1,413	2,865	1,413
	7,621	14,824	7,621	14,723

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9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)

(b) Expenses by function (continued)

(ii) Operating expenses – (continued)

Administrative expenses

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Indirect staff costs	77,566	71,756	68,566	63,850
Impairment of subsidiary	-	-	-	10,000
Other administrative expenses	(4,439)	22,984	(12,302)	(23,480)
	73,127	94,740	56,264	50,370
Legal and professional fees	54,350	22,878	42,201	18,757
Travel and vehicle maintenance	584	624	559	588
Establishment expenses	11,842	10,378	9,549	7,715
Bank charges and fees	1,398	1,934	1,250	1,538
	68,174	35,814	53,559	28,598
Total operating expenses	148,922	145,378	117,444	93,691

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9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)

(c) Expenses by nature

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Cost of imported trading goods sold	20,921	229,780	20,913	226,959
Employee benefits expense (Note 9 (d))	80,667	74,353	71,667	66,465
Audit fees	2,361	2,068	1,200	1,100
Bank charges	1,398	1,934	1,250	1,538
Depreciation and amortisation	13,269	11,862	8,630	7,499
General expenses	(13,636)	24,643	(16,735)	(19,988)
Impairment of subsidiary	-	-	-	10,000
Legal and professional fees	22,971	6,601	11,987	4,596
Advertising and promotions	2,865	1,434	2,865	1,433
Electricity, water and fuel	(2,215)	(13,860)	(6,964)	(15,711)
Repairs and maintenance	18,815	19,260	17,082	16,944
Trade receivables loss allowance	1,310	4,425	1,310	4,972
Sales commissions and bonuses	1,172	3,781	1,172	3,781
Rent and rates	16,811	3,989	16,797	3,989
Telephone and postage	1,686	2,810	1,671	2,810
Transport, travelling and insurance	15,010	15,272	14,984	13,506
Total cost of sales, selling and distribution, administrative and other operating expenses	183,405	388,352	147,828	329,893

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9. OTHER OPERATING INCOME AND EXPENSES

(d) Employee benefits expense

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Salaries and wages	48,630	53,477	41,144	48,474
Allowances and other benefits	12,966	17,397	12,022	14,673
Defined contribution scheme	18,934	3,405	18,396	3,259
National Social Security Fund	137	74	105	59
	80,667	74,353	71,667	66,465

(e) Employee particulars for the year

(i) Average number of employees per employee category

	2023	2022	2023	2022
Management and administration	15	33	15	29
Total	15	33	15	29

10. NET FINANCE (COSTS)/INCOME

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Finance income				
Interest income	9,033	2,440	9,033	2,440
Foreign exchange gains	21,832	8,728	4,643	3,324
	30,865	11,168	13,676	5,764
Finance costs				
Foreign exchange losses	133,499	43,483	117,828	38,001
Interest expense	38,157	38,603	38,157	38,603
	171,656	82,086	155,985	76,604
Net finance (costs)/income	(140,791)	(70,918)	(142,309)	(70,840)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. INCOME TAXES

(a) Amounts recognised in profit or loss

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Current tax expense:				
Current income tax	75,938	86,790	62,796	72,748
Provision in prior period	-	-	-	-
	75,938	86,790	62,796	72,748
Deferred tax expense (Note 25(b)):				
Deferred income tax	5,210	1,310	-	-
	5,210	1,310	-	-
Income tax expense	81,058	88,100	62,796	72,748

The Group income tax expense excludes the Group's share of income tax expense of its equity accounted investee of KShs'000 -56 (2022: KShs'000- 10,686) which has been included in "share of profit of equity accounted investee, net of tax".

(b) Reconciliation of effective tax rate

The tax on the Group's and company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Group	2023		2022	
	Rate %	KShs'000	Rate %	KShs'000
Profit before income tax		127,393		188,364
Tax calculated at domestic rates applicable to profits in the respective countries - 30% (2022 - 30%)	30%	38,218	30%	56,509
Tax effect of:				
Share of profit of equity accounted investee	(8.77)%	(11,174)	(1.96)%	(3,683)
Expenses not deductible for income tax purposes	28.36%	36,130	3.27%	6,164
Effects of unrecognised deferred tax	4.02%	5,120	7.88%	14,835
Under provision of current income tax in prior years	10.12%	12,764	7.58%	14,275
Effect of lower tax rates in Sameer EPZ Ltd	0%	-	0%	-
Income tax expense	63.63%	81,058	46.77%	88,100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. INCOME TAXES (CONTINUED)

(b) Reconciliation of effective tax rate (continued)

Company	2023		2022	
	Rate %	KShs'000	Rate %	KShs'000
Profit before income tax		44,048		144,249
Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2022 - 30%)	30%	13,214	30%	43,275
Tax effect of:				
Expenses not deductible for income tax purposes	83.59%	36,818	0.17%	246
Under provision of current income tax in prior years	28.98%	12,764	9.90%	14,275
Effects of unrecognised deferred tax	0%	-	10.37%	14,952
Income tax expense	142.56%	62,796	50.43%	72,748

(c) Reconciliation of carrying amounts

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Net liability/(asset) at start of year	(23,258)	20,964	(12,961)	25,869
Charge for the year - profit or loss (note 11(a))	75,938	86,790	62,796	72,748
Provision in prior period	(4,778)	(376)	-	(6)
Income tax paid	(84,774)	(130,636)	(67,573)	(111,572)
Net (asset)/liability at end of year	(36,872)	(23,258)	(17,737)	(12,961)
Represented by:				
Income tax assets	(36,908)	(25,270)	(17,737)	(12,961)
Income tax liability	36	2,012	-	-
	(36,872)	(23,258)	(17,737)	(12,961)

The Group believes that its accruals for current tax liabilities / assets are adequate for all open tax matters based on its assessment of various factors, including interpretations of tax laws and prior experience.

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12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Profit attributable to equity holders of the Company (KShs '000)	46,335	100,264
Weighted average number of ordinary shares in issue ('000)	278,342	278,342
Basic earnings per share (KShs)	0.17	0.36

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders and the weighted average number of shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at 31 December 2023 or 2022. Diluted earnings per share are therefore the same as basic earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amounts

Group	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
2023:			
Cost			
At 1 January 2023	11,773	9,233	21,006
Additions	-	877	877
At 31 December 2023	11,773	10,110	21,883
Accumulated depreciation and impairment			
At 1 January 2023	2,180	5,178	7,358
Charge for the year	471	1,307	1,778
At 31 December 2023	2,651	6,458	9,136
Carrying amounts - At 31 December 2023	9,122	3,625	12,747

**NOTES TO THE FINANCIAL STATEMENTS
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13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amounts (continued)

Group

2022:	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
Cost			
At 1 January 2022	34,805	5,845	40,650
Additions	-	3,388	3,388
Transfer to investment property (Note 15)	<u>(23,032)</u>	<u>-</u>	<u>(23,032)</u>
At 31 December 2022	<u>11,773</u>	<u>9,233</u>	<u>21,006</u>
Accumulated depreciation and impairment			
At 1 January 2022	8,372	4,534	12,906
Charge for the year	471	644	1,115
Transfer to investment property (Note 15)	<u>(6,663)</u>	<u>-</u>	<u>(6,663)</u>
At 31 December 2022	<u>2,180</u>	<u>5,178</u>	<u>7,358</u>
Carrying amounts - At 31 December 2022	<u>9,593</u>	<u>4,055</u>	<u>13,648</u>

Company

2023:	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
Cost			
At 1 January 2023	11,773	1,978	13,751
Additions	-	877	877
At 31 December 2023	<u>11,773</u>	<u>2,855</u>	<u>14,628</u>
Accumulated depreciation and impairment			
At 1 January 2023	2,180	232	2,412
Charge for the year	471	757	1,228
At 31 December 2023	<u>2,651</u>	<u>989</u>	<u>3,640</u>
Carrying amounts - At 31 December 2023	<u>9,122</u>	<u>1,866</u>	<u>10,988</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amounts (continued)

Company	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
2022:			
Cost			
At 1 January 2022	11,773	-	11,773
Additions	-	1,978	1,978
At 31 December 2022	11,773	1,978	13,751
Accumulated depreciation and impairment			
At 1 January 2022	1,709	-	1,709
Charge for the year	471	232	703
At 31 December 2022	2,180	232	2,412
Carrying amounts - At 31 December 2022	9,593	1,746	11,339

14. INTANGIBLE ASSETS

Computer software

(a) Reconciliation of carrying amounts (continued)

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Cost				
At 1 January and 31 st December	138,348	138,348	138,030	138,030
Amortisation and impairment				
At 1 January	138,348	138,348	138,030	138,030
Charge for the year	-	-	-	-
At 31 December	138,348	138,348	138,030	138,030
Carrying amount at 31 December	-	-	-	-

(a) Impairment loss

Specialised computer software used for production planning was tested for impairment after the factory closure and an impairment loss of KShs 2,392,000 was recognised. The Group continues to use other modules of this software that remain relevant to its operations.

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14. INTANGIBLE ASSETS (CONTINUED)

(b) Classification

The Group accounts for computer software development and licenses costs that are not an integral part of the related hardware as intangible assets, which are amortized over their useful lives. All other computer software that form an integral part of the related hardware, are included in property plant and equipment.

15. INVESTMENT PROPERTIES

(a) Reconciliation of carrying amounts

	Group		Company	
	2023	2022	2023	2022
	KShs'000	KShs'000	KShs'000	KShs'000
At start of year	643,647	575,734	554,382	477,591
Additions	144,411	69,764	93,848	65,131
Impairment	-	(9,560)	-	-
Assets held for sale	-	(15)	-	(15)
Transfer from buildings	-	18,467	-	18,467
Depreciation	(11,487)	(10,743)	(7,397)	(6,792)
At end of year	776,571	643,647	640,833	554,382

Transfer from buildings relates to cost of building and its accumulated depreciated from our subsidiary Yana Tyre Center Limited.

