

## **MINUTES OF THE 12<sup>th</sup> AGM OF TWIN HUTS LTD HELD ON 8<sup>TH</sup> JUNE 2019 AT PARKLANDS SPORTS CLUB**

### **ATTENDANCE**

1. Dr. Moses Kinuthia - 7960
2. Simon M. Githuku - 7271
3. David M. Mngolia - 6695
4. Lawrence Mugambi Mungania – 8068
5. Caroline Nkatha Ithula - 116
6. Wanjau Kahuthu - 7469
7. Timothy N. Kuria – 8939
8. George Wakaria – 10175
9. Gideon M. Mulwa - 8727
10. Julius Kihara - 4986
11. Nehemiah Ndeta - 8817
12. Charles Mukiri Kogi - 4035
13. Stephen C. Wanjala – 5559
14. Geoffrey Mbogo – 9639
15. Oduor Mak'oniare – 6338
16. Kevin Isika – 8245
17. Philip Mwagiru – 6697
18. Henry Waruhiu – 6693
19. Silas Wafula - 10927
20. Timothy Saruni - 7839

### **IN ATTENDANCE**

NIL

### **APPOLOGIES**

1. Isaac Njoroge Thendiu

### **MINUTES**

#### **1. Reading the Notice**

The chairman (Dr. Moses Kinuthia) welcomed those present.

The company secretary (Lawrence Mugambi) read the notice convening the meeting.

#### **2. Tabling Proxies and Noting Presence of Quorum**

The company secretary confirmed that there were 12 members present hence there was a quorum and no proxies received as yet.

#### **3. Confirmation of the minutes of the AGM of 2018**

The Chairman read through the minutes (attached) for the AGM of 2018.

Upon the proposal by Wanjiku Kahuthu and secondment by Caroline Nkatha Ithula the said minutes were adopted as true record.

4. **Receiving of the chairman's report**

The chairman read his report (attached) and was proposed and seconded for adoption by Julius Kihara and Geoffrey Mbogo Chege respectively. Upon invitation by the Chairman, the following queries and comments:

Kevin Isika: is the realizable value of the project compromised because of the ownership structures.

Secondly, how is the board dealing with conflicts in joint ventures, in particular LCH it appears permanent?

George Wakaria: regarding realisation of the historical projects, the reason is because THL hasn't had enough cash of its own funds to invest alone. Further disposing our lands at the moment is not easy because of the depressed market, however as regards the Syokimau land, the land is in subdivided parts and can be allocated to THL. As regards Windsor, to sell our small part, we need concurrence with other major investors. Further, there is awaited approval of plans for Windsor so that respective portions may be shareable.

Kevin Isika: If Windsor may not be easily realisable, isn't it better to quit and put the money in the money market

Moses Kinuthia: Syokimau has been on sale for two years and is still on sale as an exit plan however we are not too desperate to sell at a big loss. Development has not been possible because the market is depressed at the moment.

Raising money for other investment e.g. the Dennis Pritt Road one, as a company solely has not succeeded.

However, LCH succeeded as a joint venture between the company and willing shareholders was successful as 1.8 million was raised quickly and with LCH there will be regular income which can run an office.

Many shareholders have not been attending meetings, contributing ideas and money. We need to turn that around and come up with ways in which investments will continue.

As regards conflict of interest, it happens because the investors in these joint ventures are also shareholders who implement them and will continue until THL can raise 100% capital for investments.

Kelvin Isika: We need significant change in strategy because of apathy and unrealised investment.

Julius Kihara: The issues being raised were either AGM or board decisions and this should be taken as the position to end queries about past decisions taken.

Oduor Mak'oniare: Let us be practical and get those behind in information and contribution catching up. Let the board table proposed projects investments that we can invest in and generate dividends.

Lawrence Mugambi: LCH investment information was shared on WhatsApp only. Some shareholders were/are not in that group forum because they did not have WhatsApp then or had left. We shall re-add all again and in future we endeavour to communicate by email too.

Henry Waruihu: The board has been doing well as volunteers. Shareholders need not attend AGM, they need leadership. Let the board table investments opportunities for the willing to join in. The secretariat need to be formed up so that running company affairs may be sustainable.

Wanjau Kahuthu: I agree that joint ventures is the way to go which was spurred by the Lavington project. Syokimau is easy to exit but we have to wait as we get a buyer. Let each member be a salesman and bring a buyer for it.

Henry Waruihu: What is Gatkeyland 's long-term vision.

Moses Kinuthia: Gatkeyland is up for sale.

Timothy Kuria: There have been other proposals for Gatkeyland including agriculture and joint ventures with other investors and found them not viable.

Julius Kihara: As regard LCH will it be possible for new investors to join the next project. And what proportion of market value is THL'S portion in syokimau; is it 250M.

Moses Kinuthia: Yes. New investors will be invited upon valuation of the existing completed projects. As regards 250M market values, that is for the whole land.

Julius Kihara: Suggested that there be parallel proposed investments as we try to sell existing ones.

