



TWIN HUTS LIMITED

P. O. BOX 43484 - 00100, Nairobi, Kenya

9TH ANNUAL GENERAL MEETING - 21ST MAY 2016

THE CHAIRMANS REPORT

a) Overview

To my fellow Shareholders of Twin Huts Limited,

We are assembled here again for the 9th Annual General Meeting of our company Twin Huts Limited. As required by our Memorandum and Articles of Association and as part of good corporate governance, the AGM is an important step on the annual calendar. I therefore welcome all of you present here today and thank you for taking time off your very busy schedules to come and participate in this 9th AGM.

I note that this is a special AGM that has seen the exchange of ideas, comments and even criticism on the social media, thanks to the WhatsApp revolution. These are changing times and I thank the board and especially the Hon. Secretary and Shareholder Ken Ngunjiri for facilitating this very vibrant forum. It will remain open for us to continue contributing, giving ideas and making our comments as well as a medium for checking on the performance of those elected to represent you on the Board.

The Board that served you during the last financial year 2015 included myself (Senior Business Consultant), Samuel Gitau - Architect as the Vice Chairman, Irungu Nyakera (Principal Secretary, Ministry of Transport and Infrastructure), Ian Gakoi Maina (Lawyer), Nehemiah Ndeta (Director of Kwa Watoto Centre), Joyce Wangari (KPMG) and Edgar Kalya (Former OSS Chair and Financial/Investments Consultant). The Administrative and Secretarial support was provided by Lawrence Mugambi (Lawyer and Company Secretary), Phillip Kanoti (Administrative Officer), Jane Gathoni (Relationship Manager) and Umuro Wario & Associates as the Auditors. I note that this board was made up of Directors from distinguished professions who have made valuable contributions that will benefit Twin Huts Ltd now and in the years to come. I would like to thank them all for being a good team.

Twin Huts Ltd has 29,840 fully paid shares with a par value of Kshs. 29.8 million following the share split and the on-going share sales programme. The new share sales have continued sluggishly with new shareholders being the JV investors and our younger brothers. Noteworthy are The Starehe Girls Alumni who continue to join the list with one of their own now sitting on the Board.

b) The Results

The 2015 results are as follows:

We recorded an investment income of Kshs.1,765,060/= slightly below last year's Kshs. 1,891,406/=. This income was from the government bond and interest income from the Syokimau project. During the year, our expenses increase as a result of the need to collect funds and clear the payment for the Syokimau land. This saw the recruitment of additional staff, hire of a temporary office and increase frequency of board meetings. This was successfully executed but led to an increase in expenses for the year leaving a net profit after tax of Kshs. 37,624/=. An additional member of staff in the capacity of a Relationship Manager was employed to support the Syokimau project and drive the sale of shares. .

In 2015 Twin Huts Ltd had investments worth Kshs. 91 million; an increase of Ksh. 20 million over the same period last year. This is mainly driven by the new Syokimau Project. There were no other liabilities as at the close of the financial year.

Its noteworthy that from a capital of below Kshs. 30 million, the company has grown into assets of about Kshs 100 million with over 90% been in investments whose true market value is much higher than the book value.

The board does not recommend payment of any Dividends in 2015.

c) The Strategic Plan

In 2014, the board commenced preparation of 2015-2020 strategic plan. It was re-looked at again in 2015 and owing to the many suggestions we have seen by emails and social media, I share with you the same as draft for your input.

Kindly feel free to raise your comments at the floor of the AGM or by email to: invest@twinhuts.com

d) **Twin Huts Investments updates**

Newgate Estate next to Windsor Golf and Country Club

During the year under review, Twin Huts maintained the 60% Shareholding in Planning Development Company Ltd which in turn has a 17.65% interest in Newgate Investment Limited- part owner of the 54 acres Mika Estate next to the Windsor Golf and Country Club. Planning Development Company's share is equivalent to 2.4 Acres.