	Group		Company	
	2023	2022	2023	2022
	KShs'000	KShs'000	KShs'000	KShs'000
Comprising				
Cost	1,056,724	912,608	859,145	765,591
Assets held for sale	-	(15)	-	(15)
Accumulated depreciation	(280,153)	(268,946)	(218,312)	(211,194)
At end of year	776,571	643,647	640,833	554,382

Investment property comprises:

- (i) Leasehold land held for future development or capital appreciation;
- (ii) Residential houses; and
- (iii) Commercial properties.

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15. INVESTMENT PROPERTIES (CONTINUED)

(b) Rental income and operating expenses

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Rental income	360,176	328,643	294,485	274,826
Operating expenses				
Staff costs	64,071	6,564	55,483	2,826
Administrative expenses	10,960	30,594	15,572	41,323
Security expenses	14,451	14,809	8,021	7,835
Legal and professional fees	12,381	8,948	12,897	5,687
Repairs and maintenance	10,060	9,229	8,317	7,008
Depreciation	13,269	11,152	8,629	6,796
Net other income	(12,201)	-	-	-
	112,991	81,296	108,919	71,475
Net rental income before tax	247,185	247,347	185,566	203,351

(c) Measurement of fair value

(i) Fair value hierarchy

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications every 3 years. In the intervening periods between valuations, management adjusts fair values on the basis of annual housing index reports provided by professional consultants. During the year, management used "The Valuation Report" by Knight Frank – a Real Estate Property Valuation firm.

The fair value measurement of – Group KShs'000 – 8,784,962 (2022: KShs'000 -7,584,939); Company KShs'000 –6,718,962 (2022: KShs'000 – 5,593,149) has been categorized as level 2 fair value (2022 level 2) based on the inputs to the valuation techniques used.

The Group accounts for its investment property at cost less accumulated depreciation and any impairment losses. The fair value gains which would have been recognised in profit or loss had the Group accounted for its investment property at fair values would have been as follows:

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15. INVESTMENT PROPERTIES (CONTINUED)

(c) Measurement of fair value

(i) Fair value hierarchy

	Group		Company	
	2023	2022	2023	2022
	KShs'000	KShs'000	KShs'000	KShs'000
Fair values				
Properties	8,784,962	7,584,939	6,718,962	5,593,149
	8,784,962	7,584,939	6,718,962	5,593,149
Carrying amounts				
Commercial properties	776,571	643,647	640,833	554,382
Leasehold land	326	330	326	330
	776,897	643,977	641,159	554,712
Fair value gains not recognised in profit or loss	8,008,065	6,940,962	6,077,803	5,038,437

(ii) Valuation techniques and significant unobservable inputs

The table below shows the valuation techniques used in measuring fair values as well as significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationships between unobservable inputs and fair value measurements
<p>(a) Investment property</p> <p>Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property taking into account expected rental growth, occupancy rates and other costs not paid by tenants. The net cash flows are discounted using the risk adjusted discount rate.</p>	<ol style="list-style-type: none"> 1. Expected market rental growth (2023 and 2022: 3%-5%) 2. Occupancy rates (2023 and 2022: 88% - 95%) 3. Risk-adjusted discount rate (2023 and 2022:9%) 	<p>The estimated fair values would increase / (decrease) if;</p> <ol style="list-style-type: none"> 1. Expected rental growth were higher / (lower) 2. Occupancy rates were higher / (lower) 3. Risk-adjusted discount rate was lower / (higher)

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15. **INVESTMENT PROPERTIES (CONTINUED)**

(ii) *Valuation techniques and significant unobservable inputs (continued)*

Valuation technique	Significant unobservable inputs	Inter-relationships between unobservable inputs and fair value measurements
<p>(b) Leasehold land held for value appreciation and development.</p> <p>Market approach: The valuation model uses prices and other relevant information generated by market transactions involving identical or similar assets. The fair value is determined as the price that would be paid to sell the land in an orderly transaction to market participants.</p>	<p>1. Property prices in the locality</p> <p>2. Infrastructure developments</p>	<p>The estimated fair values would increase/ (decrease);</p> <p>1. If property prices were higher / (lower)</p> <p>2. Increase with improvements in infrastructure.</p>

16. **NON-CURRENT ASSETS HELD FOR SALE**

Assets held for sale relates to 3.75 acres of undeveloped leasehold land. The sale was initiated in 2022 and likely to conclude by the 4th quarter of 2024. The transaction value of the asset held for sale is USD 7,128,891 or equivalent KShs 1,122,016,000 at the year end USD closing rate of 157.39.

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Assets held for sale (land)	15	15	15	15
At end of year	15	15	15	15

17. **PREPAID OPERATING LEASE RENTALS**

(a) **Reconciliation of carrying amount**

	Group and Company	
	2023 KShs'000	2022 KShs'000
At start of year	330	334
Amortisation charge for the year	(4)	(4)
At end of year	326	330

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17. PREPAID OPERATING LEASE RENTALS (CONTINUED)

(b) Classification

The Group classifies leasehold land under development of warehouses, administration block, roads and other buildings as prepaid operating leases. Undeveloped leasehold land held for future development or value appreciation is accounted for under investment property.

18. INVESTMENT IN SUBSIDIARIES - COMPANY

(a) Investment and structure

The company's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the parent company, were as follows:

	Country of incorporation	% interest held	2023 KShs'000	2022 KShs'000
Sameer Africa (Uganda) Limited	Uganda	100%	26,612	26,612
Sameer Africa (Tanzania) Limited	Tanzania	100%	155,100	155,100
Yana Tyre Centre Limited	Kenya	100%	10,000	10,000
Sameer Industrial Park Limited	Kenya	100%	120,000	120,000
Sameer Africa (Burundi) Limited	Burundi	100%	221,913	221,913
Taqwa Trading Limited	Kenya	100%	<u>35,000</u>	<u>35,000</u>
			568,625	568,625
Less: Provision for impairment			<u>(448,625)</u>	<u>(448,625)</u>
Carrying amount			<u>120,000</u>	<u>120,000</u>

The provision for impairment relates to Taqwa Trading Limited which ceased trading in 2017 and has since been dormant. Other impairments of the investments in subsidiary companies done in 2018 were: Sameer Africa (Tanzania) Limited - KShs 155,100,000, Sameer Africa (Burundi) Limited - KShs 221,913,000, Sameer Africa (Uganda) Limited - KShs 26,612,000 and Yana Tyre Centre Limited impaired in 2023 -KShs 10,000,000.

(b) Nature and extent of significant restrictions

The company does not have any significant restrictions on any of its subsidiary companies, whether contractual, statutory or regulatory that limits its ability to access or use the assets and settle liabilities of the Group.

(c) Nature of risks associated with subsidiaries

The Group has no contractual arrangements that require the parent or its subsidiaries to provide financial support to a consolidated structured entity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. INVESTMENT IN ASSOCIATE

The following table summarizes the carrying amounts and the Group's share of profit or loss and other comprehensive income of its investment in associate as well as the carrying amounts in the financial statements of the company.

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Carrying amount				
Interest in associates	227,084	189,837	137,026	137,026
At end of year	227,084	189,837	137,026	137,026

(a) Reconciliation of carrying amount - Group

	2023 KShs'000	2022 KShs'000
At 1 January 2023	189,837	177,561
Prior year under provision	-	2,491
Share of profit	37,247	9,785
At end of year	227,084	189,837

(a) Associate

The Group's has an interest of 25% (2022: 25%) in the equity and voting rights of Sameer Business Park Limited. Sameer Business Park Limited is incorporated in Kenya and is unlisted. The principal place of business is along Mombasa Road, Nairobi.

The principal business of the associate is the letting of investment properties to third parties.

The Group accounts for its investment in associate using the equity method. The investment in associate is measured at cost less any impairment losses in the separate financial statements of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. INVESTMENT IN ASSOCIATE (CONTINUED)

(a) Associate (continued)

(i) Summarised financial information

The summarized financial information of the associate is set out below;

	2023 KShs'000	2022 KShs'000
Financial position		
Non-current assets	1,806,511	1,854,354
Current assets	279,401	296,170
Current liabilities	(38,237)	(117,235)
Non-current liabilities	(1,140,338)	(1,273,941)
Net assets	907,337	759,348
Profit or loss and other comprehensive income		
Revenue	382,470	324,182
Expenses	(233,480)	(275,082)
Profit after tax	148,990	49,100
Other comprehensive income	-	-
Total comprehensive income	148,990	49,100

20. INVENTORIES

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Finished goods	-	30,323	-	29,486
	-	30,323	-	29,486

The amounts of inventories recognised as an expense during the period are as shown below:

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Changes in inventories of work in progress and finished goods	-	-	-	-
Cost of trading goods sold	20,921	229,780	20,913	226,959
	20,921	229,780	20,913	226,959

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. INVENTORIES (CONTINUED)

(a) Amounts recognised in profit or loss

In 2023, inventories of KShs'000 20,921 (2022 – KShs'000 229,780) for the group and KShs '000 20,913 (2022 – KShs '000 226,959) were recognised as an expense during the year and included in cost of sales.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Current				
Trade receivables	188,286	92,707	161,037	88,214
Less: Provision for impairment	(51,159)	(49,849)	(47,350)	(46,040)
	137,127	42,858	113,687	42,174
Amounts due from related companies (Note 30(d)(i))	27,305	5,214	23,648	4,335
Other receivables	80,916	90,698	661	8,746
Receivables from subsidiaries net of impairment (Note 30(d)(i))	-	-	135,398	63,011
Trade and other receivables	245,348	138,770	273,394	118,266
Prepayments	29,105	27,972	27,875	26,547
	274,453	166,742	301,269	144,813

(a) Credit and market risks, and impairment losses

Information about the Group's exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 5 (a).