## 5. **Financial Statements and Reports 2018**

The Treasurer George Wakaria took the members through the audited financial reports and pointed out the highlights as follows: -

- (a) Principal activity was resource mobilisation
- (b) Administrative expenses went down because there were no salaries to pay anymore.
- (c) We also got a tax credit of Kshs. 182,944/=.
- (d) Clarification: no loans have been given to directors these are moneys raised by other investors for the LCH project. There was no money in THL to lend to directors.
- (e) The auditor gave an unqualified opinion.
- (f) The 12 year treasury bond which has been giving us income matured last year hence there is need to invest in this sector.

- (g) Investments jumped from Kshs. 961,543,000/= to Kshs. 112,160,856/= however, most of the sources of cash was from other investors.
- (h) We made an operational loss of Kshs. 467,340/=.
- (i) The increase in payables is in respect to moneys owed to LCH investors who remitted money to THL.
- (j) Cashflow: The main activity was in moneys paid in by LCH investors

Comments:

Henry Waruhiu: Suggested that the cash in bank of Kshs. 3,012,329/= be placed in some temporary investment and the treasurer explained that the money was in active use in the LCH project at the time.

Wanjau Kahuthu: As regards the caretaker costs, suggest that the same will be apportioned to other investors.

Julius Kihara: Suggested that the caretaker costs be apportioned now and communicate to other shareholders in Gatkeyland.

Dr. Moses Kinuthia (chairman) and Lawrence Mugambi (company secretary) clarified that concerns of costs and decisions of Gatkeyland have been taken care of in the application form signed by investors giving THL the sole mandate to make all decisions regarding the project.

The Financial Reports were adopted upon the proposal and secondment by Henry Waruhiu and Julius Kihara.

## 6. **Election of directors**

The chairman reminded the meeting that there are 3 vacancies arising.

The company secretary explained that firstly a returning officer would be elected. Then, candidates will be proposed and seconded. If there are more than 3 candidates, elections would be held. A candidate must also have at least 2 shares.

Mr. Henry Waruihu was unanimously elected the returning officer and the candidates below were nominated as candidates. All were also eligible and were given an opportunity to explain to the meeting why they were best placed to be elected as directors, however Wanjau Kahuthu respectively turned down the candidacy.

<b><u>Candidate</u></b>	<b><u>Proposer</u></b>	<b><u>Seconder</u></b>	<b><u>Status</u></b>
1. Caroline Katha	George Wakaria	Wanjau Kahuthu	eligible
2. Nehemiah Ndeta	Moses Kinuthia	Timothy Kuria	eligible
3. Wanjau Kahuthu	Oduor Mak'oniare	David Mngolia	declined
4. Timothy Saruni	Timothy Kuria	Caroline Nkatha	eligible

There being only 3 candidates and being eligible the returning officer declared Caroline Nkatha, Nehemiah Ndeta and Timothy Saruni as duly elected.

7. **Appointment of Auditors & Remuneration**

Upon the proposal and secondment of Oduor Mak'oniare and Silas Wafula respectively M/s Umuro Wario & Associate CPA were returned as auditors for the next financial year 2019. The directors were authorised to fix their remuneration.

8. **Directors Remuneration**

Upon the proposal of Wanjau Kahuthu and Henry Waruihu it was agreed that director's remuneration be retained as 10% of profits before tax and the sitting allowance be retained at Kshs. 5,000/= per sitting.

9. **AOB**

The secretary confirmed that he had not received any AOB as prescribed.

George Wakaria – Underscored that in view of the maturity of the 12-year treasury bond in 2018, THL needs to raise another investment of a similar kind of about Kshs. 5M so as to generate a fixed income. The members present were unanimously supportive of the proposal.

Timothy Kuria - Took the members through the implementation of the LCH Regent project whose highlights are:

- (a) It is a low-cost housing project located in Muthiga, off Waiyaki Way, Kiambu County on approximately  $\frac{3}{8}$  acre of land,
- (b) A Joint venture (JV) between THL and individual THL members,
- (c) Comprises 69 units comprising of 58 (Fifty-Eight) bedsitters and 11 (eleven) 1-bedroom units. Water, electricity, sewer and amenities are connected,
- (d) Completion occurred in April 2019 and to date some tenants have started moving in, and
- (e) Once fully occupied, the units will generate income for THL and this will enable THL run its affairs from a secretariat.

Dr. Kinuthia - Clarified that at the end of 15 years the developments will be handed over but in about 4 years the investor has recovered his investment.

Henry Waruihu - suggested that there be similar projects proposed by the board as this is the future of THL.

Oduor Mak'oniare - Pointed out that he had not received any communication about LCH and anything else not sent by email and the company secretary said that he will be added to the WhatsApp forum and an e-mail communication will also be sent.

Members unanimously agreed that a practical approach be taken which ensures all shareholders are given an opportunity but also designed to ensure there is a plan in place to ensure a project doesn't fail.

Dr. Kinuthia - Handed over LCH Regent Ltd share certificates to the shareholders present.

There being no other business the meeting ended at 2.30pm

Signed:

.....  
**CHAIRMAN**

.....  
**COMPANY SECRETARY**