We are happy to announce that development plans kicked off in 2015 with appointment of consultants who proceeded to do a market study on possible land use that has culminated in a mixed use masterplan that will now provide an opportunity for Twin Huts Ltd to realize her investment by as early as the end of 2016. The development Masterplan will also offer you an investment opportunity as some plots will be on sale, offering an opportunity of you living in the prestigious Mika estate of which Windsor is part.

We will publish the masterplan as soon as it is approved by the shareholders and will make the decision on how to exit once we receive our allocation.

The Syokimau Project

In the year 2015, THL through Gatkeyland Ltd (an SPV) acquired a 5.4 acre piece of land on Beijing Road in Syokimau, within 1 km from the Nairobi-Mombasa Highway. THL has 25% shareholding in the SPV acquired at 20 million. Each share or equity unit is a fortieth of the project. Other co-investors are THL shareholders and members of the public. Plans are to develop apartments for sale in equity partnership with investors mainly drawn from her shareholders. The main features of the proposed development christened '**Gatkeyland**' are over 330 Apartments units of 1, 2 and 3-bedroom, a Business centre, Club House and a Swimming pool serviced by constructed wetlands. It will be a gated community providing superior facilities that will outmatch comparables in the area. The fall-back plan is that a co-investor may take ownership/control of a 1/8 equivalent plot. So far most of the equity units have been sold; more information on this project is available at the registration desk.

Currently, amalgamation of the plots constituting the 5.4 acres is ongoing preparing the way for seeking approvals for the development. Promising exploratory negotiations with potential financiers are on-going awaiting approval of development plans.

A business meeting of investors will be held to share ideas.

The progress in the project will be communicated as and when it is due.

Attracting and concluding the raising of necessary money for this project took longer than expected; i.e., beyond the target period of end of May 2015 and impacted on taking up a short term project intended to generate routine income for the company as mentioned below.

Nairobi Stock Exchange & other securities

The Board maintained the invested Kshs. 1 million in Kenya government securities. There were no investments undertaken in quoted shares in 2015.

Routine Income Generating Project

In order to routinely generate income to support operations, the board aggressively scouted for suitable land at suitable terms from the Ngong, Kajiado and Nanyuki areas in 2014-2015. The uptake was expected to synchronise with the completion of fund raising for the Syokimau project to avail the necessary seed capital. There have been delays in concluding money raising from Syokimau as well as identifying suitable land at suitable terms and the search is ongoing.

It is expected that income from this project will be able to support establishment of a running office as a priority without depleting shareholders' capital

e) Looking Forward in 2016

In 2016, the board will also focus on the following areas: -

- (i) The implementation of the 5-year strategic plan whose summary has been shared with the Shareholders.
- (ii) Aggressively identify a suitable short term project that can raise income on a routine basis and establish a sustainable office.

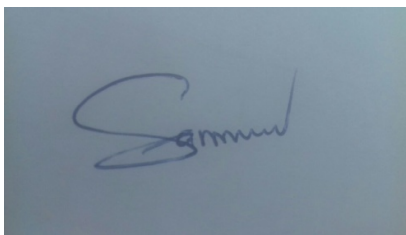
- (iii) Finalize the amalgamation of the Syokimau land into one title from the current plots and commence the implement the Gatkeyland project.
- (iv) Work with the other stakeholders at the Windsor project that is now in motion and look at the available options to realize this investment and move on to another one.
- (v) Build a team to progress the recruitment of more shareholders in order to grow the capital base. The Board proposes that we do take it upon ourselves individually to triple our shareholding in the company so that we can have sufficient money to diversify our products and generate income more regularly.

I would like to thank the shareholders for giving me the opportunity to serve as the Chairman of this great company and wish whoever will be elected as the new Chairman all the best and assure him of all my support during the transition.

I also urge all shareholders to always make contributions that enhance the value and confidence in our investments and refrain from unhelpful utterances with the opposite effect.

On behalf of the THL Board of 2015, let me express my sincere gratitude to you all for being part of this AGM and entrusting your resources to Twin Huts Ltd.

Thank You.



SAMUEL M. KARIMA - 4662

CHAIRMAN - TWIN HUTS LIMITED