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as shown in the statements of financial position and cash flows comprise the following:

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Cash at hand and in bank	77,450	54,658	28,836	52,855
Call deposits	77,542	88,216	77,542	88,216
	154,992	142,874	106,378	141,071

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. CAPITAL AND RESERVES

(a) Ordinary share capital

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the General Meetings of the company. All ordinary shares rank *pari passu* with regard to the company's residual assets.

	2023	2022
Authorised ordinary shares	300,000,000	300,000,000
Authorised par value (KShs each)	5	5
Authorised share capital (KShs'000)	<u>1,500,000</u>	<u>1,500,000</u>
<i>Issued and fully paid up capital</i>		
Issued ordinary shares	278,342,393	278,342,393
Issued par value (KShs each)	5	5
Issued and fully paid up capital (KShs'000)	<u>1,391,712</u>	<u>1,391,712</u>

(b) Nature and purpose of reserves

(i) Translation reserve

The translation reserve comprise all foreign currency differences arising from the translation of financial statements of foreign operations. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(ii) Retained earnings

Retained earnings comprises accumulated profit or loss from continuing operations and other comprehensive income net of any dividends declared and paid out to ordinary shareholders. Retained earnings represent amounts available to the shareholders of the Group and are usually utilised to finance business activity.

(c) Dividends

The directors do not recommend the declaration of a dividend for the year (2022:Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. BORROWINGS

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
(a) Carrying amounts				
Non-current				
Sameer Investments Limited	440,692	345,446	440,692	345,446
Sameer Telkom Limited	100,000	100,000	100,000	100,000
Total borrowings	540,692	445,446	540,692	445,446

	31 December 2023		31 December 2022	
	Bank loan KShs'000	Related parties loan KShs'000	Bank loan KShs'000	Related parties loan KShs'000
Reconciliation of liabilities arising from financing activities:				
At start of year	-	445,446	-	495,994
Foreign exchange revaluation	-	95,246	-	(50,548)
	-	540,692	-	445,446

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. BORROWINGS (CONTINUED)
Terms and repayment schedule

Group and company	Currency	Nominal interest	Maturity	31 December 2023		31 December 2022	
				Face value	Carrying amount	Face value	Carrying amount
Term loan – Sameer Investments Limited	USD	7.00%	2025	440,692	440,692	345,446	345,446
Term loan – Sameer Telkom Limited	KSHS	11.00%	2025	100,000	100,000	100,000	100,000
				540,692	540,692	445,446	445,446

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. BORROWINGS (CONTINUED)

(b) Effective interest rates

The weighted average effective interest rates at the year-end were:

	2023 %	2022 %
Related party borrowings - USD	7.00	7.00
Related party borrowings - KShs	<u>11.00</u>	<u>11.00</u>

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Group at the statement of financial position date.

(c) Compliance with loan covenants

The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods.

25. DEFERRED INCOME TAX

(a) Carrying amounts

Deferred income tax is calculated using the enacted income tax rates of 30% (2022: 30%) that apply to the different Group companies. The movement on the deferred income tax account is as follows:

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
At start of year	6,940	5,630	-	-
Charge to statement of profit or loss (Note 11 (a))	5,120	1,310	-	-
Currency translation differences (Note 11(a))	-	-	-	-
Prior period under provisions	-	-	-	-
At end of year	12,060	6,940	-	-
As disclosed on the balance sheet:				
Deferred income tax assets	-	-	-	-
Deferred income tax liabilities	12,060	6,940	-	-
	12,060	6,940	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

25. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances

Group 2023

	Net balance at 1 January KShs'000	Recognised in profit or loss KShs'000	Net balance at 31 December KShs'000
Deferred income tax asset			
Property, plant and equipment and intangibles	(60,922)	3,070	(57,852)
Investment property	137,143	7,307	144,451
Provisions	(153,029)	61,528	(91,501)
Tax losses	(651,338)	(42,524)	(693,862)
Effects of movements in exchange rates	(7,439)	(14,995)	(22,434)
Prior year under provision	1,144	(1,144)	-
	(734,441)	13,243	(721,198)
Total deferred tax asset	(734,441)	13,243	(721,198)
Unrecognized deferred tax asset	734,441	(13,243)	721,198
	-	-	-
Deferred income tax liability			
Investment property	7,683	3,099	10,782
Provisions	(532)	532	-
Effects of movements in exchange rates	(211)	1,489	1,278
	6,940	5,210	12,060
Net deferred income tax liabilities	6,940	5,210	12,060

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances (continued)

Group 2022

	Net balance at 1 January KShs'000	Recognised in profit or loss KShs'000	Net balance at 31 December KShs'000
<i>Deferred income tax asset</i>			
Property, plant and equipment and intangibles	(63,924)	3,002	(60,922)
Investment property	126,540	10,603	137,143
Provisions	(149,832)	(3,197)	(153,029)
Tax losses	(626,240)	(25,098)	(651,338)
Effects of movements in exchange rates	1,252	(8,691)	(7,439)
Prior year under provision	1,144	-	1,144
	<u>(711,060)</u>	<u>(23,381)</u>	<u>(734,441)</u>
Total deferred tax asset	<u>(711,060)</u>	<u>(23,381)</u>	<u>(734,441)</u>
Unrecognized deferred tax asset	<u>711,060</u>	<u>23,381</u>	<u>734,441</u>
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred income tax liability</i>			
Investment property	6,229	1,454	7,683
Provisions	(532)	-	(532)
Effects of movements in exchange rates	(67)	(144)	(211)
	<u>5,630</u>	<u>1,310</u>	<u>6,940</u>
Net deferred income tax liabilities	<u><u>5,630</u></u>	<u><u>1,310</u></u>	<u><u>6,940</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances (continued)

Company 2023

	Net balance at 1 January KShs'000	Recognised in profit or loss KShs'000	Net balance at 31 December KShs'000
Deferred income tax asset			
Property, plant and equipment and intangibles	(67,691)	7,234	(60,457)
Investment property	74,228	7,307	81,536
Provisions for expenses	(157,116)	64,363	(92,754)
Tax losses	(418,776)	(36,963)	(455,740)
Exchange differences	(11,305)	(14,995)	(26,300)
	<hr/>	<hr/>	<hr/>
Total deferred tax asset	(580,660)	26,946	(553,715)
Unrecognized deferred tax asset	580,660	(26,946)	553,715
	<hr/>	<hr/>	<hr/>
	-	-	-

Company 2022

	Net balance at 1 January KShs'000	Recognised in profit or loss KShs'000	Net balance at 31 December KShs'000
Deferred income tax asset			
Property, plant and equipment and intangibles	(75,257)	7,566	(67,691)
Investment property	63,625	10,603	74,228
Provisions for expenses	(160,702)	3,586	(157,116)
Tax losses	(399,295)	(19,481)	(418,776)
Exchange differences	(2,633)	(8,672)	(11,305)
	<hr/>	<hr/>	<hr/>
Total deferred tax asset	(574,262)	(6,398)	(580,660)
Unrecognized deferred tax asset	574,262	6,398	580,660
	<hr/>	<hr/>	<hr/>
	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. DEFERRED INCOME TAX (CONTINUED)

(c) Carrying amount

The Group has recognised all deferred tax liabilities arising from temporary differences associated with the Group's investments in subsidiaries and equity accounted investees.

(d) Unrecognised deferred tax assets

The deferred tax asset has not been recognised on deductible temporary differences and tax losses carried forward amounting to KShs 2,312,874,000 (2022: KShs 2,171,130,000) for the group and KShs 1,519,133,000 (2022: KShs 1,396,000,000) for the company due to lack of certainty of availability of future taxable profits against which such deductible temporary differences and tax losses could be utilised. Under the Kenyan Income Tax Act, with effect from 1 July 2023, the tax losses of KShs 1,519,133,000 (2022: KShs 1,396,000,000) can be carried forward indefinitely.

(e) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows

Group		
Summary of deferred tax assets-Tax loss		
Year of origin	Tax loss KShs'000	Deferred tax KShs'000
2014	(395,817)	(118,745)
2015	(35,490)	(10,647)
2016	(859,126)	(257,738)
2018	(426,885)	(128,065)
2019	(241,178)	(72,353)
2021	(128,974)	(38,692)
2022	(83,660)	(25,098)
2023	(141,744)	(42,524)
Total	(2,312,874)	(693,862)

Company
Summary of deferred tax assets-Tax loss

Year of origin	Tax loss KShs'000	Deferred tax KShs'000
2016	(697,090)	(209,127)
2018	(356,325)	(106,897)
2019	(165,247)	(49,574)
2021	(112,324)	(33,697)
2022	(64,937)	(19,481)
2023	(123,210)	(36,965)
Total	(1,519,133)	(455,740)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. DEFERRED INCOME TAX (CONTINUED)

(e) Tax losses carried forward (continued)

In 2023, the Company incurred a tax loss of KShs 123,210,000 increasing cumulative tax losses to KShs 1,519,133,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2023, the Group's Burundi subsidiary incurred a tax loss of KShs 5,332,841 increasing cumulative tax losses to KShs 132,656,000. Management has determined that the recoverability of cumulative tax losses is uncertain due to the political uncertainty and shortage of hard currency, management has therefore opted not to recognize further deferred tax until the subsidiary is profitable.

In 2023, the Group's Tanzania subsidiary incurred a tax loss of KShs 21,248,243 increasing cumulative tax losses to KShs 386,248,174 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2023, the Group's Uganda subsidiary had a tax profit of KShs 1,594,409 reducing cumulative tax losses to KShs 34,962,841 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2023, the Group's Local subsidiary Yana Tyre Centre Ltd incurred a tax loss of KShs 776,000 increasing cumulative tax losses to KShs 49,082,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

26. TRADE AND OTHER PAYABLES

(a) Carrying amounts

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Non - current				
Amounts due to subsidiaries (Note 30(d))	-	-	268,532	226,299
Current				
Trade payables	33,761	50,485	32,901	41,656
Amounts due to related companies (Note 30(d))	-	288	-	288
Deposit paid (asset held for sale)	113,582	89,034	113,582	89,034
Accrued expenses and other payables	310,338	188,312	198,452	149,539
	457,681	328,119	344,935	280,517
	457,681	328,119	613,467	506,816

Information on the Group's exposure to currency and liquidity risk is included in Note 5(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

27. STATEMENT OF CASH FLOWS – RECONCILIATION OF RECEIPTS AND PAYMENTS

	Note	Group		Company	
		2023	2022	2023	2022
		KShs'000	KShs'000	KShs'000	KShs'000
(a) Reconciliation of receipts and payments					
Cash receipts from customers					
Revenue	8	390,498	613,065	324,798	539,576
Other income	9 (a)	23,844	22,294	9,388	5,406
Net foreign exchange losses		-	(34,756)	-	(34,677)
Translation differences		(3,877)	(4,194)	-	-
Movement in trade and other receivables	21	(2,775)	89,528	392	104,954
Cash collections from customers		407,690	685,937	334,578	615,259
Cash payments for purchases					
Opening inventory stock	20	(30,323)	(35,705)	(29,486)	(34,576)
Cost of sales	9 (b)	34,483	242,974	30,385	236,202
Closing inventory stock	20	-	30,323	-	29,486
Movement in trade payables	26 (a)	16,724	(852)	8,755	(5,839)
		20,884	236,740	9,654	225,273
Adjustments for non-cash expenses					
Depreciation and amortisation	9 (c)	(13,269)	11,862	(8,630)	(7,499)
Net foreign exchange losses		16,421	-	17,939	-
Prior period provision for tax		4,778	376	-	6
Impairment		-	9,560	-	(10,000)
Transfers		-	(2,987)	-	19,749
		7,930	18,811	9,309	(2,256)
Cash payment for purchases		28,814	217,929	18,963	227,529
Cash payments for expenses					
Other operating expenses	9(b)(ii)	148,922	145,378	117,444	93,691
Movement in other receivables		104,936	-	156,847	-
Movement in accruals and other payables	26(a)	(146,286)	(71,730)	(115,406)	(80,376)
Cash payments for expenses		107,572	73,648	158,885	13,315

(b) Reconciliation of liabilities arising from financing activities

Group	Net balance at	Revaluation	Net balance at
	1 January		31 December
	KShs'000	KShs'000	KShs'000
Non-current			
Long term loans	445,446	95,246	540,692
Total borrowings	445,446	95,246	540,692

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

28. COMMITMENTS

Capital expenditure contracted for as at the reporting date but not recognised in the financial statements was as follows:

	Group		Company	
	2023 KShs '000	2022 KShs '000	2023 KShs '000	2022 KShs '000
Property, plant and equipment	<u>17,241</u>	<u>9,189</u>	<u>17,241</u>	<u>7,647</u>

29. CONTINGENT LIABILITIES

A subsidiary has disputed two assessments by the Revenue Authority of the subsidiary's jurisdiction. Although the subsidiary has appealed and objected against the assessments, should the appeal and objection not be successful, then additional tax, interest and penalties are estimated to amount to KShs 144 million. Based on legal and tax advice, the directors believe that the defence against the action will be successful.

The Company has several ongoing legal cases, claims are estimated at KShs 9 million. Based on legal advice, the directors believe that the defence against the claims will be successful.

30. RELATED PARTY TRANSACTIONS

(a) Parent and ultimate controlling party

The Group's majority shareholding is held by Sameer Investments Limited a company incorporated in Kenya. The parent company held equity interest and voting rights in the company of 72.48% (2022: 72.48%).

The ultimate controlling party is Yana Towers Limited; a company incorporated in Kenya.

Neither the parent nor the ultimate controlling party nor any intermediary parents produces consolidated financial statements available for public use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with key management personnel

(i) Key management compensation

Key management compensation comprised the following:

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Basic pay and other allowances	27,218	29,989	27,218	26,259
Pension/gratuity	5,401	3,188	5,401	3,000
Total	32,619	33,177	32,619	29,529

(ii) Directors' shareholding

At 31 December directors' shareholding in the company was as follows:

	2023 Shares	2022 Shares
Peter Gitonga	12,750	12,750
Akif H. Butt	450	450
Sameer N. Merali	15,000	15,000
Akif H. Butt (jointly with another party)	20,000	20,000

(iii) Directors' remuneration

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Directors' remuneration				
Fees as directors	5,100	4,620	5,100	4,620
Other emoluments (included under key management compensation above)	1,840	1,600	1,840	1,600
Managing director	16,800	13,126	16,840	13,126
Total remuneration of directors of the company	23,740	19,346	23,740	19,346

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with other related parties

In addition to the parent and the ultimate controlling party, the Group also has other companies that are related through common shareholdings or common directorships.

Transactions with related parties included the following:

(i) Sale of goods and services

	Company	
	2023 KShs'000	2022 KShs'000
Subsidiaries		
Yana Tyre Centre Limited	-	16,087
	<u>-</u>	<u>16,087</u>

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
Other related parties				
Ryce East Africa Limited	-	2,628	-	2,628
Warren Enterprises	-	599	-	-
Yana oil Limited	18,259	14,954	18,259	14,954
Sasini Avacado EPZ	14,462	18,449	-	-
	<u>32,721</u>	<u>36,630</u>	<u>18,259</u>	<u>17,582</u>

(ii) Purchase of goods and services

	Group and Company	
	2023 KShs'000	2022 KShs'000
Other related parties		
Ryce East Africa Limited	147	184
Warren enterprises	86,189	9,253
Sameer Africa (Tanzania) Limited	-	-
	<u>86,336</u>	<u>9,437</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Outstanding balances

At 31 December 2023, outstanding balances with related parties comprised the following;

	Group		Company	
	2023 KShs'000	2022 KShs'000	2023 KShs'000	2022 KShs'000
(i) Amounts due from:				
Subsidiaries				
Sameer Industrial Park Limited	-	-	135,398	63,011
	<u>-</u>	<u>-</u>	<u>135,398</u>	<u>63,011</u>
Associate				
Sameer Business Park Limited	10,684	2,298	10,684	2,298
Other related parties				
Ryce East Africa Limited	61	1,444	61	1,444
Eveready E.A. PLC	-	593	-	593
Sasini Avocado EPZ	3,657	877	-	-
Sasini PLC	2	2	-	-
Yana oil Limited	12,903	-	12,903	-
	<u>16,621</u>	<u>2,916</u>	<u>12,964</u>	<u>2,037</u>
Total due from other related parties	<u>27,305</u>	<u>5,214</u>	<u>23,648</u>	<u>4,335</u>
(ii) Amounts due to:				
Subsidiaries				
Sameer Africa(Uganda) Limited	-	-	55,756	40,132
Sameer EPZ Limited	-	-	212,776	186,167
	<u>-</u>	<u>-</u>	<u>268,532</u>	<u>226,299</u>
Other related parties				
Ryce East Africa Limited	-	288	-	288
	<u>-</u>	<u>288</u>	<u>-</u>	<u>288</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Borrowings from related parties

Group and company	Currency	Nominal interest	31 December 2023	
			Face value	Carrying amount
			KShs'000	KShs'000
Term loan –Sameer Investments	USD	7.00%	440,692	440,692
Term loan –Sameer Telkom	KSHS	11.00%	100,000	100,000
			540,692	540,692

Group and company	Currency	Nominal interest	31 December 2022	
			Face value	Carrying amount
			KShs'000	KShs'000
Term loan –Sameer Investments	USD	7.00%	345,446	345,446
Term loan –Sameer Telkom	KSHS	11.00%	100,000	100,000
			445,446	445,446

(f) Trading terms and settlement

All transactions with related parties are at an arm's length basis and in the ordinary course of business. Outstanding balances are to be settled in cash. No guarantees have been given or received to any related party.

31. EVENTS AFTER THE REPORTING PERIOD

There were no adjusting or non-adjusting events after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

32. PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION

Principal shareholders

The ten largest shareholdings in the Company and the respective number of shares held at 31 December 2023 are as follows:

Name	Number of shares	%
1. Sameer Investments Limited	201,743,205	72.48%
2. Patrick Njogu Kariuki Family Trust Registered Trustees	5,618,700	2.02%
3. Yana Trading Limited	5,273,700	1.89%
4. Andrew Mukite Musangi	3,320,000	1.19%
5. Best Investment Decisions Ltd	2,495,400	0.90%
6. Bid Management Consultancy Limited	2,319,400	0.83%
7. Kenyalogy.Com Limited	2,189,200	0.79%
8. Kenya Commercial Bank Nominees Limited A/C 915B	1,892,517	0.68%
9. Freight Forwarders Kenya Limited	1,875,000	0.67%
10. Utaridi Partners Limited	<u>1,540,800</u>	0.55%

Distribution of shareholders

Share range	Number of shareholders	Number of shares	%
1 - 500	8,132	2,143,683	0.77%
501 – 5,000	4,730	7,356,372	2.64%
5,001 – 10,000	399	3,017,226	1.08%
10,001 – 100,000	400	12,110,564	4.35%
100,001 – 1,000,000	70	21,002,226	7.55%
Over 1,000,000	14	<u>232,712,322</u>	83.61%
Total	<u>13,745</u>	<u>278,342,393</u>	<u>100%</u>

NOTICE OF THE 55TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 55th Annual General Meeting (AGM) of the Shareholders of Sameer Africa PLC will be held on Thursday 20th June 2024 starting at 10.00 am in the manner set out in the notes for the following purposes;

1. Constitution of the Meeting

To read the notice convening the meeting and determine if a quorum is present.

2. ORDINARY BUSINESS

a. Report and Financial Statements for the Year ended 31st December 2023

To receive, consider and, if deemed fit, adopt the Audited Consolidated Financial Statements for the year ended 31st December 2023 together with the reports of the Directors and Auditors' thereon.

b. Dividend

To note that the Directors do not recommend the payment of a dividend for the financial year ended 31st December 2023.

c. Elections of Directors

i. In accordance with Articles 1.123, 1.124, and 1.125 of the Company's Article of Association, the following Directors retire by rotation, and being eligible, offer themselves for re-election:

- a. Dr. Lydia M. Mbuthia
- b. Mr. Sameer N. Merali

ii. In accordance with Article 1.99 of the Company's Article of Association, the following Director, having been appointed by the Board to fill in a casual vacancy with effect from 6th May 2024, retires from the Board and being eligible offers herself for re-election.

- a. Ms. Patricia W. Kiwanuka

iii. Pursuant to Guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, to approve the continuation in office of the following Directors who are over seventy years old:

- a. Eng. Erastus K. Mwongera
- b. Mr. Peter Gitonga

iv. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following Directors, being members of the Audit, Risk and Corporate Governance Committee of the Board, and, subject to being re-elected to continue to serve as Directors as may be applicable, be elected to continue to serve as members of the said Committee:

- a. Dr. Lydia M. Mbuthia
- b. Ms. Patricia W. Kiwanuka
- c. Mr. Sameer N. Merali

d. Remuneration of Directors

To receive, consider, and if deemed fit, approve the Directors' Remuneration Report and to authorize the Board to fix the remuneration of Directors.

e. Appointment of Auditors

To re-appoint Messrs. RSM Eastern Africa LLP, Certified Public Accountants, as the Auditors of the Company until conclusion of the next Annual General Meeting in accordance with the provisions of section 721(2) of the Companies Act, 2015

f. Remuneration of the Company's Auditors

To authorize Directors to fix the remuneration of the Company Auditors.

g. Any Other Business

To consider any other business for which due notice has been given.

By Order of the Board

Mrs Mercy Mbijiwe
Company Secretary
29th May 2024

Notes:

1. Sameer Africa PLC has convened and will conduct its 55th Annual General Meeting via virtual/electronic means in line with the Companies Act, 2015.
2. The Company, pursuant to section 283 (3) of the Companies Act, has made available the following documents on the Company's website <https://sameerafrica.com/> (**News and Notices**) for Shareholder access:
 - a. a copy of this Notice and the Proxy Form;
 - b. the Audited Financial Statements for the year ended 31st December 2023.
3. A Member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his, her or its behalf.
4. A proxy need not be a Member of the Company. To be valid, a proxy form must be duly completed by the Member and lodged with the Company's shares registrar, C&R Group at their registered office on 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or emailed to proxy@candrgroup.co.ke, before Tuesday 18th June 2024 at 10:00 am failing which it will be invalid. In the case of a Member which is a corporate body then the proxy must be given under its common seal or under the hand of an officer or attorney so authorized.
5. A copy of this notice, proxy form and full copy of the financial statements including explanatory notes are available from the Company's website <https://sameerafrica.com/> (**News and Notices**). Completed proxy forms, which must contain the appointed person's mobile telephone and email contact, should be delivered either physically where practicable to the Company's registered office or at C&R Group's registered office; or by sending a clear scanned copy via email to proxy@candrgroup.co.ke no later than Tuesday 18th June 2024 at 10:00 am.
6. Shareholders and registered proxies wishing to participate in the meeting should register for the AGM as follows:
 - a. All shareholders will be pre-registered using their Bio-data details in the Company Register and will receive a personalized link via SMS and/or email. Shareholders still need to confirm their attendance using one of the following options:
 - b. USSD platform users should access the system through *483*130# from their mobile telephones for all Kenyan telephone networks and follow the various prompts regarding the registration process.
 - c. Internet platform users should access the registration procedures and system through <https://digital.candrgroup.co.ke> or
 - d. Via a link to the AGM Platform that will be sent to them via SMS and/or Email and following the various registration prompts.
 - e. Registration opens on Wednesday 12th June 2024 at 08:00 am and will conclude on Wednesday 19th June 2024 at 12:00 noon after which no further registration for the virtual AGM will be allowed.

In order to register for attendance, Shareholders who are not using the pre-registration link will need to provide their official Identification Document Number, Shares/CDSC Account Number, Telephone Number (for USSD access) and their Email Address (for web access) which shall be input as guided through the registration process. Shareholders who may require assistance during the registration process can call the helpline (020) 869 0360 between 8:00 am and 4:00 pm or email digital@candrgroup.co.ke.

7. Shareholders wishing to raise questions or seek clarification in relation to matters to be considered at the virtual AGM may do so prior to the meeting through written submission:
 - a. by email through digital@candrgroup.co.ke; or
 - b. online through web access of the system at <https://digital.candrgroup.co.ke> or via a link to the AGM Platform and clicking the Q&A tab on the display screen; or
 - c. by short message service (SMS) through *483*130# and following the menu prompts; or
 - d. via formal letter, containing contact details to facilitate responses (i.e. email or postal address), which should be:
 - i. physically delivered where practicable to the Company's shares registrar C & R Group, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or
 - ii. sent by registered post to the Company's shares registrar C & R Group through P. O. Box 8484 – 00100, Nairobi or the Company's postal address through P. O. Box 44599 – 00100, Nairobi.

All written submissions sent through any of the above highlighted means will be required to contain the Shareholder's full name as per official Identification Document, Identification Number and Shares/CDS Account Number, to be received by the Company not later than Tuesday 18th June 2024 at 5.00 pm

The Directors of the Company will thereafter address these questions, the responses to which will be published on the Company's website (<https://sameerafrica.com/> (**News and Notices**)) by not later than 12 hours before the start of the AGM.

Questions received after Tuesday 18th June 2024 at 5.00pm will be addressed later on and response will be published on the Company's website 24 hours following the conclusion of the AGM.

8. Shareholders wishing to vote may do so by:
 - a. Accessing Virtual AGM via online at <https://digital.candrgroup.co.ke> or via a link to the AGM platform and clicking the Voting tab on the display screen or
 - b. Accessing Virtual AGM via USSD platform*483*130# and use the menu prompts menu option for "Voting" and follow the various prompts regarding the voting process.

Voting will open with registration on 12th June 2024 at 08:00 am and will close on 19th June 2024 at 5:00 pm, while the results will be announced at the AGM on 20th June 2024 and published within 24 hours following the conclusion of the AGM on the Company's website (<https://sameerafrica.com/> (**News and Notices**)).

Shareholders and proxies who may require assistance can call the helpline (020) 869 0360 between 8:00 am and 4:00 pm or email digital@candrgroup.co.ke.

9. The live stream broadcast of the AGM will be available for Shareholders accessing the Virtual AGM through the web platform. Duly registered Shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, one (1) week prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent two (2) hours ahead of the AGM, reminding duly registered Shareholders and proxies that the AGM will begin in two hours' and providing a link to the live stream.

Should any changes be necessitated by any laws, regulations or circumstances, Shareholders will be updated through the registered contact details and through the Company's website (<https://sameerafrica.com/> (**News and Notices**)).

TAARIFA YA MKUTANO MKUU WA MWAKA WA 55

TAARIFA INATOLEWA kwamba Mkutano Mkuu wa 55 wa Wanahisa wa Sameer Africa PLC utafanyika Alhamisi tarehe 20 Juni 2024 kuanzia saa 10.00 asubuhi kwa namna iliyoainishwa kwenye maelezo kwa madhumuni yafuatayo;

1. Katiba ya Mkutano

Kusoma notisi ya kuitisha mkutano na kuamua kama akidi ipo.

2. Bishara ya Kawaida

a. Ripoti na Taarifa za Fedha kwa Mwaka ulioishia tarehe 31 Desemba 2023

Ili kupokea, kuzingatia na, ikionekana inafaa, kupitisha Taarifa Jumuishi za Fedha Zilizokaguliwa kwa mwaka ulioishia tarehe 31 Desemba 2023 pamoja na ripoti za Wakurugenzi na Wakaguzi wa Hesabu.

b. Gawio

Ikumbukwe kwamba Wakurugenzi hawapendekezi malipo ya gawio kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2023.

c. Uchaguzi wa Wakurugenzi

i. Kwa mujibu wa Vifungu 1.123, 1.124, na 1.125 vya Kifungu cha Ushirika cha Kampuni, Wakurugenzi wafuatao hustaafu kwa zamu, na kwa kuwa wanastahiki, wanajitolea kuchaguliwa tena:

- Dkt Lydia M. Mbuthia
- Bw Sameer N. Merali

ii. Kwa mujibu wa Kifungu cha 1.99 cha Kifungu cha Ushirika cha Kampuni, Mkurugenzi afuataye, akiwa ameteuliwa na Halmashauri kujaza nafasi iliyoachwa wazi kuanzia tarehe 6 Mei 2024, anastaafu kutoka kwa Bodi na kwa kuwa anastahili anajitolea kuchaguliwa tena.

- Bi Patricia W. Kiwanuka

iii. Kwa mujibu wa Mwongozo wa 2.5 wa Kanuni za Kanuni za Utawala Bora kwa Watoaji wa Dhamana kwa Umma 2015, ili kuidhinisha kuendelea kuwa madarakani kwa Wakurugenzi wafuatao walio na umri wa zaidi ya miaka sabini:

- Mhandisi Erasto K. Mwongera
- Bw Peter Gitonga

iv. Kwa mujibu wa masharti ya Kifungu cha 769 cha Sheria ya Makampuni, 2015, Wakurugenzi wafuatao, wakiwa ni wajumbe wa Kamati ya Ukaguzi, Hatari na Utawala Bora ya Bodi, na kutegemea kuchaguliwa tena kuendelea kuhudumu kama Wakurugenzi ikiwa itakavyowezezana, watachaguliwa kuendelea kuhudumu kama wajumbe wa Kamati iliyotajwa:

- Dkt Lydia M. Mbuthia
- Bi Patricia W. Kiwanuka
- Bw Sameer N. Merali

d. Malipo ya Wakurugenzi

Ili kupokea, kuzingatia, na ikionekana inafaa, kuidhinisha Ripoti ya Mishahara ya Wakurugenzi na kuidhinisha Bodi kurekebisha malipo ya Wakurugenzi.

e. Uteuzi wa Wakaguzi

Kuteua tena Messrs. RSM Eastern Africa LLP, Wahasibu wa Umma Walioidhinishwa, kama Wakaguzi wa Hesabu wa Kampuni hadi kukamilika kwa Mkutano Mkuu ujao wa Mwaka kwa mujibu wa masharti ya kifungu cha 721(2) cha Sheria ya Makampuni, 2015.

f. Malipo ya Wakaguzi wa Hesabu za Kampuni

Kuidhinisha Wakurugenzi kurekebisha malipo ya Wakaguzi wa Kampuni.

g. Biashara Nyingine Yoyote

Kuzingatia biashara nyingine yoyote ambayo ilani inayostahili imetolewa.

Kwa Agizo la Bodi

Bi Mercy Mbijiwe
Katibu wa Kampuni
Mei 29 2024

Matini:

1. Sameer Africa PLC imekutana na itaendesha Mkutano wake Mkuu wa 55 wa Mwaka mtandaoni/kupitia kwa njia ya kielektroniki kwa mujibu wa Sheria ya Makampuni, 2015.
 2. Kampuni, kwa mujibu wa kifungu cha 283 (3) cha Sheria ya Makampuni, imetoa hati zifuatazo kwenye tovuti ya Kampuni <https://sameerafrica.com/> (Habari na Notisi) kwa ufikiaji wa Wanahisa:
 - a. Nakala ya Notisi hii na Fomu ya Wakala;
 - b. Taarifa za Fedha Zilizokaguliwa za mwaka ulioishia tarehe 31 Desemba 2023.
 3. Mwanachama anayestahili kuhudhuria na kupiga kura katika mkutano na ambaye hawezi kuhudhuria ana haki ya kuteua wakala kuhudhuria na kupiga kura kwa niaba yake.
 4. Wakala si lazima awe Mwanachama wa Kampuni. Ili kuwa halali, ni lazima fomu ya uwakilishi ijazwe ipasavyo na Mwanachama na kuwasilishwa kwa msajili wa hisa wa Kampuni, C&R Group katika ofisi zao zilizosajiliwa kwenye ghorofa la 1, Jengo B, IKM Place, 5th Ngong Avenue, au kutumwa kwa baruapepe kwa proxy@candrgroup.co.ke, kabla ya Jumanne tarehe 18 Juni 2024 saa 10:00 asubuhi bila kufanya hivyo itakuwa batili. Kwa upande wa Mwanachama ambaye ni chombo cha ushirika basi wakala lazima apewe chini ya muhuri wake wa pamoja au chini ya mkono wa afisa au wakili aliyeidhinishwa.
 5. Nakala ya notisi hii, fomu ya wakala na nakala kamili ya taarifa za fedha ikijumuisha maelezo ya maelezo zinapatikana kutoka kwa tovuti ya Kampuni <https://sameerafrica.com/> (Habari na Notisi). Fomu za uwakilishi zilizojazwa, ambazo lazima ziwe na simu ya rununu na mawasiliano ya barua pepe ya mtu aliyeteuliwa, zinapaswa kuwasilishwa kimwili pale inapowezekana kwa ofisi iliyosajiliwa ya Kampuni au katika ofisi iliyosajiliwa ya C&R Group; au kwa kutuma nakala iliyochanganuliwa waziwazi kupitia baruapepe kwa proxy@candrgroup.co.ke kabla ya Jumanne tarehe 18 Juni 2024 saa 10:00 asubuhi.
 6. Wanahisa na wawakilishi waliosajiliwa wanaotaka kushiriki katika mkutano wanapaswa kujiandikisha kwa Mkutano Mkuu wa Mwaka kama ifuatavyo:
 - a. Wanahisa wote watasajiliwa mapema kwa kutumia maelezo ya kibinafsi katika Sajili ya Kampuni na watapokea kiungo kilichobinafsishwa kupitia SMS na/au baruapepe. Wanahisa bado wanahitaji kuthibitisha kuhudhuria kwao kwa kutumia mojawapo ya chaguo zifuatazo.
 - b. Watumiaji wa jukwaa la USSD wanapaswa kufikia mfumo kupitia *483*130# kutoka kwa simu zao za rununu kwa mitandao yote ya simu ya Kenya na kufuata madokezo mbalimbali kuhusu mchakato wa kujisajili.
 - c. Watumiaji wa jukwaa la mtandao wanapaswa kufikia taratibu na mfumo wa usajili kupitia <https://digital.candrgroup.co.ke> au.
 - d. Kupitia kiungo cha Jukwaa la Mkutano Mkuu wa Mwaka ambacho kitatumwa kwao kupitia SMS na/au Baruapepe na kufuata mawaidha mbalimbali ya usajili.
 - e. Usajili utafunguliwa Jumatano tarehe 12 Juni 2024 saa 08:00 asubuhi na utahitimishwa Jumatano tarehe 19 Juni 2024 saa 12:00 mchana ambapo baada ya hapo hakuna usajili zaidi wa Mkutano Mkuu wa Mwaka ya mtandaoni utakaoruhusiwa.
- Ili kujisajili kwa ajili ya kuhudhuria, Wanahisa ambao hawatumii kiungo cha kujisajili mapema watahitaji kutoa Nambari yao rasmi ya Hati ya Utambulisho, Hisa/Nambari ya Akaunti ya CDSC, Nambari ya Simu (kwa ufikiaji wa USSD) na Anwani zao za Baruapepe (kwa ufikiaji wa wavuti) ambazo itaingizwa kama inavyoelekezwa katika mchakato wa usajili. Wanahisa ambao wanaweza kuhitaji usaidizi wakati wa mchakato wa usajili wanaweza kupiga simu kwa nambari ya usaidizi (020) 869 0360 kati ya 8:00 asubuhi na 4:00 jioni au baruapepe digital@candrgroup.co.ke.
7. Wanahisa wanaotaka kuuliza maswali au kutafuta ufafanuzi kuhusiana na mambo yatakayozingatiwa kwenye Mkutano Mkuu

wa Mwaka wa mtandaoni wanaweza kufanya hivyo kabla ya mkutano kupitia uwasilishaji wa maandishi:

- a. kwa baruapepe kupitia digital@candrgroup.co.ke; au
- b. mtandaoni kupitia ufikiaji wa wavuti wa mfumo katika <https://digital.candrgroup.co.ke> au kupitia kiungo cha Jukwaa la Mkutano Mkuu wa Mwaka na kubofya kichupo cha Maswali na Majibu kwenye skrini ya kuonyesha; au
- c. kwa huduma ya ujumbe mfupi (SMS) kupitia *483*130# na kufuata maongozi ya menu; au
- d. kupitia barua rasmi, iliyo na maelezo ya mawasiliano ili kuwezesha majibu (yaani baruapepe au anwani ya posta), ambayo inapaswa kuwa:
 - i. kuwasilishwa kimwili pale inapowezekana kwa msajili wa hisa wa Kampuni C & R Group, Ghorofa ya 1, Jengo B, IKM Place, 5th Ngong Avenue, au
 - ii. kutumwa kwa posta iliyosajiliwa kwa msajili wa hisa wa Kampuni C & R Group kupitia S. L. P 8484 - 00100, Nairobi au anwani ya posta ya Kampuni kupitia S. L. P 44599 - 00100, Nairobi

Mawasilisho yote yaliyoandikwa yaliyotumwa kupitia mojawapo ya njia zilizoangaziwa hapo juu yatahitajika kuwa na jina kamili la Mwenyehisa kulingana na Hati rasmi ya Utambulisho, Nambari ya Utambulisho na Hisa/Nambari ya Akaunti ya CDS, itakayopokelewa na Kampuni kabla ya Jumanne tarehe 18 Juni 2024 saa 5.00 jioni.

Baadaye Wakurugenzi wa Kampuni watashughulikia maswali haya, majibu ambayo yatachapishwa kwenye tovuti ya Kampuni (<https://sameerafrica.com/>) (Habari na Notisi) kabla ya saa 12 kabla ya kuanza kwa Mkutano Mkuu wa Mwaka.

Maswali yaliyopokewa baada ya Jumanne tarehe 18 Juni 2024 saa kumi na moja jioni yatahuguliwa baadaye na majibu yatachapishwa kwenye tovuti ya Kampuni saa 24 baada ya kukamilika kwa Mkutano Mkuu wa Mwaka.

8. Wanahisa wanaotaka kupiga kura wanaweza kufanya hivyo kwa:
 - a. Kufikia Mkutano Mkuu wa Mwaka wa mtandaoni kupitia <https://digital.candrgroup.co.ke> au kupitia kiungo cha jukwaa la Mkutano Mkuu wa Mwaka na kubofya kichupo cha kupiga kura kwenye skrini ya kuonyesha au
 - b. Kufikia Mkutano Mkuu wa Mwaka wa mtandaoni kupitia mfumo wa USSD*483*130# na utumie chaguo la menu ya vidokezo vya "Kupiga Kura" na ufuate vidokezo mbalimbali kuhusu mchakato wa kupiga kura.

Upigaji kura utafunguliwa na uandikishaji tarehe 12 Juni 2024 saa 08:00 asubuhi na utafungwa tarehe 19 Juni 2024 saa 5:00 jioni, wakati matokeo yatatangazwa kwenye Mkutano Mkuu wa Baraza Kuu tarehe 20 Juni 2024 na kuchapishwa ndani ya saa 24 baada ya kumaliza kwa Mkutano Mkuu wa Serikali. AGM kwenye tovuti ya Kampuni (<https://sameerafrica.com/>) (Habari na Notisi).

Wanahisa na washirika ambao wanaweza kuhitaji usaidizi wanaweza kupiga simu kwa nambari ya usaidizi (020) 869 0360 kati ya 8:00 asubuhi na 4:00 jioni au baruapepe digital@candrgroup.co.ke.

9. Matangazo ya moja kwa moja ya Mkutano Mkuu wa Mwaka yapatikana kwa Wanahisa wanaopata Mkutano Mkuu wa Mwaka wa Mtandaoni kupitia jukwaa la wavuti. Wanahisa na washirika waliosajiliwa ipasavyo watapokea huduma ya ujumbe mfupi (SMS/USSD) kwenye nambari zao za simu zilizosajiliwa, wiki moja (1) kabla ya Mkutano Mkuu wa Mwaka kama ukumbusho wa Mkutano Mkuu wa Mwaka. Ujumbe wa pili wa SMS/USSD utatumwa saa mbili (2) kabla ya Mkutano Mkuu wa Mwaka, kuwakumbusha Wanahisa na washirika waliosajiliwa ipasavyo kwamba Mkutano Mkuu wa Mwaka utaanza baada ya saa mbili na kutoa kiungo cha kutiririsha moja kwa moja.

Iwapo mabadiliko yoyote yatahitajika na sheria, kanuni au hali yoyote, Wanahisa watasasishwa kupitia maelezo ya mawasiliano yaliyosajiliwa na kupitia tovuti ya Kampuni (<https://sameerafrica.com/>) (Habari na Notisi).



Proxy Form

Custody and Registrars Services Limited
IKM House, Tower B, 1st Floor, 5th Ngong Avenue
P. O Box 8484-00100, Nairobi

*I/We _____

_____ of _____

_____ being *a

member/members of Sameer Africa PLC, hereby appoint:

of (address, email and telephone number)

or failing *him/her _____

of (address, email and telephone number)

and failing *him/her the Chairman of the meeting as *my/our Proxy to vote for *me/us on *my/our behalf at the Fifty Fifth Annual General Meeting of the Company to be held on 20th June 2024 and at any adjournment thereof.

As witness *I/we affix *my/our *hand/hands this _____ day of _____ 2024.

Signature(s) _____

Unless otherwise instructed, the Proxy will vote as *he/she thinks fit.

***Delete whichever is not applicable.**

1. Shareholders and registered proxies wishing to participate in the meeting should register for the AGM as follows:
 - a. All shareholders will be pre-registered using their Bio-data details in the Company Register and will receive a personalized link via SMS and/or email. Shareholders still need to confirm their attendance using one of the following options:
 - b. USSD platform users should access the system through *483*130# from their mobile telephones for all Kenyan telephone networks and follow the various prompts regarding the registration process.
 - c. Internet platform users should access the registration procedures and system through <https://digital.candrgroup.co.ke> or
 - d. Via a link to the AGM Platform that will be sent to them via SMS and/or Email and following the various registration prompts.

2. Registration opens on Wednesday 12th June 2024 at 08:00 am and will conclude on Wednesday 19th June 2024 at 12:00

noon after which no further registration for the virtual AGM will be allowed.

3. In accordance with Section 283 (3) of the Companies Act, 2015, the following documents may be viewed on the Company's website [https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices)) ;
 - i. a copy of this Notice and the proxy form,
 - ii. the Company's Integrated Report together with the audited Financial Statements for the year 2023.
4. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - a. by email through digital@candrgroup.co.ke; or
 - b. online through web access of the system at <https://digital.candrgroup.co.ke> or via a link to the AGM Platform and clicking the Q&A tab on the display screen; or
 - c. by short message service (SMS) through *483*130# and following the menu prompts; or
 - d. via formal letter, containing contact details to facilitate responses (i.e. email or postal address), which should be:
 - i. physically delivered where practicable to the Company's shares registrar C & R Group, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or
 - ii. sent by registered post to the Company's shares registrar C & R Group through P. O. Box 8484 – 00100, Nairobi or the Company's postal address through P. O. Box 44599 – 00100, Nairobi.

All written submissions sent through any of the above highlighted means will be required to contain the Shareholder's full name as per official Identification Document, Identification Number and Shares/CDS Account Number, to be received by the Company not later than Tuesday 18th June 2024 at 5.00 pm

The Directors of the Company will thereafter address these questions, the responses to which will be published on the Company's website ([https://sameerafrica.com/ \(News and Notices\)](https://sameerafrica.com/ (News and Notices))) by not later than 12 hours before the start of the AGM.

Questions received after Tuesday 18th June 2024 at 5.00pm will be addressed later on and response will be published on the Company's website 24 hours following the conclusion of the AGM.

5. Shareholders and Proxies wishing to vote may do so by:
 - i. Accessing Virtual AGM via online at <https://digital.candrgroup.co.ke> or via a link to the AGM platform and clicking the Voting tab on the display screen or
 - ii. Accessing Virtual AGM via USSD platform*483*130# and use the menu prompts menu option for "Voting" and follow the various prompts regarding the voting process.

Voting will open with registration on 12th June 2024 at 08:00 am and will close on 19th June 2024 at 5:00 pm, while the results will be announced at the AGM on 20th June 2024 and published within 24 hours following the conclusion of the AGM on the Company's website ([https://sameerafrica.com/ \(News and Notices\)](https://sameerafrica.com/ (News and Notices))).

Shareholders and Proxies who may require assistance can call the helpline (020) 869 0360 between 8:00 am and 4:00 pm or email digital@candrgroup.co.ke.

6. In accordance with Section 298(1) of the Companies Act 2015, Shareholders entitled to attend and vote at the AGM are entitled to appoint a Proxy to vote on their behalf. A Proxy need not be a member of the Company but if not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone. A proxy form is attached to this Notice and is available on the Company's website ([https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices))). Physical copies of the proxy form are also available at the following address: Custody and Registrars Services offices, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue. To be valid, the proxy form must be duly completed by the Shareholder or his attorney duly authorized in writing. If the Shareholder is a body corporate, the instrument appointing the Proxy shall be give under its common seal (if any) or under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to proxy@candrgroup.co.ke in pdf format or delivered to Custody and Registrars Services, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue Nairobi or be posted to Custody and Registrars Services, P. O. Box 8484-00100 Nairobi, so as to reach the Registrar not later than 10.00 am on Tuesday June 18th 2024. Duly completed form must be supported by a copy of ID/ valid Passport of the Shareholder and include the ID/Passport, email or telephone number of the Proxy to facilitate registration. Any Proxy registration that is rejected will be communicated to the Shareholder concerned no later than Wednesday June 19th 2024 to allow time to address any issues.
7. The AGM will be streamlined live a link which shall be provided to all Shareholders who will have registered to participate in the Annual General Meeting. Duly registered Shareholders and Proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM as a reminder of the AGM and the open voting period. A second SMS/ USSD prompt shall be sent two (2 hours before the AGM, reminding duly registered Shareholders and Proxies that the AGM will begin in two hours' time and providing a link to the live stream.
8. A poll shall be conducted for all resolutions put forward in the Notice.
9. Results of the AGM shall be published within 24 hours following conclusion of the AGM on the Company's website [https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices)).



Fomu ya Uwakilishi

Kampuni ya Huduma za Utunzaji na Usajili
IKM House, Jumba B, Ghorofa ya 1, Barabara ya 5 ya Ngong
S.L.P 8484-00100, Nairobi

*Mimi/Sisi _____
_____ wa _____
_____ kama *mwanachama/
wanachama wa Sameer Africa PLC, ninamteua

wa (anwani, baruapepe na nambari ya simu)

au kukosa *yeye _____

wa (anwani, baruapepe na nambari ya simu)

na kukosa *yeye Mwenyekiti wa mkutano kama *Wakili wangu/wetu kunipigia kura *mimi/sisi kwa niaba yangu/yetu katika Mkutano Mkuu wa Hamsini wa Mwaka wa Kampuni utakaofanyika tarehe 20 Juni 2024 na wakati wowote. kuahirishwa kwake.

Kama shahidi *Mimi/Sisi ninaweka/tunaweza mkono/mikono _____ tarehe _____ 2024.

Sahihi _____

Isipokuwa ikiwa imeelekezwa vinginevyo, Wakala atapiga kura anavyoona inafaa.

*** Futa chochote ambacho hakitumiki.**

1. Wanahisa na wawakilishi waliosajiliwa wanaotaka kushiriki katika mkutano wanapaswa kujiandikisha kwa Mkutano Mkuu wa Mwaka (AGM) kama ifuatavyo:
 - a. Wanahisa wote watasajiliwa mapema kwa kutumia maelezo yao ya kibinafsi katika Sajili ya Kampuni na watapokea kiungo kilichobinafsishwa kupitia ujumbe mfupi (SMS) na/au baruapepe. Wanahisa bado wanahitaji kuthibitisha kuhudhuria kwao kwa kutumia mojawapo ya chaguo zifuatazo:
 - b. Watumiaji wa huduma ya USSD wanapaswa kufikia huduma hii kupitia *483*130# kutoka kwa simu zao za rununu kwa mitandao yote ya simu ya Kenya na kufuata mawaidha mbalimbali kuhusu mchakato wa kujiandikisha.
 - c. Watumiaji wa jukwaa la mtandao wanapaswa kufikia taratibu na mfumo wa usajili kupitia <https://digital.candrgroup.co.ke> au
 - d. Kupitia kiunganishi cha Jukwaa la AGM ambacho kitatumwa kwao kupitia SMS na/au Baruapepe na kufuata mawaidha mbalimbali ya usajili.

2. Usajili utafunguliwa Jumatano tarehe 12 Juni 2024 saa 08:00 asubuhi na utahitimishwa Jumatano tarehe 19 Juni 2024 saa 12:00 mchana baada ya hapo hakuna usajili zaidi wa AGM ya mtandaoni utakaoruhusiwa.
3. Kwa mujibu wa Kifungu cha 283 (3) cha Sheria ya Makampuni, 2015, hati zifuatazo zinaweza kutazamwa kwenye tovuti ya Kampuni [https://sameerafrica.com/\(Habari na Notisi\)](https://sameerafrica.com/(Habari na Notisi));
 - i. nakala ya Notisi hii na fomu ya wakala,
 - ii. Ripoti Jumuishi ya Kampuni pamoja na Taarifa za Fedha zilizokaguliwa za mwaka wa 2023.
4. Wanahisa wanaotaka kuuliza maswali au ufafanuzi wowote kuhusu AGM wanaweza kufanya hivyo kwa:
 - a. Barua pepe kupitia digital@candrgroup.co.ke; au
 - b. Mtandaoni kupitia kuinganishi cha tovuti ya mfumo kwa <https://digital.candrgroup.co.ke> kupitia kiungo cha Jukwaa la AGM na kubofya kichupo cha Maswali na Majibu kwenye skrini ya kuonyesha; au
 - c. kwa huduma ya ujumbe mfupi (SMS) kupitia *483*130# na kufuata mwongozo wa menyu; au
 - d. kupitia barua rasmi, iliyo na maelezo ya mawasiliano ili kuwezesha majibu (yaani baruapepe au anwani ya posta), ambayo inapaswa kuwa:
 - i. kuwasilishwa kimwili pale inapowezekana kwa msajili wa hisa za Kampuni C & R Group, Ghorofa ya 1, Jumba B, IKM Place, 5th Ngong Avenue, au
 - ii. kutumwa kwa posta iliyosajiliwa kwa msajili wa hisa wa Kampuni C & R Group kupitia S.L.P 8484 - 00100, Nairobi au anwani ya posta ya Kampuni kupitia S.L.P 44599 - 00100, Nairobi.

Mawasilisho yote yaliyoandikwa yaliyotumwa kupitia mojawapo ya njia zilizoangaziwa hapo juu yatahitajika kuwa na jina kamili la Mwenyehisa kulingana na Hati rasmi ya Utambulisho, Nambari ya Utambulisho na Hisa/Nambari ya Akaunti ya CDS, itakayopokelewa na Kampuni kabla ya Jumanne tarehe 18 Juni 2024 saa 5.00. jioni

Baadaye Wakurugenzi wa Kampuni watashughulikia maswali haya, majibu ambayo yatachapishwa kwenye tovuti ya Kampuni (<https://sameerafrica.com/> (Habari na Notisi) kabla ya saa 12 kabla ya kuanza kwa AGM.

Maswali yaliyopokewa baada ya Jumanne tarehe 18 Juni 2024 saa kumi na moja jioni yatashughulikiwa baadaye na majibu yatachapishwa kwenye tovuti ya Kampuni saa 24 baada ya kukamilika kwa AGM.

5. Wanahisa na Wawakilishi wanaotaka kupiga kura wanaweza kufanya hivyo kwa:
 - i. Kufikia Mkutano Mkuu wa Mwaka (AGM) ya Mtandaoni kupitia mtandaoni kwenye <https://digital.candrgroup.co.ke> au kupitia kiungo cha jukwaa la AGM na kubofya kichupo cha Kupiga kura kwenye skrini ya kuonyesha au
 - ii. Kufikia AGM ya Mtandaoni kupitia jukwaa la USSD*483*130# na utumie chaguo la menyu ya vidokezo vya "Kupiga kura" na ufuate mawaidha mbalimbali kuhusu mchakato wa kupiga kura.

Upigaji kura utafunguliwa na uandikishaji tarehe 12 Juni 2024 saa 08:00 asubuhi na utafungwa tarehe 19 Juni 2024 saa 5:00 jioni, wakati matokeo yatatangazwa kwenye Mkutano Mkuu wa Mwaka tarehe 20 Juni 2024 na kuchapishwa ndani ya saa 24 baada ya kumalizika kwa Mkutano Mkuu wa Mwaka kwenye tovuti ya Kampuni (<https://sameerafrica.com/> (Habari na Notisi).

Wanahisa na Wawakilishi ambao wanaweza kuhitaji usaidizi wanaweza kupiga simu kwa nambari ya usaidizi (020) 869 0360 kati ya 8:00 asubuhi na 4:00 jioni au baruapepe digital@candrgroup.co.ke.

6. Kwa mujibu wa Kifungu cha 298(1) cha Sheria ya Makampuni ya 2015, Wanahisa walio na haki ya kuhudhuria na kupiga kura kwenye Mkutano Mkuu wa Mwaka (AGM) wana haki ya kuteua Wakala wa kupiga kura kwa niaba yao. Wakala si lazima awe mwanachama wa Kampuni lakini kama si Mwenyekiti wa AGM, wakala aliyeteuliwa atahitaji kupata simu ya mkononi. Fomu ya uwakilishi imeambathishwa kwenye Notisi hii na inapatikana kwenye tovuti ya Kampuni ([https://sameerafrica.com/\(Habari na Notisi\)](https://sameerafrica.com/(Habari na Notisi))). Nakala halisi za fomu ya wakala zinapatikana pia katika anwani ifuatayo: Ofisi za Huduma za Utunzaji na Usajili, Place pa IKM, Jumba B, Ghorofa ya 1, Barabara ya 5 ya Ngong Ili kuwa halali, ni lazima fomu ya uwakilishi ijazwe ipasavyo na Mwenyehisa au wakili wake aliyeidhinishwa kwa maandishi toa chini ya muhuri wake wa kawaida (ikiwa ipo) au chini ya mkono wa afisa au wakili aliyeidhinishwa ipasavyo wa shirika hilo la shirika Fomu iliyojazwa ya uwakilishi inapaswa kutumwa kwa baruapepe kwa proxy@candrgroup.co.ke katika pdf au kuwasilishwa kwa Huduma za Utunzaji na Usajili, IKM Place, Jumba B, Ghorofa ya 1, Barabara ya 5 ya Ngong, Nairobi au ichapishwe kwa Huduma za Utunzaji na Usajili, S. L. P 8484-00100 Nairobi, ili kufikia Msajili kabla ya saa 10.00 asubuhi Jumanne Juni 18, 2024. Fomu iliyokamilika inapaswa kuambatana na nakala ya kitambulisho/ Pasipoti halali ya Mwenyehisa na ijumuishie Kitambulisho/Pasipoti, baruapepe au nambari ya simu ya Wakala ili kuwezesha usajili. Usajili wowote wa Wakala ambao umekataliwa utawasilishwa kwa Mwanahisa anayehusika kabla ya Jumatano Juni 19, 2024 ili kutoa muda wa kushughulikia masuala yoyote.
7. AGM itaonyeshwa moja kwa moja kupitia kwa kiungo ambacho kitatolewa kwa Wanahisa wote ambao watakuwa wamejisajili kushiriki katika Mkutano Mkuu wa Mwaka. Wanahisa na Wawakilishi waliosajiliwa ipasavyo watapokea huduma ya ujumbe mfupi (SMS/USSD) kwenye nambari zao za simu zilizosajiliwa, saa 24 kabla ya AGM kama ukumbusho wa AGM na kipindi cha wazi cha kupiga kura. Ujumbe wa pili wa SMS/USSD utatumwa (saa 2 kabla ya AGM) kuwakumbusha Wanahisa na Wawakilishi waliosajiliwa ipasavyo kwamba AGM itanza baada ya saa mbili na kutoa kiungo cha kuonyesha na kufuatilia moja kwa moja.
8. Kura itafanywa kwa maazimio yote yaliyotolewa katika Notisi.
9. Matokeo ya Mkutano Mkuu wa Mwaka (AGM) yatachapishwa ndani ya saa 24 baada ya kukamilika kwa AGM kwenye tovuti ya Kampuni [https://sameerafrica.com/\(Habari na Notisi\)](https://sameerafrica.com/(Habari na Notisi)).

Sameer Africa Head Office Address

OVERVIEW

Kenya

Nairobi – Mombasa Road

P.O. Box 30429 - 00100, Nairobi

Mobile: 0733 611138/9

0722 204674/5

0730 156222

Fax: 020 - 3962 888

Email: info@sameerafrica.com

OUR BUSINESS

OUR
PERFORMANCE

GOVERNANCE

FINANCIAL
STATEMENTS

SHAREHOLDERS
INFORMATION

OTHER
INFORMATION



Head Office

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